CANADA

DEBATES OF THE SENATE

OFFICIAL REPORT

(HANSARD)

THE HONOURABLE GUY CHARBONNEAU
SPEAKER

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SPEAKER

THE HONOURABLE GUY CHARBONNEAU

LEADER OF THE GOVERNMENT

THE HONOURABLE LOWELL MURRAY, P.C.

LEADER OF THE OPPOSITION

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GENTLEMAN USHER OF THE BLACK ROD

COL. JEAN DORÉ, C.D.

THE SENATE

Tuesday, June 26, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers

[*Translation*]

THE CONSTITUTION

FAILURE OF THE MEECH LAKE ACCORD—MOTION FOR EMERGENCY DEBATE

Hon. Paul David: Honourable senators, I move that the Senate adjourn now to debate an urgent issue, namely the consequences of the Meech Lake Accord failure.

I am proposing this debate now because we have been through a difficult weekend and I would like to express my own feelings on the failure of this accord.

I am convinced that a number of senators from Quebec and other provinces, at least on this side of the House, would like to express their opinions and feelings following this unique weekend in Canadian history.

[*English*]

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, in my opinion we should give honourable senators who wish to do so the opportunity to speak to the motion for the special emergency debate. Perhaps no one wishes to speak to the motion; on the other hand, perhaps everyone agrees that we should have it. I should point out that we received no notice of this motion, although it is quite in order to make such a motion without notice. Certainly, the opportunity should be given to any senators who might want it to say that there is no need for an emergency debate on this subject, if they feel the matter is closed and should be allowed to rest quietly.

Hon. Duff Roblin: There is a preliminary step that we must take. We need the decision of the Hon. the Speaker as to whether or not he is willing to admit the order. If he says it is in order to proceed with this debate, then unless it is challenged by those on the other side, we will proceed.

Senator Frith: That is precisely why we should have an opportunity to speak to the motion. The Hon. the Speaker may have to make a decision, and I am sure he and all honourable senators would be interested in the views of senators as to whether we should adjourn for this debate. The final decision is the Senate's.

Hon. H.A. Olson: Honourable senators, we should consider this matter carefully. I have no objection to having an emergency debate. However, I do have an objection to the government springing it upon us. Surely it would have been courteous to let our house leader know about it beforehand.

Senator Roblin: Since when was that ever done?

Senator Olson: Springing this motion on us at 2.20 p.m. is indicative of the way in which the government has been handling things for the last several weeks, and how they got into this kind of trouble.

I am sure all senators on the other side—at least those who go to their meetings—knew about this motion several minutes ago. However, we on this side did not know about it. Surely honourable senators on this side ought to have a few minutes to decide whether or not they wish to give unanimous consent to this motion.

Senator Roblin: The Hon. the Speaker has to rule.

Senator Olson: I understand that, but we on this side need time to think the matter over. When the government acts like this, it is no wonder they get into trouble. I am talking for a few minutes so honourable senators can consider the implications. I am sure that Senator Roblin and others understand that. I have had approximately 15 years' experience in doing this from time to time in the other place in order that the people at the Table and in the Chair can check the precedents and know the consequences of taking this kind of action.

However, it is clear that it is extremely discourteous on the part of the Leader of the Government in the Senate to spring this matter on us at this time.

Hon. Joseph-Philippe Guay: Bourassa said, "Leave it alone; let it rest!"

Senator Frith: Honourable senators, in my experience in dealing with my colleague, Senator Doody, this is unusual. I understand that because of the alleged emergency he might have found himself in a position of not being able to give me the kind of notice that we like to give each other.

Without ever having signed anything to that effect, we have an understanding that we try to avoid surprising each other so that each can advise his colleagues of the business for the day and what will be before the Senate for consideration. However, if there is any discourtesy here, I do not want to return discourtesy for it.

Senator Olson: It is called tactics, I think.

Senator Frith: I am sure it is quite apparent to the government that we have had no opportunity to prepare for such an event as this. I am sure it is understood that in our caucus today we discussed the question of Meech Lake. At that time I offered several versions of how I thought the subject might come before us during today's proceedings, but I did not include this scenario because I did not know that it would happen.

Perhaps we might have a moment to consider the matter; and if the Senate wishes to extend to us that courtesy, we might have an opportunity to caucus for a few minutes so that we can return and respond to the request.

Senator Roblin: You must first of all get the Hon. the Speaker's ruling. You may not have a problem.

Senator Frith: I am asking for this in order to help the Hon. the Speaker in case he has to make a ruling.

[*Translation*]

Hon. L. Norbert Thériault: Honourable senators, never in my parliamentary experience have I seen an emergency debate be called at the beginning of a sitting without any prior notice to anyone . . . not even to you, Mr. Speaker.

I too am sorry that the Meech Lake Accord failed. The Prime Minister of Canada and senator Murray announced on Saturday that: "Meech is dead."

I feel it may be a bit late, now that the deal is dead, to call an emergency debate. I would suggest that you take that into consideration.

Hon. Martial Asselin: Honourable senators, to answer my honotable colleague, I would like to say that an emergency debate can start immediately after the events. You are not suggesting that we should have met Saturday or Sunday, are you?

We meet today for the first time since the events took place. That is why it is urgent that we discuss them.

If we wait until tomorrow to request an emergency debate, the answer we will get is: "It is too late; you should have requested it yesterday." So, senator David requested it today. He requests that the debate be held immediately because the events are recent and emergency debates are allowed immediately after such events.

Senator Thériault: Are there any precedents?

Senator Asselin: It is clear that my colleague's argument is not valid.

Senator Thériault: Are there any precedents?

Hon. Jacques Flynn: What are you afraid of?

Senator Asselin: Last year, Senator Grafstein raised the same question during an emergency debate about some issue I cannot recall at this time. He was granted his emergency debate. Why should the Senate deny Senator David an opportunity to discuss the important issue we were confronted with last weekend, and which is likely to have a tremendous impact on the future of our country.

I suggest that permission should be granted.

Senator Guay: Mr. Bourassa insisted that we should leave the matter alone, honourable senators!

Hon. Louis J. Robichaud: Honourable senators, Item No. 19 on our Orders of the Day might help us solve this problem. It says:

> . . . calling the attention of the Senate to the debate and process concerning the Meech Lake Accord.

[Senator Frith.]

The Meech Lake Accord, whether dead or alive, is Item No. 19 on our Orders of the Day, so that all those who want to debate this item should be free to do so.

I wonder about the emergency. When we get to Item No. 19 of the Orders of the Day, all will be allowed to rise to deal with it.

Hon. Jean-Maurice Simard: Mr. Speaker, honourable senators, I suggest that if we were to accept Senator Robichaud's suggestion, all senators who have already dealt with this item would be excluded.

Senator Thériault: You, for instance!

Senator Simard: Listen! Either we dealt with this issue or we did not. There is no need for you to get upset, Senator Thériault! We know that you are quite nervous after having elected Mr. Chrétien and I can understand why the Liberal Party is uptight.

Some Hon. Members: Hear, hear!

Senator Simard: On the same issue, there is indeed another item, following Senator Chaput-Rolland's Notice of Inquiry.

Honourable senators will agree, I think, when I say that Senator Robichaud's suggestion was well intented.

In view of its very nature and without having to go through the whole Question Period and Orders of the Day, I suggest that Liberal senators would show again their good faith by accepting to start this afternoon sitting by dealing with Senator David's motion.

Senator Thériault: No!

[*English*]

Hon. Philippe Deane Gigantès: Honourable senators, I should like to say, without committing myself, that, obviously, there are people in this chamber whose role in the recent events was such that they have to begin rewriting history as quickly as possible. Therefore, I would support an emergency debate in order to give them the opportunity to twist the facts, and us the opportunity to straighten them out!

Senator Frith: Honourable senators, as I said, the rule that applies is the one that provides that no notice is required. Rule 46(*g*), on page 17, reads:

> No notice is required of the following motions:
>
> (*g*) for the adjournment of the Senate for the purposes of raising a matter of urgent public importance (which the mover shall state on rising to speak) before the House proceeds to the Orders of the Day;

In a sense, the motion is out of order, since it ought to have come before we proceeded to Orders of the Day. However, I think Senator Robichaud's suggestion is worthy of consideration, namely, that we can debate the matter as long as we wish under an order that already appears on the order paper. Therefore, I renew my request to the Senate, that we rise for a period of 15 to 20 minutes in order to caucus on the question.

Senator Simard: You had better call Mr. Trudeau while you are at it!

Senator Steuart: Who are you going to call, God?

Hon. M. Lorne Bonnell: Honourable senators, I have no objection to debating the Meech Lake Accord, what happened over the weekend, or anything of an emergency nature. However, I was of the impression that the Prime Minister had said on Saturday that the Meech Lake Accord was dead because it had not been approved. If the accord is dead, I am wondering what the big rush is to have an emergency debate, unless it is to revive it, or bury it.

Senator Barootes: Haven't you heard of a eulogy?

Senator Steuart: You mean "urology."

Senator Bonnell: The honourable senator says that it is "urology." At any rate, perhaps the promoter of this emergency debate could inform us now what the emergency is so that we can debate the matter—

• (1410)

Senator Frith: That is required, by the way.

Senator Bonnell: —and support him. If it is a matter of reviving the Meech Lake Accord so that it can be passed again and thus achieve unity in our country, that would be wonderful. If the situation is that the government has made a mistake, and there might be a way by debating the matter here and now, that we could give the government some advice on how to get the accord reopened, then fine. However, if Meech Lake is dead, what is the emergency?

Hon. Gerald R. Ottenheimer: Honourable senators, as Senator Frith pointed out, the standing order under which Senator David has asked for this debate is 46(*g*), which I would like to identify specifically:

> (*g*) for the adjournment of the Senate for the purposes of raising a matter of urgent public importance—

Senator Frith: Go on. It continues.

Senator Ottenheimer: Yes:

> —(which the mover shall state on rising to speak) before the House proceeds to the Orders of the Day.

Senator Frith: We have not heard the part within the brackets. We have not heard what the stated reason is.

Senator Ottenheimer: I do not have a transcript of what the Honourable Senator David said, but my understanding was that he indicated the reason for his request was the contemporary situation within Canada today as a result of events that transpired over the weekend. I am trying to draw a distinction. As some honourable senators have said, what is the sense of debating Meech Lake when the Prime Minister and others have said that Meech Lake is dead? We all know Meech Lake is dead. It is not Meech Lake, as I understand it, that Senator David wishes to debate. It is a matter of urgent public importance, which is the situation in Canada today, whether it is in Quebec or in any other province. Surely no one can seriously submit, no matter what one's views on any specific issue are, that we in this country are not faced with a situation of urgent public importance. Whether one was for it or against it, Meech Lake is now dead, but surely today, in Canada, there is a situation—

Senator Perrault: You should have raised it last week.

Senator Ottenheimer: —of urgent public importance. For the Senate to rule that there is not, today, a situation of urgent public importance before the country would be to make ourselves incredible in the eyes of Canada, irrespective of one's views on any specific matter. I do submit that there certainly is a matter of urgent public importance before the country today.

Senator Guay: Bourassa said to leave it alone!

Senator Frith: Honourable senators, in view of the fact that the rules require the proposer to explain the purpose of his motion, I am not satisfied that at the present moment there is in this country a matter of urgent public importance, requiring immediate debate, within our rules. As a matter of fact, it is true, as I am sure Senator Ottenheimer and others will accept, that many of the predictions of dire consequences and matters of urgent public importance, such as the fall of the dollar, a reduction in investment and so on, have not come true.

Senator Flynn: If you want to say that, you can say it later.

Senator Frith: However, that is not the point. The point now is whether there is in this country a matter or a state of affairs that is urgent; some urgent disaster that exists at the present time that should require the Senate to adjourn immediately in order to deal with it. That is the issue before us now, not to debate the question of the pros or cons of that particular situation. We would have to say that there exists in this country what was described before Meech Lake failed as potential panic in the street, such that the Senate should adjourn in order to deal with it. That is why the rule provides, before we go any further, that the proposer of the motion explain and convince the Senate that the situation is of such urgency that we should adjourn the business of the Senate in order to deal with it.

I ask first that the proposer so explain, and then anyone else who wishes can speak on the issue, which is the preliminary issue. I then ask that we be given a chance to consider the matter for a few moments before resuming debate.

Senator Flynn: Enough! Be seated!

[*Translation*]

Senator David: Honourable senators, I feel that my colleague Senator Ottenheimer explained as well as I could the reasons for the urgency of debating the Meech Lake Accord which, I agree, has now expired. It is very hard for me to understand why you, Senator Frith, and your colleagues do not see it as urgent.

In the five years I have been in this Chamber, I do not remember a subject that should have been discussed more urgently than this one today or at the very least the Quebec senators should have an opportunity to convey to you their feelings following a development that deeply affected the six or seven million inhabitants of our province. If you do not understand that, it seems to me that you really do not understand Quebec and its people.

[*English*]

Hon. John B. Stewart: Honourable senators, this motion has been brought forward without notice. It is clear that it is out of order by reason of it being brought forward at the wrong time.

A motion can be moved without notice for the adjournment of the Senate for the purpose of raising a matter of urgent public importance before the house proceeds to the Orders of the Day. There are certain routine proceedings, very often relating to government business, that in the interest of this house should be dealt with before such a motion may be moved. It is not just the interest of the opposition that is at stake when a procedure that has the effect of pushing aside the important routine business is attempted.

Quite apart from the question of whether or not there is a matter of public importance requiring urgent debate, we do have this prior question, namely, that the proposal he has put before the Senate is, in fact, out of order at this time.

It may well be that later this afternoon, after routine proceedings, Senator David could go ahead with his motion, but I suggest it is out of order, particularly from the viewpoint of the government, that we put aside the well-established practice of dealing first with the routine proceedings.

Senator Ottenheimer: Honourable senators, in reply to Senator Stewart's submission that the motion made by Senator David is out of order because it is out of place, obviously, he is referring to the parenthetical part of rule 46(*g*), which states:

> . . . (which the mover shall state on rising to speak) before the House proceeds to the Orders of the Day;

Senator Stewart: No!

Senator Ottenheimer: I thought the honourable gentleman said the motion had been moved at the wrong time because we had to go through other orders of business before we got to Orders of the Day, and that therefore other important matters might be precluded.

Honourable senators, I point out that under the heading "Order of Business" there are nine headings: Presentation of Petitions, Reading of Petitions, Reports of Committees, Notices of Inquiries, Notices of Motions, Question Period, Orders of the Day, and then two others. So the seventh order of business is Orders of the Day, but the standing order says:

> . . . (which the mover shall state on rising to speak) before the House proceeds to the Orders of the Day.

It does not say which order of the day. There are nine orders of the day.

Senator Stewart: No, you are misreading it!

Senator Ottenheimer: That suggests to me that before one can get to the Orders of the Day, this is in order. It does not say "immediately after Question Period," which is item No. 6 on the Orders of the Day, but before item No. 7, which is Orders of the Day. It says, "Before the House proceeds to the Orders of the Day."

Senator David has certainly fulfilled the requirement in moving his motion before the Orders of the Day. The Hon. the Speaker did not call Orders of the Day. The motion has certainly been made before the house proceeds to the Orders of the Day.

[Senator David.]

• (1420)

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, first, if honourable senators want to caucus for 10 or 15 minutes to talk about this matter, there is no objection from this side. I believe we would best be served by deciding to get on with this debate as soon as possible. I do not think it is in the interests of the Senate, or of the country, to pretend that this is not a matter of urgent public importance. We are deluding ourselves to think it is anything else. To hang this matter up on a procedural point will bring no glory to the Senate or its members. I suggest we adjourn for 10 or 15 minutes and then return to deal with the situation expeditiously.

Senator Frith: Honourable senators, I agree with Senator Doody that we should—

Hon. Len Marchand: May I have my say? I have been up and down for the past few minutes.

Honourable senators, this is hardly an emergency. I can understand the urgency, but it is hardly an emergency. The plight of my people is well known. Elijah Harper is the one who caused this to happen. He had the guts, the fortitude, and the foresight to stand up in that legislature—

Senator Simard: No, no!

Senator Marchand: —and stop the Meech Lake Accord. Elijah Harper and my people—

Senator Simard: Clyde Wells did!

Senator Marchand: If you are looking for a scapegoat, come to us. Blame us! Blame the Aboriginal peoples, because we did it! It is hardly an emergency. Our people have been left out of this country for 123 years. That is what that was all about. It is hardly an emergency now to stand up and say—

Senator Flynn: Take part in the debate.

Senator Marchand: —whatever you are intending to say. It is not an emergency, and I will not give my consent.

Some Hon. Senators: Hear, hear!

Senator Flynn: We are not in the Manitoba legislature.

Senator Frith: Honourable senators, I agree with my colleague, Senator Doody, that we should get to the substance of the question as to whether or not we are to have the debate. I agree that we should adjourn to consider the question. The only thing I ask be made clear before we adjourn, if the inclination is to do so, is whether we have heard all the reasons advanced as to why, to quote the rule, this is "a matter of urgent public importance" requiring the adjournment of the Senate. We have heard from Senator David and Senator Ottenheimer; in their opinion it is clear that there is a matter of urgent public importance to be debated, and that they cannot understand why everyone else would not agree with them. Is there anything else that should be considered in caucus on the question of whether there is at the present time

in the country such a matter of urgent public importance within the rule?

[*Translation*]

Senator Thériault: Honourable senators, all precedents show that an emergency debate is requested to allow a legislature, Parliament or the government to solve a problem. That is the parliamentary basis for an emergency debate.

If senator David or any other senator wants an emergency debate, he must prove to the satisfaction of the Senate that it will bring about changes in the country. But I fear that such a debate would arouse passions on both sides of the issue. I would be curious and anxious to hear his or her arguments.

I submit that nothing that can be said in an emergency debate on Meech Lake in the Senate could help matters in any way. It would be foolhardy and dangerous to heat up passions and end up with a situation even worse than the one we now face.

Senator Simard: Then, senator Thériault, go and discuss it with your own caucus.

[*English*]

Senator Frith: Does anyone want to add anything else?

Senator Flynn: I might just say—

Some Hon. Senators: Hear, hear!

Senator Flynn: I do not mean that the events in Calgary are that important, but yesterday and last night—

Senator Guay: That is what you went on about.

Senator Flynn: Senator Guay, please! We have not had a fight recently. I hope we can continue this way.

If anyone who watched what happened in Montreal yesterday and last night—

Senator Thériault: Great!

Senator Flynn: —does not believe that it is of importance, I will say to him that there were consequences of the Meech Lake failure last night in Montreal. Of course, Senator Thériault may not have seen them, but, if he had, I think he would realize what I am saying, as did his friend, Edith Butler, that there is some movement here that needs to be addressed.

Senator Thériault: De quelle manière!

The Hon. the Speaker: Is it your pleasure, honourable senators, to allow the opposition to have caucus for ten minutes?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

• (1430)

• (1520)

The sitting of the Senate was resumed.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, Senator David's motion is:

> . . . for the adjournment of the Senate for the purposes of raising a matter of urgent public importance (which the mover shall state on rising to speak)—

which he has done with his motion—

> before the House proceeds to the Orders of the Day;

It is clear that the intention of the rule is to provide an occasion for the Senate to adjourn in order to move to a matter of that character, and not to proceed to its ordinary business that day. That leads one to ask the question: What does "urgency" mean?. *Beauchesne's* Fifth Edition is of some help to us on that score. At page 92, paragraph 287, it says:

> "Urgency" within this rule does not apply to the matter itself, but means "urgency of debate", when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

It seems to me that Parliament is dividing this question today. In the other place there is a sense of urgency on the question of Hibernia. Here Senator David is making a motion, asking us to find that there is urgency—to paraphrase paragraph 287, not with respect to the matter itself, namely, the failure of Meech Lake, but respecting the urgency of debate when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought forward early enough when public interest demands that discussion take place immediately.

I did not hear anything from either Senator Ottenheimer or Senator David that would indicate that there is urgency with respect to a debate of this particular matter, that it should be dealt with immediately, particularly when we are in the fortunate position of having order no. 19 on our order paper, which widely defines the question of the debate and the process concerning the Meech Lake Accord. That order stands in the name of Senator Olson, but he is prepared to yield to Senator David when that order is called. The motion Senator David moved does not qualify under "urgency" as it is defined, in view of the fact that we have on our order paper a similar item for debate later this day.

I ask my colleagues to vote against this motion because I think it would set a bad precedent, and I invite Senator David and others to continue the debate under order no. 19.

Senator Simard: You really have your priorities straight!

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I shall not take more time than it takes to say how incredible I find it, that the Liberal Party, the party of Laurier, Lapointe and St. Laurent—

Senator Olson: We thought you were going to say that.

Senator Perrault: We predicted that. We want a Question Period today!

Senator Murray: —would not agree that there is an urgency to debating the failure of a constitutional accord—

Senator Frith: Between now and five o'clock?

Senator Murray: —that would have reintegrated Quebec into the Canadian constitutional family.

Senator Frith: In the words of Senator Flynn, "Oh, gee."

Senator Flynn: No. I say, "What a pitiful group you are!"

Senator Frith: The same to you, sir!

Senator Perrault: Save your speech for later today.

Senator Murray: It is as incredible as it is sad—

Senator Robichaud: What you are saying is nonsense!

[*Translation*]

Senator Murray: That only goes to show how much my honorable friends opposite are disconnected from the reality in Quebec and in Canada.

Senator Simard: And cheap too!

[*English*]

Senator Murray: Honourable senators, this is a matter on which at least all of us on this side want to be counted; therefore, we shall have a vote on the motion.

Senator Guay: Did you bring this matter to the attention of the Prime Minister, if it is so urgent?

Senator Perrault: You would not want to miss Question Period, would you?

The Hon. the Speaker: Honourable senators, pursuant to rule 46(*g*), it is moved by the Honourable Senator David, seconded by the Honourable Senator Chaput-Rolland:

> That the Senate do now adjourn for the purpose of discussing a matter of urgent public importance, namely: the consequences of the failure of the Meech Lake Accord.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion the "nays" have it.

And two honourable senators having risen.

The Hon. the Speaker: Please call in the senators.

• (1530)

The Hon. the Speaker: Let the doors to the chamber be locked.

Motion of Senator David negatived on the following division:

[Senator Frith.]

YEAS

THE HONOURABLE SENATORS

Asselin	MacDonald (*Halifax*)
Atkins	Macquarrie
Balfour	Marshall
Barootes	Muir
Beaudoin	Murray
Bélisle	Nurgitz
Bielish	Ottenheimer
Bolduc	Phillips
Chaput-Rolland	Poitras
David	Robertson
Doody	Roblin
Doyle	Sherwood
Flynn	Simard
Macdonald (*Cape Breton*)	Tremblay—28.

NAYS

THE HONOURABLE SENATORS

Adams	Leblanc (*Saurel*)
Anderson	Lefebvre
Austin	Marchand
Bonnell	Marsden
Buckwold	Molgat
Cools	Neiman
Corbin	Olson
Davey	Perrault
De Bané	Petten
Denis	Robichaud
Fairbairn	Sparrow
Frith	Stanbury
Gigantès	Steuart (*Prince Albert Duck Lake*)
Graham	Stewart (*Antigonish-Guysborough*)
Guay	Stollery
Haidasz	Thériault—34.
Hastings	
Hays	
Hébert	
LeBlanc (*Beauséjour*)	

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: Let the doors be opened.

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

PRESENTATION OF PETITION ON BILL C-21

Hon. Jacques Hébert: Honourable senators, I have the honour to present a petition signed by 1,041 residents of Trois-Rivières, Grand-Mère and Shawinigan, in the province of Quebec, who object to Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

For a change, I will read the exact text of the petition.

PETITION

TO THE HONOURABLE SENATE
IN PARLIAMENT ASSEMBLED

The undersigned citizens of Canada now avail themselves of the ancient and undoubted right to present a grievance, common to your petitioners, in the certain assurance that your honourable Senate will therefore provide a remedy.

THEY HUMBLY SHEWETH THAT:

considering the difficult economic situation in a region that has been severely affected and offers a large number of seasonal jobs representing less than 20 weeks of employment annually, we ask the Minister of Employment and Immigration, Mrs. Barbara McDougall, to reinstate immediately the variable entrance requirements in effect in 1989.

We also ask the minister to withdraw temporarily Bill C-21, which provides for a reduction in the benefit period and an increase in the number of weeks required to requalify for unemployment insurance.

Therefore, we ask—as in duty bound, your petitioners will ever pray.

Followed by 1,041 names which I will mercifully refrain from reading.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Jacques Hébert: Honourable senators, I have the honour to present a petition signed by 20 residents of Chateauguay, Quebec, who object to the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 22 residents of Okotoks, Alberta who object to the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 20 residents of East Broughton, Quebec, who object to the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 60 residents of Wikham, Quebec, who object to the Goods and Servics Tax bill.

Honourable senators, I have the honour to present a petition signed by 19 residents of Sherbrooke, Quebec, who object to the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 31 residents of L'Avenir, Quebec, who object to the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 124 residents of Brampton, Ontario, who object to the Goods and Services Tax bill.

● (1540)

[*English*]

THE SENATE

INTRODUCTION OF TEMPORARY LIMITATION OF LEGISLATIVE POWER TO DELAY PASSAGE OF COMMONS BILLS ARISING FROM THE BUDGET—NOTICE OF INQUIRY

Hon. Finlay MacDonald: Honourable senators, I give notice that on Thursday next, June 28, 1990, I will call the attention of the Senate to the advisability of introducing in the Senate, for a trial period, a self-imposed limitation on the exercise of the Senate's legislative power in respect of the passage of bills arising from the Budget, received from the House of Commons, whereby, after a specified period commencing on the day a bill is given first reading in the Senate, if the Senate has not adopted a motion for its third reading, the bill will be considered to have been read a third time and passed.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Sidney L. Buckwold: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(*a*), I move:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at seven o'clock in the evening today, even though the Senate may then be sitting, and that Rule 76(4) be suspended in relation thereto.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

QUESTION PERIOD

THE CONSTITUTION

FAILURE OF MEECH LAKE ACCORD—INTERPRETATION OF AMENDING FORMULA—EFFECT OF TIME LIMITS FOR PROCLAMATION

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I should like to ask the Leader of the Government in the Senate a question arising out of the events of the weekend.

Hon. Jacques Flynn: They are not important!

Senator Frith: I saw the Leader of the Government in the Senate holding a press conference on television. I happened to have a copy of *The Constitution Acts* handy when he announced that he was considering referring a question to the Supreme Court of Canada on the interpretation of subsection 39(2), Part V, of the procedure for amending the Constitution of Canada, dealing with time limits on the amending proclamation.

It is the proclamation that effectively causes the amendment, not the initiation or the adoption of resolutions. Subsection 39(1) says that a proclamation should not be issued before the expiration of one year. Then subsection 39(2) says:

> (2) A proclamation shall not be issued under subsection 38(1) after the expiration of three years from the adoption of the resolution initiating the amendment procedure thereunder.

I thought it was a rather strained possibility, but I understood his reaching for anything available. I took it from his press conference that he proposed a rolling clock theory; in other words, the clock could keep ticking on the basis of three years after any adoption of the resolution, whereas most people have assumed that it was the first adoption that started the ticking that stopped three years later.

I was professionally intrigued by that possibility, although I thought it would not succeed. However, I was unable to understand, if the clock could be kept ticking, why it would be ticking only for Manitoba, and not for Newfoundland. In his press conference the Leader of the Government said that his proposal for a reference to the Supreme Court of Canada depends on the adoption of the resolution by Newfoundland. That seemed to be an obvious attempt to put pressure on Mr. Wells. Why was the clock to be allowed to tick only for Manitoba, where the matter had dropped, and not be allowed to keep ticking for Mr. Wells, who, after all, had asked for the opportunity to have a referendum?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, my friend is raising matters that, no doubt, he will want to refer to in his speech, if he makes one in the course of the debate that he says should take place on the Notice of Inquiry put forward by Senator Olson. I shall take advantage of that occasion as well, if he raises it at greater length, to deal with the matter to which he has referred.

[The Hon. the Speaker.]

In the course of my news conference on Friday I went so far as to read, in draft form, the question the Government of Canada would put to the Supreme Court of Canada in a reference; I also indicated the position the government would take on the matter. I believe the honourable senator has summarized the argument correctly. I note his professional opinion that it is a strained possibility and would not succeed at the Supreme Court of Canada. I am unable to give a professional opinion of my own on the matter, not being a member of the legal profession. However, I can tell him that the view of the federal Department of Justice is that we would have a strong case to make.

● (1550)

As far as the difference between the Newfoundland situation and the Manitoba situation, I am not in a position to state what the effect of that would be in legal terms. However, I can tell him that the scenario put forward by the Department of Justice was one in which the Manitoba leaders had already indicated their support for the Meech Lake Accord, and a positive vote in Newfoundland would have presented us with a set of facts, as follows: First, nine provinces would have ratified Meech Lake; the tenth, Manitoba, would have ratified it but for lack of time. That would be a different set of facts, to go to the court with, than a situation in which Manitoba had run out of time, but Newfoundland had simply refused to vote the accord.

Secondly, in terms of the politics broadly understood of the matter, we would have been in a position to ask the Province of Quebec, the National Assembly of Quebec, to revote the Meech Lake Accord in order to complete the circle. Politically, it is one matter to ask them to revote the accord when all provinces had indicated their support and quite another to ask them to revote it at a time when nine provinces had indicated their support and one had simply refused to vote it.

Senator Frith: I sense that we agree that there was no connection between Newfoundland's approval and the question as it would have appeared before the Supreme Court in the sense of the argument before the Supreme Court, but, rather, that the government said it would not put the question without prior Newfoundland adoption. It was a political rather than a legal decision.

Senator Murray: That is not an unfair construction, but I would still want to ask our legal advisers to state the situation in their own language for my honourable friend.

FAILURE OF MEECH LAKE ACCORD—ACTIONS OF MINISTER OF STATE FOR FEDERAL-PROVINCIAL RELATIONS—EFFECT ON MANITOBA LEADERS

Hon. H.A. Olson: Honourable senators, I wish to ask the Minister of State for Federal-Provincial Relations if he arranged to have a conference-type telephone call to the leaders of the three parties in Manitoba and then requested them to set aside all their rules with respect to interrupting the debate, invoking closure, and preventing Manitoba from following its stated process in having some public hearings, while

advising them at the same time that Premier Wells of Newfoundland had agreed to interrupt the debate in the Newfoundland legislature at a certain hour on Friday so that a vote could be taken.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, with regard to what Premier Wells told me, I can only repeat what I have said publicly, namely, that he had assured me on many occasions during the week—because I had many conversations with him—that the vote would take place either Thursday night or early Friday morning. He had given that same assurance to others. So I would have felt quite confident in conveying that assurance to the leaders in Manitoba—that is, if, indeed, I did so. I do not recall having done so, but I would have felt quite confident in doing so.

I spoke with two of the political leaders in Manitoba individually at various times during the week. Finally, on Friday night, I spoke to the three of them, gathered in someone's office—

Senator Olson: It was the premier's office.

Senator Murray: —the premier's office in Winnipeg.

The situation in Manitoba should be obvious to my honourable friend, who is experienced and counts himself something of an expert in the rules.

Senator Olson: No; I do not.

Senator Murray: The situation in Manitoba, as acknowledged by the leaders in that province, was that by inadvertence and mischance a procedural problem arose. It was not just for lack of unanimous consent that the situation arose. There were, it appears, faulty or deficient Notices of Motions put on the order paper. The government told me that they had one set of advice from the Table in their legislature and a ruling from the Chair that surprised them. In the course of the week various opportunities were lost to put down Notices of Motions. At least two of the leaders told me that at different times in conversations I had with them.

The members of the Manitoba legislature were, until Wednedsay, prevented from debating, much less voting on, the Meech Lake Accord. The leaders took the position that if 3,000 or 4,000 people were registered to be heard by a legislative committee, all of them should be heard. I argued against that proposition publicly and privately. In view of the serious circumstances, the seriousness of the matter, and of the fact that there had been public hearings through a task force that consisted almost entirely of members of the legislature several months before, and in view of the fact that the three party leaders had made strong arguments for voting in favour of the Meech Lake Accord, I felt the same arguments could be made in favour of getting it voted on before June 23. I so argued this in my discussions with Premier Filmon, Mrs. Carstairs and Mr. Doer.

Senator Olson: There is more to it than that, though. As a matter of fact, some of the information conveyed in that conversation was false: namely, that you had an assurance from Premier Wells that a vote would be taken at eleven o'clock that morning. It is almost incredible that Senator Murray could not have realized that a telephone works rather well from Winnipeg to St. John's. When they checked with him, he said that no such undertaking had been given.

• (1600)

In addition to that, I should like to ask the Leader of the Government to tell us about the other tactics he used. In most circles it is called "economic intimidation." That is what was visited on those leaders of the political parties. They were being forced to do what they did not want to do: set aside their rules to introduce a motion to override the objections of Elijah Harper and to vote on the accord without the benefit of public hearings. There is absolutely no doubt in my mind, after listening to the people to whom I have talked, that these are the kinds of tactics Senator Murray engages in, and that, indeed, he had been engaging in them for some time even prior to Friday.

Senator Murray: Honourable senators, the honourable senator is taking very serious chances here in some of the statements he has made. First of all, he has attributed to me the utterance of false statements. Let me tell him again—

Senator Olson: Just answer! Did you tell them or not? Answer the question, or at least try to!

Senator Flynn: Order!

Senator Murray: Honourable senators, if I told Premier Filmon, Mrs. Carstairs and Mr. Doer that I had had assurances from Premier Wells that the vote would be held Thursday night or Friday morning, it was because I had those assurances repeated to me numerous times. I really do not think Premier Wells would deny for a moment having given me those assurances many times in the course of the week, and having given them to others, including the Prime Minister. As late as Thursday he had given the Prime Minister the assurance that the matter would come to a vote on Friday. There is no question about it in my mind, and I do not think Premier Wells would argue with my recitation of the facts, because the assurance was given so frequently.

Let me tell the Senate the circumstances under which I sought and received that assurance. Premier Wells was pressing upon me the importance, indeed the necessity, of having Prime Minister Mulroney accept his invitation to address the Newfoundland House of Assembly. It is no secret that a number of people advised Prime Minister Mulroney against accepting that invitation. Among the people who advised the Prime Minister publicly against accepting the invitation were at least two or three members of Premier Well's government—and they said as much on national television.

Naturally, I raised these matters with Premier Wells when he telephoned me, as he did on several occasions, to discuss the matter of the Prime Minister's appearance in the Newfoundland House of Assembly. In the course of those discussions I referred also to statements that had been attributed to Premier Wells during his meetings in New England on the occasion of the meeting of Atlantic premiers and New England gover-

nors—statements to the effect that he might not bring the Meech Lake Accord to a vote in the House of Assembly. When I asked the Premier about those comments, as I did on several occasions, he assured me that the vote would be held on Thursday night or Friday morning. He told me that the only circumstance under which it would not come to a vote would be if the Prime Minister and the Premier of Manitoba pronounced the process dead. I told him that that would not happen. However, on Friday morning he called me specifically for the purpose of telling me that he was considering going back on his earlier undertaking to hold the vote; that he was considering not having the vote. That was the purpose of his call on Friday morning.

Senator Olson: After you heard that, you got in touch with the three leaders in Manitoba and told them something else; that is the problem. That is when they decided they would not accommodate you any more.

Senator Flynn: You don't have the right to make that assertion!

Senator Murray: Honourable senators, my friend has the chronology completely wrong. I spoke with the three leaders in Manitoba on Thursday night, having received the assurance many times from Premier Wells that the vote would be held on Thursday night or Friday morning. I discussed the vote with Premier Wells on Thursday, after Prime Minister Mulroney's speech. The Prime Minister and Premier Wells discussed the vote during dinner that night. The Prime Minister and I returned to Ottawa Thursday night, believing that a vote would be held on Friday. However, before we returned to Ottawa I spoke by telephone with the three Manitoba leaders, and, as my honourable friend has said, I told them that Premier Wells intended to vote on the matter on Friday. If I told them that, it was because I believed it; and if I believed it, it was because Premier Wells had told me.

FAILURE OF MEECH LAKE ACCORD—GOVERNMENT STRATEGY—STATEMENT OF PRIME MINISTER—GOVERNMENT POSITION

Hon. Raymond J. Perrault: Honourable senators, a larger question emerges as to the strategy of the government in this whole process. Certainly, one of the most appalling statements ever made by a Prime Minister was the statement the Right Honourable Brian Mulroney made to the *Globe and Mail*, to the effect that the Meech negotiations were left to the last moment in order to exert maximum pressure on the participating parties to sign the agreement. These are the kinds of statements that prime ministers leave for their biographies.

POINT OF ORDER

Hon. Jacques Flynn: Honourable senators, I rise on a point of order.

Hon. Raymond J. Perrault: Would you please sit down, Senator Flynn! You are a destructive influence in this place, and you are becoming increasingly so!

[Senator Murray.]

Senator Flynn: It is because you are so boring that I rise on a point of order!

Senator Perrault: Sit down!

Senator Flynn: I will not sit down! I rise on a point of order.

Senator Perrault: What's your point of order?

Senator Flynn: Sit down and I'll tell you.

Senator Perrault: I'll sit down and listen, but it won't be profound, I can assure everyone.

Senator Flynn: I don't have to be profound when talking to you, because you would not understand!

A preamble to a question, or, in the honourable senator's case, a speech, which is very often like the preambles of Senator Olson's questions, is entirely against the rules. The members opposite would not let us debate the whole question, but now they want to use the Question Period to make speeches. I ask His Honour to rule on my point, that the honourable senator cannot do what he is doing. I ask that the rules be observed. If members opposite do not want us to debate the matter, we will not let them—

Senator Perrault: That is a ridiculous observation!

Senator Flynn: It is not a ridiculous observation, it is the truth!

Senator Perrault: Honourable senators—

Senator Flynn: One moment; I am not through. I am asking the Chair to rule. If you have something to say against the rule, then say it!

Senator Perrault: It is a facetious question—

Senator Muir: Down, boy, down!

Senator Perrault: —and it has nothing to do with the matter whatsoever.

Senator Flynn: It is not a facetious question.

Senator Perrault: One would think that after all the years you have spent in this assembly—

Senator Flynn: Your Honour, I ask you to rule. I will not resume my seat!

Senator Perrault: You are frightened of the facts about the disgraceful tactics of your Prime Minister!

Senator Flynn: Who is frightened? You took an hour—

Senator Perrault: Your leader has not acted as a leader of the nation but, rather, as a minor labour negotiator!

Senator Flynn: You took an hour to decide whether you would let us speak or not.

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I have been asked to make a ruling. Rule 20B reads:

> A preamble to a question, whether it is asked orally or in writing, is out of order.

Hon. Royce Frith (Deputy Leader of the Opposition): Read the rest.

The Hon. the Speaker: If it is a question of the definition of "preamble", I believe that preambles should be as short as possible.

Senator Frith: Introductory comments are permitted.

Hon. Raymond J. Perrault: Of course introductory comments are permitted! I have talked about the general strategy of the government under the direction of the supreme ruler, the Right Honourable the Prime Minister. I should like to ask the Leader of the Government in the Senate: What was the basis for this strategy? Will he confirm, as the Prime Minister stated, and as reported in the interview in the *Globe and Mail*, that negotiations were left until the final hours in order to exert maximum pressure on the participants? The Prime Minister then said that he had decided at some point that he should roll the dice. Did the Leader of the Government help roll the dice? Is this the kind of tactic—

Senator Flynn: Order!

Senator Perrault: —that was designed to achieve the agreement of all the provinces?

Senator Flynn: Order!

Senator Perrault: Tell me, as we would like to know more about this strategy.

Senator Flynn: Order!

Senator Perrault: Why did he not initiate—

Senator Flynn: Order!

Senator Perrault: —meetings with the leaders of the provincial governments—

Senator Flynn: Mr. Speaker, order!

Senator Perrault: —or the first ministers well before the deadline date established?

Senator Flynn: Order!

Senator Perrault: Why did he not avoid the prospect of having this kind of crisis situation at the last minute? Let us hear the explanation.

● (1610)

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, first, I would commend to the honourable senator the statements that have been made since the first ministers' conference by distinguished first ministers such as Premier Peterson of Ontario and Premier Vander Zalm of his own province, who have a version of the events that is far different from that presented by Senator Perrault.

Secondly, so far as the Prime Minister's interview with *The Globe and Mail* is concerned, I would suggest that the honourable senator obtain a transcript of that interview and read it carefully and see the context in which the questions were asked and answered.

Thirdly, on the basis of my own direct involvement in the matter, I ask the honourable senator to consider this: There was a first ministers' conference, held in November, at which the positions especially of Newfoundland, Manitoba and New Brunswick were made very clear. There was very little common ground among those provinces, which were hold-out provinces, and no reason in the world to believe that another first ministers' conference at that time on Meech Lake would succeed.

In the first few weeks of 1990 I toured the provincial capitals and met with all the premiers. I tried to promote the idea of what Premier McKenna called a parallel accord, a political agreement among the first ministers that would lead to a resolution of the problem. After that tour, it was very clear to me, and to everybody else, that the idea of a parallel accord was not going to fly. The differences were still too great among Manitoba, Newfoundland and New Brunswick. Manitoba still wanted to reopen the accord and amend it. Newfoundland, in effect, wanted to start all over. Indeed, Premier Wells put forward what I might call the "Wells Accord" to deal with each of the issues in the Meech Lake Accord.

It was clear at that point that there was no way that a first ministers' conference on Meech Lake would have succeeded. We waited until mid-March before Premier McKenna came up with his very positive initiative, a companion resolution that would enable Meech Lake to be passed, but none of the provisions of which could be proclaimed until after Meech Lake had been proclaimed. The federal government took the action that we thought constructive under the circumstances; namely, we appointed a parliamentary committee. We gave the parliamentary committee six weeks to hold public hearings and to report, which they did on May 17 or 18. That left us with a couple of weeks to do some further consultations among provincial premiers and to call the conference.

Up to a matter of days before that conference was called I was still in consultation, on behalf of the federal government, with various provincial premiers about some very specific matters that were at stake.

Finally, when the meeting was held, the Prime Minister was in a position to say to the premiers at the opening dinner, "It appears that there are only two important issues still outstanding. One is a process issue; how to obtain the needed assurance that the improvements or add-ons will be made. The second matter is the amending formula as it relates to Senate reform." That was on Sunday night. None of us—no one in this place and no one at that table—would have believed that it would have taken a full week to resolve those issues. Most of us, myself included, thought the meeting would be over by Tuesday. It was not over until the following Saturday, and, indeed, on the final Friday night the first ministers were still discussing the amending formula as it related to Senate reform.

So the inference drawn by the honourable senator and others that a deliberate attempt was made (a) to leave the meeting until the last minute and (b) to prolong the meeting is

absolutely not borne out by the facts as I know them—and, if I may say so, I am in a unique position to know them.

STATEMENTS OF PRIME MINISTER AND GOVERNMENT LEADER IN THE SENATE—APPARENT CONTRADICTION

Hon. Raymond J. Perrault: Nobody is going to criticize the efforts of the Leader of the Government in the Senate to bring about an agreement.

Senator Frith: Speak for yourself!

Senator Perrault: No, he has invested months of time and energy to bring about a settlement. I am not criticizing the effort. I am criticizing some of the actions and the substance of that effort. I remember in this chamber a few months ago the Leader of the Government saying: "This is a seamless web." He spoke of the proposal as though it were woven out of some gossamer-thin fabric, that if we touched any aspect of it we would not have a deal. I remember the oratory of the Leader of the Government at that time.

The explanation the leader has given today would appear to contradict the statement of the Right Honourable the Prime Minister in the *Globe and Mail* interview, in which he said, "There was no way I was going to be forced to call a meeting." You are telling us today, Mr. Leader, that the circumstances were such that it was impossible to call the meeting. Do we take it, then, that you are contradicting the statement made by your leader, the Prime Minister, in which he said that there was no way he was going to call this meeting, obviously drawing on his long experience in labour negotiations?

I used to work with a Minister of Labour and I know the old negotiating tactic. You get as many people in the room as possible and you turn up the heat. You set up a big urn of black coffee in the corner and you hope that, in the morning, totally exhausted, they are going to stagger out of the place saying, "Tell us where to sign." However, those tactics do not work and are unacceptable when you are deciding the future of the nation. You do not do that to a country like Canada—

Senator Doody: What's the question?

Senator Perrault: —which is looking for its future, surely. The leader's explanation is at total variance with the statement given by the Prime Minister to *The Globe and Mail*, in which he said that there was no way he was going to call a meeting. He said, "The timing had to be just right, and then I decided to roll the dice."

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, very briefly, let me say that the meeting could have been called at any time. It could have been called in February, but it would almost surely have failed had it been called at that time. As I said, when it finally was called, there were only two outstanding issues on the table. To my astonishment, it took a week to resolve those.

The honourable senator refers to my description of the Meech Lake Accord as a seamless web. Premier McKenna acknowledged that it was a seamless web, and so did others. Premier McKenna in particular, when he saw the need for a companion resolution in order to address his concerns, saw that it would be quite impossible to reopen Meech Lake and bring amendments to it without forcing all provinces to retrace their steps and set new three-year time limits. He also saw all the other problems that would have been created. So he acknowledged by his action that Meech Lake was a seamless web.

Finally, let me just say this for the record: There has been some talk and reporting about the atmosphere of the first ministers' conference. The honourable senator talks about turning up the heat. Somebody else talked about intimidation, pressure, and coercion. I am the only person who was in the room other than the 11 first ministers, and I can tell the honourable senator that the discussions and the debates in that room featured none—none!—of the personal acrimony or animosity that has been described since in very imaginative terms by some journalists. The types of interventions made by first ministers were of the kind you heard from Premier McKenna, Premier Peterson and Prime Minister Mulroney in their speeches before the Newfoundland House of Assembly. They were very similar, in terms of the future of the country and what was at stake with the Meech Lake Accord. My observation, as one Canadian, is that the interventions at the first ministers' conference were such as to do credit to the country and to all those who participated. If you do not believe me, again, I ask you to refer to the declarations made since the first ministers' conference by people like Premier Peterson, who said that all this talk of intimidation and coercion and manipulation was so much nonsense. Neither he nor, certainly, nine of the other first ministers felt in any way that they were being pressured, coerced or intimidated.

● (1620)

INTERPRETATION OF AMENDING FORMULA—EFFECT OF TIME LIMITS FOR PROCLAMATION—POSITION OF QUEBEC

Hon. Jack Austin: I wonder if I could return the leader to the question asked by Senator Frith with respect to the proposed three-year rolling clock for the amending procedure. My question is whether, in presenting evidence to the Supreme Court on the position of the provinces, the government would have been in a position to show the Supreme Court that the Province of Quebec would, indeed, re-enact the resolution, or whether the position was that nothing was known of the intentions of the Province of Quebec and would not have been known until the Supreme Court had uttered its opinion.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the question is quite hypothetical at this point, but I think both my friend's question and that of Senator Frith might be looked at by our legal and constitutional advisers in the Department of Justice.

If there is a prepared reply, I will bring it in. I certainly undertake to bring in a copy of the draft question I read at my news conference the other day. That draft question had been prepared for me by the government's legal advisers.

Senator Austin: The minister misunderstood my question.

Senator Murray: No, I did not.

Senator Austin: I am not asking for a legal opinion; I am asking whether, as a matter of fact, he knew what the position of the Province of Quebec would be with respect to the submission to the Supreme Court. Would the Province of Quebec have said that it, indeed, supported the reference by the Government of Canada?

Would the Attorney General for the province of Quebec have supported the legal opinion on which the minister and his government would have been acting? Would the Province of Quebec have undertaken politically to re-introduce the resolution in the national assembly?

Senator Murray: Honourable senators, I do not know the answers to those questions, but, in terms of the politics of the matter being broadly understood, I would not have put that question to the Government of Quebec absent a positive vote in Newfoundland.

Senator Austin: What the minister is saying is that he was absent two provinces in his application to the Supreme Court of Canada. Even if he had succeeded with respect to Newfoundland, and had obtained an affirmative vote there, he was absent Manitoba and the Province of Quebec because they were beyond the three-year timeframe.

Senator Murray: I suspect that by the time Their Lordships had been seized of the matter it would have been voted on on Friday afternoon by Newfoundland and that it might well have been voted on by Manitoba, but that really depends on how long afterwards Manitoba had voted.

Senator Austin: I am sure the minister was aware that Gordon Robertson had been offering this opinion for some time.

Senator Murray: No, he was offering quite a different opinion. Mr Robertson argued that there was no time limit at all.

Senator Austin: This is a variation on his argument, but the question is germane, and again it is a question of fact as to when this legal theory was brought to the minister.

The subsidiary question is whether this legal theory was discussed at any time during the seven days the first ministers debated the various questions of the Meech Lake Accord.

Senator Murray: The answer to the latter part of the question is no.

My friend has referred to this as a legal theory. It was an opinion given by the legal advisers to the government who believed a very strong case could have been made in support of it by the Attorney General of Canada.

It came to me after the declaration of the three Manitoba leaders that it was their intention to vote in favour of the Meech Lake Accord.

Senator Austin: Was that mentioned at the time the first ministers were meeting?

Senator Murray: My honourable friend heard the statement made by Premier Filmon last Saturday evening and what the other two Manitoba leaders had to say. My reference is to the speeches actually made in the debate when it finally began on Wednesday in Manitoba. At that point I had every reason to believe, as I indicated earlier, that Newfoundland would hold its vote on Thursday evening or Friday morning.

Senator Austin: I used the phrase "legal theory" not in a pejorative way; it is not a matter of law, because no court has pronounced on it.

In any event, did the minister or anyone on behalf of the Government of Canada convey the possibility of that legal opinion to Premier Wells or to the Attorney General for Newfoundland at that time?

Senator Murray: Speaking of the Attorney General for Newfoundland, I believe it was he who described the Prime Minister as Neville Chamberlain, Meech Lake as Munich, and, one must infer, Premier Bourassa as Hitler, and Quebec as the Nazis. But that is another subject.

Senator Olson: That was because of the tactics that were used.

Senator LeBlanc: What you have added is a distortion!

Senator Murray: That was the statement. What other inference is one to draw?

Senator LeBlanc: Those are your words.

Senator Murray: What other inference is one to draw? He talked of Neville Chamberlain and Munich.

Senator Austin: Perhaps you did not feel like communicating with the Attorney General for Newfoundland.

Senator Murray: Senator Austin is correct when he says that I did not feel like communicating with the Attorney General for Newfoundland.

On Friday morning, when Premier Wells called me to tell me he was thinking of not having a vote because he was under the impression the Manitoba legislature would rise Friday afternoon without having a vote on the Meech Lake Accord, he asked me whether we had various legal opinions on the situation. I told him there were various scenarios before us, as there were, and that all of them were posited upon a yes vote by Newfoundland and a reference to the Supreme Court of Canada. I did not go into the details of the opinion with him, but I do not think he needed that.

Senator Austin: He was not, in fact, given the opinion that the leaders in Manitoba now had, and so did not have the opportunity of discussing that legal opinion with you or anyone else.

Senator Murray: The honourable senator would be incorrect to say that the leaders of Manitoba had the opinion. At the time I spoke to Premier Wells—which was before I came into the office on Friday morning—I was aware that there were various legal options that had been presented to the government by its legal advisers. All I could tell him was that those scenarios were designed to solve the time problem in Manito-

ba, because it was a time problem. It was not a rejection of the Meech Lake Accord. The three Manitoba leaders indicated that they were going to support the Meech Lake Accord. One of them told me that there were perhaps 40 out of 57 votes in the legislature ready to be cast in favour of the accord.

I told Premier Wells that our lawyers had told me that we may well have a solution, that it does involve a "yes" vote by his legislature and a reference to the Supreme Court of Canada. I did not attempt to describe in detail what it was, and he did not ask about it. He understands these matters quite well.

Senator Austin: At no time, then, did Premier Wells tell you that it was impossible to get an affirmative vote in the Newfoundland legislature.

• (1630)

Senator Murray: He told me that there was only a small chance of its passing the Newfoundland legislature, and that his motive in not having a vote was that it would be seen as a formalized rejection of Quebec. I told him that if that was his concern, he should have a vote and vote in favour of the accord.

Senator Austin: But, Mr. Minister, if you wanted the Meech Lake Accord to pass, why would you not want Newfoundland to have the benefit of the additional time that would be offered by the constitutional proposition—

Senator Guay: Right!

Senator Austin: —that you were considering at that moment?

Senator Murray: He was not asking for time.

Senator Austin: But he did not even know about the method you were considering.

Senator Murray: I told him that there was a timing problem in Manitoba. I asked him if he had a timing problem and he said he did not. Everyone who wanted to speak in the legislature spoke. I asked him if he had a procedural problem and he said no. Then I told him that, in my opinion, he should vote the accord.

Senator Austin: We are at the nub of this issue, and I would like to help you explain what happened—

Some Hon. Senators: Oh, oh!

Senator Austin: —because the proposition is being put that you wanted Newfoundland to vote Meech Lake down. I cannot believe that that is true. I believe that you would have wanted no negative result in Newfoundland; therefore, I am puzzled as to why you would not want Newfoundland to have the additional time, which your legal theory would have given them, to await an opinion of the Supreme Court of Canada on the rolling constitutional approval process.

Hon. Royce Frith (Deputy Leader of the Opposition): Rather than saying you would not even use it unless they first agreed to Meech.

[Senator Murray.]

Senator Murray: Honourable senators, asking Quebec to revote the Meech Lake constitutional accord was predicated on getting a positive vote in favour of the Meech Lake Accord from all legislatures, albeit one, a bit over the deadline.

Senator Frith: But you would not have had to have it revoted if your theory was correct. If your theory was correct, a new clock would have started ticking without Quebec.

Senator Murray: When?

Senator Frith: As soon as the last adoption was made. That is the only argument you could have. Quebec could have done it later.

Senator Murray: The second resolution was passed by Saskatchewan on September 23, 1987.

Senator Frith: So you could just keep using your rolling theory. Even after that, each adoption would start a new clock.

Senator Murray: Yes.

Senator Frith: It is just not logical to connect it to Newfoundland's adoption.

Hon. H.A. Olson: Did Premier Bourassa agree to pass it again?

FAILURE OF MEECH LAKE ACCORD—POSITIONS OF LEADERS OF MANITOBA AND PREMIER OF NEWFOUNDLAND

Hon. Gildas L. Molgat: My question to the government leader is a follow-up of questions asked by Senators Frith and Austin and of his response to Senator Frith earlier, in which he was discussing why it was that Premier Wells was in a different position from that of Manitoba.

Twice in response to Senator Austin you have said that the three leaders in Manitoba had agreed to support the accord, as if that meant that Manitoba would support the accord. Was my honourable friend not aware that Mrs. Carstairs had specifically stated that there would be a free vote insofar as her members were concerned; that before making any statements the members would listen to what the people of Manitoba had to say; and that there was no guarantee that it would pass the Manitoba legislature?

Senator Guay: Right on.

Senator Molgat: None whatever. If my honourable friend does not know enough about politics to understand the situation in Manitoba, then he certainly was given the wrong impression, that Manitoba was going to pass this. There was no guarantee. So there was no difference between the position of Premier Wells and the situation in Manitoba, was there?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the honourable senator says there was no guarantee, and, strictly speaking, that is correct. I spoke with two of the leaders and others in the legislature. They had done their head counts. True, it was a free vote; true, the Liberal caucus was divided on the matter; true, the New Democratic Party was divided on the matter. But at the end of the day the statements

that were made to me by responsible political leaders in Manitoba were to the effect that there was a solid majority in that legislature who were prepared to vote, when the time came, in favour of the Meech Lake Accord.

Senator Molgat: My honourable friend may think that, but he does not know how the people of Manitoba think. I can assure you that if the hearings had gone on, they would have shown that the vast majority of the people in Manitoba were opposed to it. In any case, there was absolutely no guarantee that it would pass Manitoba.

I would like to go on to a second question in response to—

[*Translation*]

QUESTION OF PRIVILEGE

Hon. Paul David: Honourable senators, I am amazed that an emergency debate motion on Meech Lake has been blocked while for an hour we have been hearing opposition members ask questions on a problem that was not supposed to be either urgent or of national interest.

I would really like someone to explain such a peculiar, strange, bizarre situation to me. My question of privilege is very simple: on one hand, we are refused an emergency debate and on the other, only questions about Meech Lake are being asked. I consider that wrong and incredibly stupid. I just wanted to say so.

[*English*]

Hon. D.G. Steuart: Honourable senators, I would like to make a point on the question of privilege. I would like to ask Senator David or the Leader of the Government this question: Senator David moved a motion that this house do now adjourn to consider an emergency debate. That is simply a device, and the debate takes place on that motion. When the debate is over, that is it. Tell me how you would have had the debate, because if we had voted in favour of your motion the house would have adjourned. I presume we would have had the emergency debate the next day.

Senator Barootes: No. You withdraw the motion.

Hon. Duff Roblin: This is an interesting point of order, but I am astonished that a gentleman who has spent the years in the Saskatchewan legislature that my honourable friend has does not understand the normal course of events, when motions to adjourn to discuss a matter of urgent public importance are accepted. When the debate is over and all members have had their say, the mover asks for leave to withdraw the motion. That is nothing new. That is the standard procedure in all legislatures in the British Commonwealth. My friend knows that.

Senator Steuart: Exactly, and that is the point I am making. When the motion was put, Senator David got up to speak, and to do exactly what you said and what we all expected—namely, to have that debate. But the Leader of the Government wanted a vote on the motion, and it was all over. If we on this side of the house had voted in favour of the motion, the house would have adjourned. The debate should have taken place when that motion was put. That is the normal procedure.

Senator Roblin: My friend is talking out of the back of his head, and I regret it because I have great respect for him. He knows perfectly well that if the speaker had allowed the motion, or not as the case may be, then the debate should have taken place.

Senator Steuart: Then!

Senator Roblin: But my friend opposite did not allow us to debate it.

Senator Steuart: That is nonsense! The motion was put.

Senator Roblin: It is not nonsense.

Senator Steuart: Senator David knew better than you people to get up and debate it, but they allowed the question to go and we voted on it.

Senator Roblin: My honourable friend forgets in an extraordinary fashion that his leader got up and said that he would not allow the debate to take place at that particular time. That is why we had a vote, as my friend knows.

Senator Steuart: Honourable senators, it does not matter what our honourable leader did or did not say. As soon as Senator David moved the motion, it was debatable. You asked for a vote and we had a vote. Senator David got up to speak. He is the only one over there who was awake. The rest of you were sound asleep. You missed your chance.

Some Hon. Senators: Oh, oh!

Senator Steuart: You should have debated it. I agree with you, that we used to put these motions every third day in Saskatchewan. We would have the debate, and then the mover would get up and withdraw the motion. You missed your chance, and you know it. You do not even know what you are doing over there!

Some Hon. Senators: Hear, hear!

Senator Roblin: I would be very surprised if in the legislature of Saskatchewan, when a motion of this kind was introduced, the Leader of the Opposition, who did not want to debate it, would ask for and receive time to go and caucus the thing. What for? In this case it was in order to decide whether or not the Senate would proceed with it. You came back and told us that you were not going to allow us to debate it. Now my friend brings up this cockamamie argument that my friend missed his opportunity. What nonsense!

Senator Steuart: Will you please tell me how we could have stopped Senator David from getting up and debating the motion? He got up, he could have debated it, and we could have done nothing about it. We could have answered him and had the debate. Don't tell me we have had this motion to try to put together a smarmy little deal. You missed the boat, and if you don't know it then you are even more stupid than I thought you were!

Senator Roblin: The trouble with my honourable friend is that he cannot count! He does not know where the majority lies in this house. It certainly does not lie over here. When ladies and gentlemen on the other side of the chamber say that

we cannot do something, unfortunately, we cannot do it, because there are more of them than there are of us. That is what happened. To say that we missed the opportunity is just eyewash.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, perhaps I can deal with Senator David's question. He asked for an explanation. Perhaps he did not hear what we said. Let me say it again.

We did not refuse to have this matter debated today. We voted against a motion to have it debated immediately because there was on the order paper an order dealing with this issue. We have had other emergency debates. Urgency of debate is the reason for such a debate; the fact that there is no other opportunity to deal with it. In other urgency debates we have had there was nothing else on the order paper dealing with the subject.

Therefore, there was no refusal to have this matter debated. It just did not come within the rules for immediate debate. Senator David does not have to agree with me, but I am saying that that is what we decided. We did not adjourn the Senate to deal with the matter immediately but said that it could be dealt with when we reached the order on the order paper, which comes up after Question Period and government business; that is all. It is going to be debated. It is just a matter of its not falling within the rules for immediate debate.

[*Translation*]

Senator David: My question of privilege, honourable senators, is simply about procedure. If you are logical, Senator Frith, you could have simply accepted my emergency motion and you could have asked the speakers all your questions as the arguments were being made.

We have been talking about Meech Lake for two hours. You have spent an hour of that debating some of your own caucus business of which I am ignorant. The debate could probably be over now although it has not even started. That is, you began it with a question period that so far has dealt only with the subject on which I asked for an emergency debate.

Senator Frith: I understand why Senator David who moved the motion is frustrated because he could not start right away.

The only thing we insisted on is that it not be done right away but later. That means the other business of the Senate, including question period, would be dealt with in order.

● (1630)

[*English*]

Senator Steuart: Honourable senators, I do not disagree with my deputy leader very often, but I would like to ask Senator Murray, who knew this was coming, I presume, this question: Had we voted in favour of the motion to adjourn, how would we then have debated the matter? The house would have adjourned. You can get up, Senator Flynn—you do not have to slump down in your seat. Get up and tell us how we would have then debated the matter.

Senator Flynn: Nobody would have acted as stupidly as you have! We would have reverted to Orders of the Day.

[Senator Roblin.]

Senator Steuart: You voted to adjourn.

Senator Flynn: Yes, to consider a motion. Don't be so stupid!

[*Translation*]

FAILURE OF MEECH LAKE ACCORD—ACTIONS OF MINISTER OF STATE FOR FEDERAL-PROVINCIAL RELATIONS—EFFECT ON MANITOBA LEADERS

Hon. Gildas Molgat: Honorable senators, after this point of order, I would like to revert to my question.

Hon. Jacques Flynn: Do you act as Deputy Speaker now?

Senator Molgat: No, as a senator, just like you, Senator Flynn. I am sometimes demandless of the House than you do, but anyway! My question is directed again to Senator Murray.

[*English*]

I simply want to verify your answer to Senator Olson. Is it correct that you, as a minister of the Crown representing the government, advised, requested, and demanded that the government ignore its rules and simply go past any rules of the Manitoba legislature? Is that correct?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, on the contrary. I asked them whether it was possible to invoke closure. Closure is a rule. Closure is provided for under the rules of most legislatures. I asked them whether it was possible to have the debate, to bring the matter to a vote and hold their hearings in Committee of the Whole, as has been done here. On those matters I was told that, no, it was not possible, or at any rate it was not desirable, and there the matter rested. It was not an overly-long conversation I had with the three party leaders in Manitoba.

Senator Molgat: Is it not correct, Senator Murray, that you knew all along what the rules of the Manitoba house were? They were clear. I reminded you in the Senate on at least one occasion, if not several, that you could not wait until the last minute so far as the Manitoba situation was concerned because of a problem that had arisen some years ago on the question of language rights. The Manitoba legislature had agreed to some Senate rules, which were clear and precise. You knew that. The government knew that. Why, then, would you come at the last minute to say on behalf of the senior government to the Manitoba legislature, "Go past the rules that you have agreed to within a matter of five years. Don't pay any attention to them. We have known about them all along, but don't pay any attention to them."?

Senator Murray: Honourable senators, it was not I, on June 9, who signed a document on behalf of the Government of Manitoba committing it to make every possible effort, I think the phrase was, to have the matter decided upon by June 23. Indeed, Premier Filmon, I believe, added an asterisk such that the decision was subject to the public-hearing process. He must have signed that—I know he did—in good faith and in the full expectation that there was sufficient time to have his debate, to hold his public hearings, and to have the decision made by June 23.

What happened, as I indicated earlier, was that a serious procedural problem arose in Manitoba—not just the refusal of one member to give unanimous consent, although that was a factor. There were serious procedural problems, some of which I think political leaders would agree today were as a result of error on the part of draftsmen, or perhaps even advisers at the Table or in the Chair.

Senator Molgat: But the effect of your advice was that they not abide by their rules.

Senator Murray: On the contrary. My advice was that they invoke their rules, including the rule of closure, and that matters that might otherwise go to a special or standing committee be referred to Committee of the Whole. What I suggested was fully within the rules.

[*Translation*]

THE CONSTITUTION ACT, 1982

USE OF "NOTWITHSTANDING" CLAUSE BY QUEBEC

Hon. Louis-J. Robichaud: Honourable senators, I have been trying for many years to find an intelligent answer to a question that puzzles me, and I have found none yet. Perhaps senator Tremblay or senator Murray will provide me with an answer this afternoon. Who knows?

I will not discuss the merits of the Meech Lake Accord. Something else worries me more at this time. It has been said that, since it did not sign the constitutional document in 1982, Quebec was not part of the Confederation, not a full-fledged member of the Confederation, that it was expelled from it.

If that is so from a moral and legal point of view, then why is Quebec the only province to use the notwithstanding clause? I am also setting aside the merits and flaws of Bill 178. That is not the point. The fact of the matter is the principle. If Quebec was not a full-fledged member of the Confederation, how come it is the only province to have availed itself of the notwithstanding clause?

Hon. Jacques Flynn: You are so naive!

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, my friend got the facts wrong. Quebec was not the only province to use that clause. Saskatchewan had done it before, in the case of a labour dispute in that province.

● (1650)

[*English*]

Hon. Philippe Deane Gigantès: Honourable senators, I should like to ask the Leader of the Government why he eschewed the basic question of Senator Robichaud—it is a well-known trick and everybody does it—and answered one small aspect, instead of answering the basic question, which is: If Quebec is not a part of the Constitution, how was it that it used the "notwithstanding" clause? That is the question. You have talked about Saskatchewan and, as usual, have evaded the basic question.

Senator Flynn: Order! Question!

Senator Gigantès: Why do you not answer Senator Robichaud's core question? We would like to hear that.

Senator Murray: Honourable senators, two governments of Quebec never claimed that that province was not bound by the Constitution Act, 1982. They have acknowledged from the beginning that they were so bound. However, there is a world of difference between a constitution that has the willing acceptance of Quebec and one that has been rejected by a bi-partisan vote of their national assembly. That may not make much difference to the honourable senator, but for most of us it is a very important and historic difference.

Senator Gigantès: I have another question for the Leader of the Government. Since we are going to debate the Meech Lake Accord during the debate on order no. 19, I should like to ask this question:

[*Translation*]

Senator David, I am glad you came back because I was just telling the Leader of the Government in the Senate that it would be preferable, before we have this debate on the Meech Lake Accord following the proposal put forward by senator Olson, that we ask him questions in order to get factual answers that may enlightened the debate.

Hon. Jacques Flynn: You certainly need to be enlightened.

Senator Gigantès: Particularly during Question Period, when we can cross-examine him instead of simply listening to him recite a text prepared specially so that he can give us his version of the facts without allowing us to verify it. That is why I prefer to have Question Period before the debate and not after.

Senator Flynn: That is your business.

[*English*]

NATIVE AFFAIRS

ESTABLISHMENT OF ROYAL COMMISSION

Hon. Joyce Fairbairn: Honourable senators, I should like to ask a question on another aspect of the discussion we have been having this afternoon. In his remarks on Saturday on television the Prime Minister said that it was a time to mend divisions, heal wounds and reach out to fellow Canadians. I should like to ask the Leader of the Government in the Senate whether the government intends to move quickly on its commitment to establish a royal commission on native affairs?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, my friend will recall that that was part of a proposal we made to the Manitoba chiefs in the context of resolving the procedural problems concerning Meech Lake and the Manitoba legislature. It was rejected by those chiefs. Further than that I cannot go. The matter is no longer on the table, but I am sure it will be considered at the appropriate time.

Senator Fairbairn: Honourable senators, I believe the rejection was, as the Leader of the Government has indicated, in the context of the procedural situation at the time.

Hon. Jacques Flynn: It was rejected, and that is the end of it.

Senator Fairbairn: The question of the royal commission is not one that relies on a constitutional amendment or deal. It is a direct commitment between the federal government and the Aboriginal peoples. Under that situation, rather than the constitutional context, would the Leader of the Government in the Senate not feel that there is an obligation on the part of the federal government to proceed with that suggestion, as was outlined in some detail by the Prime Minister in his letter to the Manitoba chiefs?

Senator Murray: Honourable senators, the answer is in the negative. I do not feel the government is under an obligation now to take that step or any of the ones outlined in that letter. However, I am sure there will be discussions with the leadership of the aboriginal organizations in the future, and this and other matters will be considered.

HIBERNIA DEVELOPMENT PROJECT

PROGRESS OF LEGISLATION

Hon. Joyce Fairbairn: Does the Leader of the Government in the Senate take the same view—that obligations should be put off in time—in the case of the bill concerning Hibernia? This bill was thought to be so important that the Parliament of Canada should reach a decision quickly on it. However, I understand it is not proceeding this week in the House of Commons.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I do not know what is happening in the House of Commons. I will have to consult one of my counterparts there.

Senator Olson: You do not know what he is doing?

Senator Murray: I think the bill in question has been reported out of the legislative committee and is awaiting report stage or third reading in the other place. I have no more information than that on the matter.

Senator Olson: He does not know what the cabinet is doing!

FEDERAL-PROVINCIAL RELATIONS

PARTICIPATION OF ABORIGINAL PEOPLES IN BILATERAL NEGOTIATIONS

Hon. Charlie Watt: Honourable senators, I should like to ask the Leader of the Government in the Senate a question. The premiers have mentioned the establishment of a bilateral process with the federal government, especially in the area of communications and manpower. This leads me to believe that this is going to happen in the next few days, weeks or months. If that is the case, the Prime Minister of Canada has a responsibility under section 91(24) of the British North America Act. Even though this is not a constitutional issue, but an administrative issue, would the Prime Minister be inviting the Aboriginal peoples of Quebec to participate, especially to deal with the communications and manpower issues?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, participate in what?

Senator Olson: Bilateral negotiations.

Senator Murray: Honourable senators, negotiations are going on continually on those matters and a range of other matters. It is not the custom to have parties, other than the governments involved, take part in such negotiations.

Senator Watt: Honourable senators, do I understand that there is no chance that the Aboriginal peoples will be invited by the Prime Minister to take part in this bilateral process? Are you saying that this is an on-going issue and therefore the Aboriginal peoples will not be invited to participate in the issues of communications and manpower?

Senator Murray: Honourable senators, I do not know precisely what the honourable senator is referring to. Discussions on matters such as communications and manpower take place between the federal government and provincial governments all the time, without any other parties being involved. But if there are matters that directly engage or affect Aboriginals, as is the case in many land claims and other negotiations, of course, representatives of the Aboriginal peoples are also involved. But I have no reason to believe that in the ongoing discussions on communications and manpower there is a particular reason for having other than the representatives of the governments. This is being done largely at the official level at the moment, with representatives of the different governments present and taking part.

• (1700)

Senator Watt: I have a supplementary question. Let us say that that is the case, namely, that they are dealing with an ongoing issue with regard to manpower, immigration, and communications. From what I have been reading, and from what I have seen on the news, the premier of the province would rather deal on a one-to-one basis with the central government rather than allow the other provinces to participate on issues that are related to Quebec.

Could the leader give me some information or enlighten me—if you cannot do it today, perhaps another day—as to whether there is room for Aboriginal people living in Quebec to be directly involved in matters that might not be related to immigration, communications or manpower? In other words, if there were subject matters related to the aboriginal issues, would the Prime Minister then invite the Aboriginal people to participate?

Senator Murray: Honourable senators, the representatives of the Aboriginal people living in Quebec, while they do not take part in routine government-to-government discussions, have every opportunity to make representations, certainly, to us and, I am sure, to the Government of Quebec.

I myself have met delegations representing Aboriginal peoples in Quebec on several occasions to discuss a wide range of

matters of interest to them—matters that are either partly or wholly within the jurisdiction of the federal government. I have heard their representations and conveyed them to the responsible ministers and departments and taken them into account in the development of our own policies.

NATIVE AFFAIRS

LETTER FROM PRIME MINISTER TO ABORIGINAL PEOPLES IN MANITOBA—NATURE OF CONTENTS

Hon. Joseph-Philippe Guay: Honourable senators, I should like to ask the Leader of the Government in the Senate if he could give us more details pertaining to the letter the Prime Minister sent to the Aboriginal people, the Indian people in Manitoba, and what he offered them. We know he has offered them certain things that they have refused, but could he give us more details of what was offered to them pertaining, for example, to money? Was it in the form of grants, or what was it? There was some money involved in grants in that particular letter. What other matters were contained in the letter?

If I am wrong, would you explain to us the details contained in that letter?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, there was no question of money or financial grants at all, except some reference to reinstating the financial assistance that had been available during the last aboriginal constitutional process. I believe there was some reference to the fact that resources would be made available again, but the letter dealt with a number of constitutional, and some non-constitutional, issues as they affect the position of the Aboriginal peoples.

The most effective thing I could do to assist my honourable friend is to bring a copy of the letter in tomorrow and table it here.

Senator Guay: Thank you. I would appreciate that.

ENTERPRISE CAPE BRETON CORPORATION

REDUCTION IN STAFF—PROPOSED RELOCATION OF OFFICES—GOVERNMENT POSITION

Hon. Robert Muir: Honourable senators, I have a question for the Leader of the Government in the Senate. I do not know how many more days we have before the guillotine strikes, but I wish to ask this question so that the leader can think about it and dwell on it.

Can the Leader of the Government advise if there has been a reduction in staff of the Enterprise Cape Breton Corporation or Enterprise Cape Breton? Are there any plans to move all or portions of these offices to Halifax? I would hope that that is not correct.

Is it correct that at the moment we are short staffed in Enterprise Cape Breton or the Enterprise Cape Breton Corporation and that some wacko from Halifax is brought in to fill in for a day or two and then off he goes, back to Halifax? I called him one day about something and he did not even know what a senator or a member was.

Senator Fairbairn: Shame!

Senator Petten: Shocking!

Senator Muir: I do not know where they picked him up. If he wants publicity, and to go down in posterity, he will be in *Hansard* for the rest of his life! These are a few of the things I want to find out.

The officers have been doing an excellent job in Cape Breton under ACOA. In fact, they have been doing an excellent job. I do not want anything to take place that will reduce their activities. I should hope that the leader will now devote some time to this. He has been terribly busy, I know. And, God bless him, he has done a good job. It is too bad that things worked out as they did, but I should like some concentration on the question I have posed. If he does not have answers today, perhaps he can get his efficient staff—he has another Cape Bretoner around here somewhere—to assist him.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I was pleased to hear Senator Muir's positive report on the contribution the Enterprise Cape Breton Corporation and ACOA are making to the economy of Cape Breton. I share his determination that that should continue unabated.

As to the particular questions regarding staffing, I will consult with my colleague, the Honourable Elmer MacKay, who is the responsible minister, and report back either to the Senate or directly to my honourable friend as soon as I have the information.

[*Translation*]

INTEGRATED CIRCUIT TOPOGRAPHY BILL

THIRD READING

Hon. Paul David moved the third reading of Bill C-57, an Act to provide for the protection of integrated circuit topographies and to amend certain Acts in consequence thereof.

Motion agreed to and bill read third time and passed.

INCOME TAX ACT

BILL TO AMEND—THIRD READING

Hon. Jean-Maurice Simard moved the third reading of Bill C-51, an Act to amend the Income Tax Act.

• (1710)

[*English*]

Hon. John B. Stewart: Honourable senators, I do not propose to speak long, nor do I propose to vote against the third reading motion. I want to call the attention of honourable senators to the fifteenth report of the National Finance Committee. I must say that the government's defence of the bill was extraordinarily weak and that the attack on the bill, made by the Canadian Insolvency Association, was most impressive.

If it were not for the fact that without this bill there would be an inconsistency in what is done in various jurisdictions in Canada, I think the bill would have been amended in committee.

The fifteenth report of the National Finance Committee, which appears in our *Minutes of Proceedings* for June 19, 1990, is important. It casts a considerable shadow on the concept of a deemed trust, which is being employed by the government. The problem is that this government is using various persons—employers, or people who run businesses—to collect taxes for them. These people are allowed to integrate the tax money into their ordinary cashflow for a period. This may well have the effect of giving third parties—for example, persons selling goods or services to that person or company—the notion that he or she is dealing with a highly solvent and profitable business. Then the person, company or business goes bankrupt. At that point the government moves in and says, "Well, although we have cooperated in giving the impression that this is a viable operation, we want our money first. It is a deemed trust.", notwithstanding that the government, by using employers and businesses, has itself contributed to the situation of insolvency. It seems to me that there must be a better way by which economists and lawyers can deal with this problem.

As I said, I am not objecting to the third reading of the bill, but I think honourable senators ought to be fully aware of the evidence taken in committee and of the fifteenth report of the National Finance Committee.

[*Translation*]

Senator Simard: Honourable senators, with your leave I would like to add a few words.

I would like to start by thanking Senator Stewart (Antigonish—Guysborough) and his colleagues for supporting the bill at this time in order to avoid further delay.

I would not go so far as to say, with Senator Stewart (Antigonish—Guysborough) that our defence was as weak as all that. Neverthless, I certainly agree with Senator Stewart that the points made by the groups who came, including bankruptcy trustees, were so important that senators from both political parties who sat on the committee agreed to include in the report a request that the government review the whole area of "deemed trust".

I hope the government will do just that. Thank you for expediting the third reading of this bill. It is a subject we intend to monitor very closely.

Hon. Jacques Flynn: Honourable senators, I was on the committee and I think Senator Stewart exaggerated the significance of this issue. The problem is with the *Bankruptcy Act*. We must know whether the government maintains a priority with respect to monies collected on its behalf by certain persons. This is a problem that has existed for some time.

Whether the government should let people who are responsible for collecting money use it as a source of financing is a matter for debate. I think we shouldn't take this to far. We will have to be careful.

Hon. Fernand-E. Leblanc: Honourable senators, I think Senator Flynn's comments are apt. In fact, the first paragraph of the report indicates that the Bankruptcy Act should be reviewed as soon as possible, since a review has been in the works for about ten or fifteen years. The old act exists but is no longer adapted to current needs.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

[*English*]

IMMIGRATION ACT

BILL TO AMEND—CONSIDERED IN COMMITTEE OF THE WHOLE

On the Order:

> The Senate in Committee of the Whole on the Bill C-77, An Act to amend the Immigration Act.

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on Bill C-77, the Honourable Gerald R. Ottenheimer in the Chair.

Senator Doody: Honourable senators, awaiting our call is the Parliamentary Secretary to the Minister of Employment and Immigration. If the Senate will permit, I shall ask Mr. Bill Kempling and the officials with him to come and present their case.

The Chairman: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Pursuant to Order of the Senate, Mr. Bill Kempling, Parliamentary Secretary to the Minister of Employment and Immigration, Ms. Ann M. Midgley and Mr. Peter D. Hammond were escorted to seats in the Senate chamber.

Senator Doody: Honourable senators, I would like to introduce Mr. Bill Kempling, Parliamentary Secretary to the Minister of Employment and Immigration. I do not know whether Mr. Kempling has an opening statement, but I am assured that he would be delighted to answer any questions you might have, and I am sure that he would be pleased to introduce the two officials who will be giving him advice this evening.

Mr. Bill Kempling, Parliamentary Secretary to the Minister of Employment and Immigration: Honourable senators, I have no opening statement, but I would be pleased to answer your questions.

Senator Frith: During my intervention in the Senate on Bill C-77 I put forward some questions. Senator Doody's office has provided me with some material that may very well have come from you or from the department.

Mr. Kempling: I am aware of it.

Senator Frith: They were questions seeking information, and that information has been furnished. The answers are quite complete.

Today I would like to read the questions and then make a suggestion. The first question is: Who are benefiting most from the Transportation Loan Program? The answer is quite long, about one page, and includes a schedule or a table.

• (1720)

Number two: What are the levels of service provided to immigrants to ensure that the moneys lent to them are not lost through dealings with unscrupulous individuals who might prey on immigrants? There is an answer dealing with the IOM, the International Organization for Migration, about travel arrangements and so on.

Number three: What percentage of the loans are fully repaid? The figures are given.

Number four: What sort of agreements are in place for the collection by government from those who fail to pay back the loans? There is a detailed answer there also.

Number five: Will the level of funding meet the demand of the growing number of refugees and immigrants? There is an answer given, including a forecast.

Number six: What is the minister doing to provide assistance to those persons in the refugee backlog? There is a full paragraph answer to that.

Mr. Chairman and colleagues, since in each case the answer is approximately one page, I suggest we might save some time by simply attaching those answers to the record. The department will then have placed on record in the Senate the answers to the questions raised in debate.

The Chairman: Is it agreed, honourable senators?

Hon. Senators: Agreed.

(*For text of answers see appendix, p. 2170.*)

Mr. Kempling: I will give you my copy.

Senator Frith: That leaves me with only one other question, which, I think, is one that nags most on this subject—the question of the cap. Mr. Parliamentary Secretary, you know what I am talking about, but, for the sake of the record, there is now an upper limit on the amount available for those loans of, I believe, $90 million. Is that correct?

Mr. Kempling: That is right.

Senator Frith: The limits would now be set by regulation, without any cap or any limit. That is, you would set a limit but it would be set by regulation, which would not require parliamentary approval.

Mr. Kempling: That is right.

Senator Frith: I would certainly find it very reassuring if you could tell us that you propose to consult, or at least advise, Parliament of a proposal to increase the limit. I think you propose to increase the limit now to $150 million.

Mr. Kempling: That is right.

Senator Frith: If a further increase were to be asked for, would you undertake to find some mechanism by which to give Parliament an opportunity at least to look at and make comments on the proposed increase of the cap so that it would not be completely removed from parliamentary review? If you could give that undertaking, I will not even pursue the question.

Mr. Kempling: On behalf of the minister, I can give that undertaking. As you know, an annual report is submitted to the House of Commons and to the Senate, and there is nothing to prohibit any parliamentary committee from requesting that the minister appear before it. In fact, such a provision is included in our standing orders and required in the statute.

The same applies to the Senate. You certainly could ask the minister to appear before a Senate committee to give detailed information. However, there has not been a request, I might say, since 1951 for any information on this particular portion of the act. But I can give you that undertaking, that we can flesh out the report a little and do those things quite easily.

Senator Frith: I would like some undertaking—just to be sure we understand each other, Mr. Secretary—that you would let Parliament know before you pass such a regulation. I am not pushing it to a negative or a resolution, but just before the regulation increasing the cap is adopted I would like an undertaking that you would advise Parliament that you propose to do so, without, perhaps, binding yourself to be limited by a resolution; that you would do it before the fact, rather than telling Parliament in a report after the fact.

Mr. Kempling: As you know, the amounts requested by the department would be in the Estimates and they are subject to perusal by the House and by various committees.

Senator Frith: In other words, they would have to be in the Estimates and part of an appropriation act in due course, even though you could increase the cap. I am not so concerned about the appropriation. The cause here, it seems to me, is a good one: to make loans to immigrants who come and need some money to tide them over. If you were about to pass a regulation to increase the cap above $150 million, we would appreciate an undertaking that you would advise Parliament of your intention to do so, and to give Parliament an opportunity to discuss it before the cap was increased—as distinct from what would be in the Estimates.

Mr. Kempling: Yes. I am not sure that it would fall exactly that way. From putting together the Estimates for the department and other departments I know that if the cap were to rise from $150 million to $200 million, that would have to appear somewhere in the financial records of the government, and therefore it would be open to members to dig that out. People interested in immigration are always looking for these things, and we have some very ardent ones in the House who search for them.

Under the process we have, I do not know whether we would go to Parliament in advance and indicate our intention to raise the cap. That might be an option open to the minister. I do not think she would reject it out of hand, but it is something I would undertake to discuss with her.

Senator Frith: If the minister is prepared to take up that option, she could perhaps correspond with us, or let us know through her colleague, the government leader in the Senate.

Mr. Kempling: Fine.

Senator Frith: The procedure that I can foresee is that the regulation increasing the cap could be passed, so that when the Estimates come along the cap has already been increased.

Mr. Kempling: Yes.

Senator Frith: I think you understand.

Mr. Kempling: Yes, I understand.

Senator Frith: This is the only reservation I have about this bill, which I otherwise support.

Mr. Kempling: I give you my undertaking that I will have the minister correspond with you on that particular issue.

Senator Muir: Honourable senators, I welcome our distinguished colleague from the other place. We know he is most capable, and always has been. The parliamentary secretary has two people with him today. I would ask that they be introduced to the Senate so that their names and positions will appear on the record. I know the secretary depends so much on them.

Mr. Peter D. Hammond, Legal Services, Employment and Immigration Canada, Department of Justice: My name is Peter Hammond, and I am with Legal Services, EIC, Department of Justice.

Hon. Senators: Hear, hear!

Ms. Ann M. Midgley, Director General, Settlement Branch, Employment and Immigration Canada: Honourable senators, I am Ann Midgley. I am the Director General of the Settlement Branch of Canada Employment and Immigration.

Hon. Senators: Hear, hear!

The Chairman: If there are no further questions, on behalf of honourable senators I wish to thank the honourable member of Parliament for Burlington, and parliamentary secretary, and the two officials who are with him for appearing before the Committee of the Whole in the Senate today to answer questions put to them by honourable senators.

Mr. Kempling: Thank you very much.

The Chairman: Honourable senators, the Senate is in Committee of the Whole on Bill C-77, to amend the Immigration Act. Shall the title be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 1 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 2 carry?

Hon. Senators: Carried.

The Chairman: Shall the title carry?

Hon. Senators: Carried.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

[Senator Frith.]

• (1730)

REPORT OF COMMITTEE OF THE WHOLE

Hon. Gerald R. Ottenheimer: Mr. Speaker, the Committee of the Whole, to which was referred the Bill C-77, to amend the Immigration Act, has examined the said bill and has directed me to report the same without amendment.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Senator Doody, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

[*Translation*]

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO SIT AT SAME TIME AS SENATE

Leave having been granted to revert to Motions:

Hon. Fernand-E. Leblanc, with leave of the Senate and notwithstanding Rule 45(1)(*a*), moved:

> That the Standing Senate Committee on National Finance be authorized to sit at 6 p.m. today, Tuesday, June 26, 1990, even if the Senate is then sitting, and that Rule 76(4) not apply in this case.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Jean-Maurice Simard: Honourable senators, I know that the government wants to have this bill passed as soon as possible; on the other hand, we are to have a debate today on the future of the country and on its reorganization. Many of us on this side have to attend. We believe it is our duty to be here. I would like the chairman of the Senate Committee on National Finance, of which I am a member, to realize the dilemma in which he is placing us. I would like to ask a question.

Does the committee chairman feel that postponing consideration of this bill until tomorrow would still allow its passage before we adjourn for the summer? Can he give us his word that he will do all he can to make sure that it will be brought back to us before the end of the session?

Senator Leblanc: Personally, honourable senators, I do not mind not dealing this evening with Bill C-52, which is a government bill. However, the Minister of State for Privatization and Regulatory Affairs, the Hon. John McDermid, is to be present and so are senior departmental officials. Can the minister come again another day? I really have no idea. I would have to ask him before I could give you any assurance. People talk about a dilemma, but it is not of my making. There were no scheduling problems when the minister was asked to testify before the Committee on Bill C-52 and we were not aware of the problems that arose this afternoon. Therefore, I cannot be blamed for asking the minister to come and explain Bill C-52 to us. Personally, I would prefer not to meet this evening.

Motion agreed to.

[*English*]

ABORTION BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Doody, seconded by the Honourable Senator Atkins, for the second reading of the Bill C-43, An Act respecting abortion.—(*Honourable Senator Haidasz, P.C.*).

Hon. Stanley Haidasz: Honourable senators, it is indeed a great responsibility and privilege to take part in the debate on second reading of Bill C-43. As I will be referring in my remarks quite often to basic principles recognizing the supremacy of God and the rule of law, I think it is proper to recall the preamble of the Canadian Charter of Rights and Freedoms, which reads:

> . . . Canada is founded upon principles that recognize the supremacy of God and the rule of law.

In this debate we are specifically dealing with proposed legislation about life and death. This is a matter of the gravest responsibility and the most awesome duty. In particular, we will be legislating on both the life and death of preborn children, the future generations of Canadian society.

Abortion always kills a preborn child growing in its mother's womb. It also has grave impact on distressed mothers and families. Furthermore, abortion is not a service or a therapy for health.

Another point we should recall in this debate is that the Supreme Court found in the Canadian Charter no such thing as a "right to abortion." Also important in considering this bill is that the same Supreme Court decided on January 28, 1988, that the state has a valid, substantial and pressing interest in the life of every child before birth, as well as in the security of person of a mother and all other persons.

In the *Daigle* case of 1989 the Supreme Court justices acknowledged that it is for legislatures to define those "normative principles" upon which they may interpret the term "everyone" in section 7 of the Canadian Charter to include the preborn child. When we legislate a just law on abortion, we must fulfil that requirement so that the defence of preborn children may be truly interpreted and applied.

As creatures of God, who is supreme in Canada's Charter of fundamental principles, we are disposed to seek and to find in nature itself the very imprint of the rule of law. The natural law never contradicts God's justice: Our Supreme Court seeks to observe those "principles of fundamental justice." The judiciary has a profound role as just men and women in applying legislation and its principles. Because of this justice the law is the greatest teacher.

Just law defends and promotes the common good. Fundamental to this is existence itself. The essentials of the common good, recognized in the Canadian Charter, are natural rights inherent to life and recognized by the state, not conferred by it.

The natural freedom to live and grow is not the right of anyone to take away. The Canadian Charter upholds security of person, closely related to the goods of life and health. Security of person could never bestow on anyone the freedom to offend the security of another, let alone to threaten their life. No human being, including the least one resident in the womb from conception, is dispensable for the presumed security of person of another.

A threatening condition of illness, requiring alleviation by medical intervention that unfortunately cannot save the life of the preborn child, is not direct killing, but because of a natural right to life that "everyone" has, and their Charter-recognized security of person, even this intervention must not be taken without due urgency to save the life of the mother.

Another point we have to consider in this debate is the "rule of law." The "rule of law," as it is related to the supremacy of God, requires not "raw juridical might" but that the law be just, according to the natural law placed in man. If natural law were not found in man's makeup, he could never have acknowledged God's supremacy at all. He could never have upheld justice as a virtue. A crime such as abortion rejects mankind's benevolent justice. A just society must at least defend its weakest members.

● (1740)

Defence of the innocent and the presumption of innocence, so fundamental to justice, comes from the origins of all our codified law: "Thou shalt not kill." The rule of law expresses the authentic role of legislators very mindful of justice. We codify statutes for the sake of peaceful order. The first goods of society, the lives of all of its members and the good health that sustains the life of each, are always sheltered and promoted in the well-ordered state that just law defends. A good law is authority's instrument to uphold the common good of society. A bad law is an instrument that fails to reflect the natural order. An unjust law cannot win the assent of conscience and the dutiful obedience among just men and women.

All constitutional language envisions the continued generation of a society. If the rights and freedoms of a charter, such as our own, are suspended for those in their mothers' wombs, they may be suspended for the next generation, eventually ceasing to apply at all. This is the foundation of the nation's most pressing and substantial interest in the lives of all subjects from the moment they are conceived.

When we fail to recognize that requirement of continuity, we fail in our duty to uphold the Constitution, and we allow the heart and soul of the nation to suffer degeneracy. Honourable senators, let us not allow our country to fall into the degeneracy that occurred in Hitler's Germany. It is a sad irony that Henry Morgentaler, a leading promoter of the permissive holocaust in Canada, is himself a survivor of the holocaust in Europe that was dictated by Hitler.

Dr. Abraham, Director of the Department of Medicine at the Shaare Zedek Medical Centre of Jerusalem, recognized a parallel between the Nazi holocaust of six million Jews and the millions of abortions that have occurred throughout the world.

Dr. Abraham told the Institute for Jewish Medical Ethics that fetuses are human beings, and the abortion of the fetus, who is not a threat to the life of its mother, is murder. He also said:

> Murder of one human being would never justify the means to healing, or relieving the suffering of another human being.

Canada's heritage is a fabric of great religions, rich traditions, and noble tongues. This multicultural treasure is a legacy of our Aboriginal peoples, the French and English settlers and immigrants and their descendants. They have a high regard for the same principles of the family and the sanctity of human life. It is for the common good to pass these principles on to all our children and to future generations. Furthermore, medicine has always understood that life begins at conception. From that point on no further humanity is added to any of us; only food, water, and air.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I wonder if we could agree not to see the clock and continue on.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Haidasz: To continue, honourable senators, for proof of this, in 1986 the Supreme Court of Saskatchewan accepted from world-renowned experts in fetology and human genetics, such as Sir William Liley and Dr. Jerome LeJeunne, uncontested evidence that a human being's life begins at conception. The uncontroverted evidence was before the Supreme Court of Canada when it heard the *Borowski* challenge in 1988 and 1989. That court did not deny the evidence as fact.

In case there is any doubt, the present Minister of Employment and Immigration, speaking in the House of Commons on this subject on July 27, 1988, acknowledged during a debate on abortion that we are speaking about killing an unborn child. I quote:

> Let us not be afraid of the vocabulary.

This can be found in the *House of Commons Debates* at page 18080.

Furthermore, it is now settled that the debate in Canada as to whether the life in the womb is a human being is not over. We know that for sure now. The debate now is whether anyone has an overriding interest or right to kill that innocent life directly and with intent. All of the Judeo-Christian heritage and other cultural influences resoundingly say no. Our 1987 debate over capital punishment concluded with a definitive no for the killing of the most hardened criminals. We reaffirmed the fact that we must always regard life as sacred. In that debate the Prime Minister reiterated the precept that human life is sacred. He said on the occasion of that debate, and I quote:

> It is wrong to take life, and I can think of no circumstance excepting self defence to justify it.

He went on to say, on June 22, 1987, which can also be found in *Hansard*:

> But before all else, we uphold one simple principle: the inherent dignity of a human being, the inherent worth of a human life. I will resist with all of my strength, all of my life, any action that would diminish that reality and would lessen that value.

Yet, honourable senators, on that day when he fought for the right to life for murderers, did he think of what he might do today? Today, in presenting and promoting Bill C-43, the Prime Minister refused to accord the right to life in the womb to the preborn sons and daughters of Canada. I ask you, honourable senators, how can he reconcile that?

Furthermore, Statistics Canada revealed that 72,693 abortions were reported in 1988-89. That was only what was reported. In 1987 Statistics Canada told us that of the reported abortions, 13,271 women were repeating abortion, some for the fourth time—all of this at taxpayers' expense, and mostly for reasons of convenience.

The birth rate in Canada—not the conception rate—is well below replacement level today. Some 2.2 children per couple are needed to replace our population. The birth rate in Ontario is only about 1.6 children, lower in Quebec at 1.3, and lowest in Newfoundland at 1.28. Demographers find that the Canadian population will decrease to 18 million by the year 2086 if immigration and the birth rate do not increase. Therefore, we must realize that abortion contributes the greatest measurable influence in this rapid national depopulation, with a lot of help from sterilization procedures, drug abuse, sexually-transmitted diseases, marriage breakdown, poverty, homosexuality, and the other social ills of our society.

As I mentioned earlier, on January 28, 1988, upon hearing the *Morgentaler* appeal, the Supreme Court of Canada found that the state had a valid, pressing and substantial interest in the life of the preborn child, and that the preborn child may be one of those included in the term "everyone" in section 7 of the Charter if the legislators provide that understanding in a statute.

• (1750)

Honourable senators, we as legislators must exert a greater authority in the fundamental understanding of law and its function. We must employ a broader vision than the narrow constraints of expediency. The Supreme Court of Canada, hearing the *Daigle* case last year, avowed just that. The court invited us in Parliament to defend the interests of the fetus, stating that the decisions based on broad social, political, moral, and economic issues are more appropriately left to the legislature.

We in this chamber must therefore lead the way for the courts to know that the term "everyone" includes human beings before birth. Through just law we can assert that preborn human beings certainly are among the term "everyone". But Bill C-43 does not do that, nor is there any supportive legislation on the order paper today assisting especially poor and single mothers to want their babies.

Honourable senators, Bill C-43 is fatally flawed. That was the testimony given before the House of Commons legislative

committee. Bill C-43 fails to define that what is being aborted is the life, the human life, of the preborn child. There is no explanation in the bill of why and how the child *in utero* loses a presumed innocence or the right to live. I ask honourable senators: What is the substance of the preborn's lack of defences? Without a right to a hearing, even by proxy, Bill C-43 as it stands today implies that the preborn child is not one of those included in the term "everyone" as used in section 7 of the Charter of Rights and Freedoms. We must ask the Minister of Justice for an explanation why that is so.

There are also questions that we as legislators must answer, or so said the Supreme Court in the 1989 *Daigle* case and in the 1989 *Morgentaler* finding. Health is provided in Bill C-43 as grounds for an abortion. I ask: Where is it demonstated in that bill that abortion is healthy? A great deal of psychiatric and physiological evidence exists that abortion is not healthy. The term "abortion" does not describe justifiable medical interventions to save the life of a mother imperiled by serious complications in pregnancy. Abortion is the intentional and direct killing of a preborn child—precisely that act against which just law must stand.

Bill C-43 has either misnamed an intervention as abortion or has promoted abortion on spurious grounds, implying that it is a desirable service for some women. Bill C-43 would greatly harm the aspirations of Canadian women, which are surely part of the common good. Abortion is an affront to a woman's dignity, as many misled victims of that procedure attest. Yet, by making abortion widely available, Bill C-43 is a meaningless deterrent. Furthermore, Bill C-43 does not treat abortion as a crime. If it did, at least the information of parents and counselling of young mothers would be regarded as important deterrents. However, Bill C-43 does not even prevent unconsenting mothers from having an abortion.

Honourable senators, please observe the manner in which Bill C-43 would treat abortion as a crime—only if it is not authorized by a doctor. This is senseless, as it implies that something essentially felonious loses that essence as soon as a medical practitioner decides it does. By a doctor's writ, the act of destruction of society's first good becomes a service. By Bill C-43, practitioners may decide who will live and who will die. The vital interest of the state in its own progeny is then relegated to non-legislative hands. That, honourable senators, imperils the future of Canadian society.

I have already spoken in this chamber in support of Bill S-16, in 1988, and Bill S-7, last month, the latter of which is presently at second reading stage. Both offer superior legislation; that is, superior to what we find in Bill C-43. The explanatory note showing the proper purpose of the legislation that I introduced in this chamber reads:

> The purpose of this Bill is to reassert society's vital interest in its unborn children. That interest is as fundamental to the continued existence of our society as it is to the existence of the human race.

Every abortion kills a presumed innocent preborn human being. That is a grave peril to a fundamental principle of justice. Without a hearing, without witnesses, without evidence or proof, it is serious enough that anyone's security of the person be threatened, but that his very life should be taken is unthinkable. Rather than offering abortion, the state must demonstrate care, support, and sincere interest in the offended mother and her family.

It is false to claim that abortion law criminalizes women. A sturdy fence around a precious property does not criminalize everyone as trespassers.

Honourable senators, let us now briefly review the Supreme Court findings, as Bill C-43 was, in my opinion, faultily designed by the misinterpretation of that court's ruling. As honourable senators know, on January 18, 1988, the Supreme Court decision in the *Morgentaler* case struck down section 251 of the Criminal Code relating to abortion after the law had been amended in 1969. The case did not consider evidence concerning the humanity of children before birth, nor did it consider the abundant evidence of adverse effects of abortion on the lives of mothers, an important factor in upholding the desired security of the person. The principles reiterated in the *Morgentaler* case can be summarized as follows: One, security of the person within the meaning of section 7 of the Charter includes the right of access to suitable medical treatment for conditions dangerous to life; two, protection of the preborn child is a perfectly valid and pressing legislative intent; three, in seeking to protect the unborn child according to the valid interest of the state, the right of security of the person of the mother and her child is to remain intact; and four, abortion is not a right, it was said—far from it. Abortion is the threat against which substantial legislation is required.

These points have not been well presented in the press, and clarity of these points has already been occluded by the present Minister of Justice. The subjective pursuit of women's aspirations has already been incorrectly cited by the Minister of Justice as a good reason for aborting babies. That, honourable senators, certainly cannot be inferred from the Supreme Court's findings.

• (1800)

In the *Morgentaler* decision and the subsequent decision of *Tremblay v. Daigle* from the Superior Court of Quebec in 1989, the Supreme Court of Canada refrained from answering whether the word "everyone" in section 7 of the Charter includes the child before birth; neither did that court determine an answer in the *Borowski* challenge heard in 1989. The invitation is resoundingly clear for us, as legislators, to give an answer through the aegis of a sound law.

We know that the Charter codifies fundamental rights and freedoms of the individual vis-à-vis the state. Its primary function is to circumscribe the power of the state to infringe what are regarded not as state-given rights but primary and natural rights. The decision of whether the fetus is a person, the court admitted in *Daigle*, is a normative task for legislators, which clarifies the recognition of rights and duties. In that context personhood is not susceptible to narrow, legalistic interpretations and fictions. In *Morgentaler* the court found a glaring lack of parliamentary direction on the spirit and

application of the impuned section 251. The vacuity in law, therefore, is not so much the absence of a valid abortion law as it is the absence of normative interpretation.

Honourable senators, I have found in Bill C-43, or what flows from Bill C-43, at least 14 flaws, which I can describe as major.

The first flaw is that the very faults of the former section 251 of the Criminal Code—the lack of sound direction provided by legislators and the resulting arbitrary application—also apply to the present Bill C-43. Furthermore, Bill C-43 will, more than the old section 251, be impotent in securing conviction of felonious abortionists and in defending the state's valid and pressing interests of the preborn children and their mothers.

Another flaw in Bill C-43 is that there is no reason why a woman may not obtain an abortion. The doctor who approves an abortion need only be of the opinion that the pregnancy is likely to threaten the pregnant woman's physical, mental or psychological health. Honourable senators, this is tantamount to abortion on demand.

Another flaw in Bill C-43 is that abortion will be legal throughout the whole pregnancy. Bill C-43 will permit, by law, the killing of a defenceless baby at any stage of pregnancy, even to the full term of that pregnancy. This bill, therefore, lays a foundation for infanticide. Babies who had been slated for abortion, but who came into the world prematurely, perhaps may be left to die under the pretense of treatment to do nothing; that is, by exposure, starvation, dehydration or asphyxiation.

Another flaw in Bill C-43 is that this bill will be powerless against the criminal abortionists. Once the deed is done, it is the word of that one doctor against the word of a plaintiff that it was not necessary. The strongest tort against abortion law is that it is an unnecessary deed. However, it is not a matter of how many doctors should collude in an abortion. Ten doctors saying to a healthy woman that she may abort her healthy baby is not health, nor is it justice. The point is that once a medical opinion is carried out, no one could bear the onus of proof of any felonious conspiracy. The star witness already is deceased.

The May 31, 1990, editorial in *The Vancouver Sun* objected to the hypocrisy in this bill that would force women to lie to doctors and doctors to evaluate those lies.

Another flaw in Bill C-43 is that abortion could be practised anywhere in Canada—on private property, without access to precisely those hospital services required for life-threatening emergencies and pregnancy complications and miscarriage. Furthermore, in Bill C-43 there is no minimum age for the young mother who seeks abortion. There is no requirement that she be informed about the developing life in her womb or the dangers, both physical and psychological, of abortion. Her parents need not be informed of her seeking an abortion. This flaw in Bill C-43 militates against recognizing abortion as anything like a crime. If it did not, then parents would be regarded as important deterrents.

[Senator Haidasz.]

Another flaw in this bill is that in treating abortion virtually as an entitlement lays down no grounds by which a health-care professional may object in conscience to participating in an abortion. Should prosecution be attempted of any medical authority, we are assured by the Minister of Justice that justice will not be done. How unfair and arbitrary.

Another flaw in Bill C-43 is that this bill would allow anyone to perform abortions. Nurses, technicians, interns, medical students, midwives—even relatives or the mother herself may perform an abortion under the direction of a physician. This is dangerous, honourable senators, for it invites mistakes and a lot of harm.

Furthermore, Bill C-43 provides no criminal basis for rejection of an abortifacient drug, such as the drug RU-486, which is a lethal abortifacient, manufactured by the Roussel Company of France. If that drug is allowed in Canada, once doctors are permitted to adjudge on abortion, mothers may attempt, as prescribed, an abortion at home at any stage in pregnancy and witness the stillbirth or miscarriage of her baby.

Another flaw is that, as federal law contained in the Criminal Code, Bill C-43 will make it difficult or impossible for provinces and communities to restrict abortions or refuse their funding.

Senator Frith: Is it Nova Scotia that will be testing that?

Senator Haidasz: Yesterday we heard on the news that the Supreme Court of the United States has ruled that states can restrict abortions in their own jurisdiction in certain cases.

Senator Frith: They have different criminal laws there.

Senator Haidasz: It is the same subject.

Senator Frith: The United States has law jurisdiction rather than federal.

Senator Haidasz: Another flaw in Bill C-43 is that as criminal law it would federally enforce abortion as a virtual right. This is a corrupt misuse of criminal law.

Another flaw in Bill C-43 is that it will deter pro-life counsellors from decreasing cases of abortion if they want to counsel anyone that comes to them in a state of pregnancy. Women who succumb to pressure from interest groups have suffered unabating regret and post-abortion trauma. However, because pro-life counsellors are unsupported, even jailed, pregnant women have very little help in coping with the trauma and grieving, which is known to lead to repeat abortions and even suicide.

• (1810)

In the U.S.A. over 13,000 cases of the post-abortion syndrome were identified in the year 1987. Honourable senators, that is another flaw—No. 13. Passing Bill C-43 will cause deep, social unrest. As you know, neither the pro-life forces nor the pro-choice forces accept Bill C-43. As a law, Bill C-43 will aid and abet abortion, which natural law abhors. The peaceable struggle against this unbearable felony will be forced on to the streets, jailing good citizens as prisoners of conscience.

The fourteenth flaw in Bill C-43 is that it does not really legislate, but attempts a shortsighted problem solution. Without solving a dilemma, it seeks to placate a demand for abortion. The defence of the innocent has become a political hot potato.

In general, honourable senators, what we have been hearing in this debate is the unhealthy lauding of but one opinion, that of Justice Wilson—only one of seven in the Supreme Court of Canada. That does not give abortion the title of right. I repeat, even the majority of the people on the Supreme Court found that no such right to abortion exists. To enforce such a vacuous right behind the clamour of abortion activists, unfortunately, the government has sought to fashion a final solution by wording a bill that really serves the good of no one. I say "final solution," because the Prime Minister said, "Do not expect another abortion bill while I am around."

It is noteworthy that when the house voted two years ago on the government proposal of five possible alternatives for permissive abortion law, all these proposals were roundly defeated. Yet the pro-life amendment propounded by Gus Mitges was barely defeated by 13 votes.

In the fashioning of Bill C-43 much was made of the supposed direction of the Supreme Court, that it represents a competition not found in nature between what is good for a baby and what is good for its mother. This resulting confusion in Bill C-43, unfortunately, helped to have it pass—albeit by a narrow margin of nine votes—because the cabinet was not permitted to vote according to their informed consciences, and the Conservative government MPs had a carrot dangled before them.

Honourable senators, abortion legislation is the most fundamental legislation before us, because it treats of the right to life. The specific issue of the grave faults of Bill C-43 is so profoundly fundamental for Canadian life, identity, and survival that it must be given the most sober of second thought.

The corresponding consultative process in the House of Commons and its legislative committee accepted too presumptively the nature of this bill, overlooking its seditious effects as law.

Honourable senators, without substantive amendments to Bill C-43 giving full protection of life from the moment of conception of the preborn child and the full protection of the life of the pregnant woman, Bill C-43 will remain a bad law and, therefore, not worthy of our support.

Honourable senators, at this time I think it would be good to recall what Cicero, a Roman statesman in ancient times, stated. He said:

> For nothing, surely, can be more inconsistent with a well-poised spirit, than to decline engaging in a laudable action, or to be discouraged from persevering in it by an apprehension of the trouble and solicitude with which it may be attended.

We must, therefore, not forget that abortion is an act of violence. To legalize abortion is to legalize acts of violence. Our whole society, our whole juridical structure, will be corrupted if the law itself becomes an instrument of violence, particularly against the innocent preborn.

Innocence must also be presumed and defended in law. Innocence must be upheld in any "just society." The right to a hearing, necessity of proof and witnesses are all denied the preborn child in Bill C-43. This bill presumes that the child borne in the womb is not one of "everyone," as treated in section 7, and treats him or her as less than no one. Even the child's presumptive innocence is ignored by Bill C-43.

The first rule of good government is justice and compassion. The clamour from certain groups for abortion on demand is strident, but not loving to women or children. On the other hand, to those mothers who are caught up in illegal abortion we should show clemency and measures that correct rather than insult. Many of these women are subject already to increasing anxieties and other manifestations of disconsolate grief. The cause of their grief—abortion—we must deter with all our power.

I urge honourable senators to take up this challenge of protecting our nation's profound interest in preborn children and their mothers with perseverence and loving responsibility. We must stem the tide of abortion, which kills 72,000 preborn children in Canada annually, for this is national genocide and moral disintegration.

I believe it is our pressing duty, as free, mature, and responsible legislators in this chamber of sober, second thought, to legislate just laws for the common good. Bill C-43 is not a just law. That is why, honourable senators, it must be defeated.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators—

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that if the Honourable Senator Doody speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Doody: Honourable senators, I will not take much of your time this evening on this bill. I outlined its purposes and need at second reading introduction.

I should congratulate Senator Haidasz on his presentation. I, and his colleagues here in this place, know how sincerely and deeply he feels about this subject. I realize that he has put a lot of work, effort, and time into his speech. I do not think this will be the end of the opportunities for Senator Haidasz to participate in this important debate. There will be committee hearings and third reading debate, and I fully expect a further airing of this subject at those times.

Today, honourable senators, I want to address briefly Bill C-43, the act respecting abortion, and to stress once again the crucial importance of this legislation to our nation.

• (1820)

In a free and democratic society it is our duty to bring forward legislation that reflects the various views and interests of society and respects constitutional guarantees. The legislative proposals presented in Bill C-43 are the result of a very

lengthy process, involving careful consideration, consultation, and many months of serious study and deliberation in order to respond to this difficult issue in a fair and reasonable way. Abortion has been put into the Criminal Code in order to balance and protect throughout the pregnancy the rights of the woman who seeks an abortion and the societal interests in protection of the fetus.

Abortion is not simply a medical procedure. It touches many of the issues with which the criminal law has traditionally been concerned. The constitutional boundaries for Bill C-43 were set by the Supreme Court of Canada in the *Morgentaler* case. In bringing forward this legislation the government has always emphasized the necessity to enact a law that will be capable of withstanding constitutional challenge. Bill C-43 represents a very careful effort to comply with constitutional requirements, and we believe that the proposed bill will be a workable law within constitutional parameters. Although this bill may not be the first choice of every member of the Senate, we must ask ourselves the following question: Is this bill not the most reasonable compromise to balance the rights we all wish to protect in Canada, and yet give some recognition to the competing interests reflected in the great debate that has gone on for so many years in our country?

It is time, honourable senators, to send this bill to a committee for study. The Legal and Constitutional Affairs Committee seems to be the appropriate committee. I should stress again that this is not the last time honourable senators will have an opportunity to speak on this enormously important bill. We simply ask at this time that it be referred to committee for study and for consideration. I am sure that many of the points raised by Senator Haidasz this evening will be reviewed at that time. At third reading stage the concerns that many senators have may be addressed again. I commend the bill to honourable senators, and, at the appropriate time, I will move that it be referred to committee.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I do not wish to continue the debate. I rise on a procedural point to say that I know that some senators are opposed to the principle of this bill, perhaps for different reasons, and that that is the explanation for the fact that the bill will receive second reading, on division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. C. William Doody (Deputy Leader of the Government): Hoonourable senators, I move that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, on the motion, I think it is worth noting that Senator Haidasz has provided a very detailed critique of the bill, which, if I heard him correctly, contains some 14 flaws. I refer them to the committee for particular study.

Motion agreed to.

[*Translation*]

THE HONOURABLE MARTIAL ASSELIN, P.C.

TRIBUTES ON THE OCCASION OF HIS NOMINATION AS LIEUTENANT GOVERNOR OF THE PROVINCE OF QUEBEC

Hon. Gerald R. Ottenheimer: Honourable senators, I just heard that our colleague, the Hon. Martial Asselin, has been appointed Lieutenant Governor of the Province of Quebec.

Some Hon. Members: Hear, hear!

Senator Ottenheimer: Although we will miss him, I think I can say we all wish him good luck and are all very happy for him. We are sure that in this post he will serve the people of Quebec with the same dedication and effectiveness he showed in his work as a senator.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, on the principle that brevity is the soul of wit, I concur with Senator Ottenheimer's remarks. I also would like to express our appreciation and congratulate our beloved colleague on this well-deserved appointment.

Hon. Jean-Marie Poitras: Honourable senators, I would like to add my comments to those of all previous speakers.

I have known Senator Asselin, the new Lieutenant Governor of Quebec, for many years. I had the honour and the privilege of working with him on various occasions and was able to benefit from his experience and tremendous competence.

As a resident of Quebec City where the Lieutenant Governor of the province resides, I am delighted that someone from the area more specifically from Charlevoix should receive this honour.

It is an honour he certainly deserves. I am sure that he will serve well both his fellow citizens and the Government of Quebec in his new post. I also wish to congratulate him and wish him many years in a new career to which I am sure he will bring the same qualities that made his career in the Senate and in the other place so successful.

CANADIAN LAWS OFFSHORE APPLICATION ACT

SECOND READING—DEBATE ADJOURNED

Hon. Gerald R. Ottenheimer moved the second reading of Bill C-39, an Act to apply federal laws and provincial laws to offshore areas and to amend certain Acts in consequence thereof.

He said: Honourable senators, the purpose of the Canadian Laws Offshore Application Act is to complete and update the legal framework that applies to Canada's marine spaces. It is also intended to make our laws comply with the new provisions of the Law of the Sea.

We exercise our fishing rights in a 200-mile zone. The law for the resources of the continental shelf applies up to the

outer limit of the continental shelf, which is sometimes more than 200 miles, especially off the coast of Newfoundland.

International law grants coastal states exclusive rights to explore and develop the resources of the sea and the continental shelf adjacent to their coast within certain limits. However, Canadian legislation does not sufficiently reflect the current state of the law. This is because under the present interpretation rules, no federal law applies beyond the territorial sea unless expressly provided for. Needless to say, some laws must have such a provision if they are to make sense.

To be effective, laws covering fisheries, customs and income taxes must apply beyond the territorial sea. Nevertheless, other important laws, in particular the Criminal Code and some important social or economic provisions, do not usually apply beyond the territorial sea.

Furthermore, provincial laws cannot apply outside provincial territory, which does not extend beyond the baseline or the coastline. This bill is intended to fill the gaps and thus establish a general framework of legal certainty for the development of offshore areas.

● (1830)

[*English*]

The bill will extend the application of federal and provincial laws to the offshore areas in four ways. First, in a declaratory provision, the bill will make clear that federal laws apply to the internal waters and territorial sea. Second, all federal laws will apply to marine installations or structures, including drilling platforms, floating platforms, artificial islands and other structures used to exploit the resources of the Continental Shelf. Third, the bill empowers the Governor in Council to make regulations to extend the application of provincial laws beyond provincial boundaries to the internal waters of Canada, the territorial sea, and to marine installations or structures on the Continental Shelf of Canada. Fourth, the bill will enable the Governor in Council to broaden the application of federal and provincial laws to areas other than marine installations in our 200-mile fishing zone, or in any exclusive economic zone that Canada might create in the future. I wish to emphasize that this bill and its related amendments are totally consistent with the rights and obligations of Canada under international law.

The government attaches particular importance to the application of Canadian criminal law and the jurisdiction of Canadian courts in respect of offences committed on the Continental Shelf of Canada and elsewhere. Under the amendments to the Criminal Code contained in the bill, it will be possible to prosecute Canadians and foreigners suspected of having committed criminal offences on drilling platforms flying the Canadian flag or a foreign flag when such platforms are attached to the Continental Shelf of Canada.

Moreover, the criminal law will apply to all Canadian ships anywhere in the world, and to Canadian citizens who commit offences outside the territory of any state—for example, on the high seas. These provisions will make it easier to ensure that offshore areas are exploited in an orderly fashion. They will also help to protect fisheries officers who, from time to time, must take action in the case of incidents involving foreign ships suspected of breaking our fisheries laws by clarifying the provisions in the Code related to arrest, search and seizure, and hot pursuit on the high seas.

The bill will amend the Territorial Sea and Fishing Zones Act so as to specify that our baselines include those that have been determined by Order in Council, our historic baselines, and any other baselines at international law. This provision will also help to specify what are Canada's international waters for the purpose of the application of our laws. Baselines are the lines from which the breadth of the territorial sea is measured outward 12 nautical miles. All waters on the landward side of baselines are internal to Canada.

[*Translation*]

The implementation of any legislation as technical as this requires consultation with the groups and institutions concerned. The government is committed to ongoing consultations with the provinces and the territories on the application of their laws beyond their boundaries.

I want to stress that nothing in this Act abrogates or derogates from any rights of the provinces, aboriginal groups or individual citizens. These rights are protected under the Constitution and under certain provisions in the bill. However, the government realizes that certain parties will have some questions about the bill. That is why it will come into force in two stages.

First of all, it will be possible to implement the provisions on broadening the application of federal laws more quickly than those concerning provincial laws. The application of the laws of a given province or territory may be broadened before that of a neighbouring province or territory.

Second, under the bill, 60 days' notice must be given before regulations are issued, to give interested parties a chance to comment on the proposed regulations. Thus, implementation of this legislation will take place in a spirit of consultation and co-operation.

[*English*]

In conclusion, the Canadian Laws Offshore Application Act will broaden the application of federal and provincial laws. It will amend and modernize the criminal law to make it reflect the increased economic and social importance of the waters adjacent to our coasts. In this regard, it corrects certain ambiguities and fills several gaps in our current laws. All these measures will make it possible for our laws to be a reflection of the rights that Canada has acquired at international law.

On motion of Senator Frith, debate ajourned.

ABORIGINAL PEOPLES BILL

SECOND READING—DEBATE ADJOURNED

Hon. Charlie Watt moved the second reading of Bill S-18, to further the aspirations of the Aboriginal peoples of Canada.

He said: Honourable senators, for many people Bill S-18 might be just another private member's bill, but for the Aboriginal peoples it represents something far more important.

It represents an effort to redefine the relationship between the federal government and the Aboriginal peoples of Canada.

Bill S-18 is just one step in correcting over a century of ineffective and often abusive federal policies regarding the Aboriginal peoples. It is an attempt to reshape federal thinking and attitudes, which have perpetuated the intolerable conditions facing so many of the Aboriginal peoples of this country. Above all, it seeks to clearly set out the federal responsibility and process for ensuring that Aboriginal peoples are able to take their rightful place in Canada.

In this sense, Bill S-18 might be one of the more important bills to originate in the Senate in recent years. It is a bill that has been conceived, developed, and launched in the Senate, and it will be the Senate's contribution to honouring and fulfilling the Crown's obligation to the Aboriginal peoples of Canada.

Finally, Bill S-18 will provide a clear signal that the Senate intends to carry out the work that began with the establishment of the Standing Senate Committee on Aboriginal Peoples.

The idea of this bill stems from the period following the 1987 first ministers' conference on aboriginal matters. At that time there was a need to develop a new policy and process to accommodate the rights and aspirations of the Aboriginal peoples in Confederation. Instead of responding to this need, the government ruthlessly cut funding from various aboriginal organizations and programs. This situation is made worse by the fact that the government has refused to develop an overall policy on how it sees the Aboriginal peoples taking their rightful place in Canada.

● (1840)

The aboriginal constitutional reform process was a policy initiative left over from the previous administration. The current government did make one honest effort to bring about an agreement for a self-government amendment. However, it quickly lost interest in the process in favour of trying to reach a constitutional deal on Quebec's outstanding demands.

In the meantime, the concept and meaning of aboriginal self-government has been watered down to the point where the term is being used to describe minor administrative arrangements relating to Aboriginal peoples.

Land claims negotiations is one area where the government has been crediting itself with some success. However, land claims is another example of a policy initiative that was held over from the previous administration.

It is true that after more than a decade of negotiations, the government has reached land claims agreements with a number of Aboriginal peoples. Unfortunately, the government has obtained some of these agreements through intimidation and by threatening to abandon all negotiations and cut off funding for discussions and research.

The current land claims policy has other deficiencies. For example, the government conveniently ignores land claims that do not suit its needs or interests. This is usually the case when it comes time to negotiate land claims on low profile matters involving overlap or offshore areas.

The most serious shortcoming in the existing policy is the federal government's refusal to negotiate self-government arrangements as part of a land claims agreement. It refuses to do so simply as a matter of policy—a policy completely based on an arbitrary decision.

Despite the lack of new initiatives to assist the Aboriginal peoples, the government has consistently pursued an unwritten policy of attempting to deny, limit, or off-load its responsibilities and obligations regarding the Aboriginal peoples. Every provincial government and aboriginal group has probably come across this unwritten policy at one time or another in its dealings with the federal government. Bill S-18 would block such an unwritten policy.

The federal government's efforts to deny or limit its responsibility for Aboriginal peoples provides a good example of an important issue that is addressed by Bill S-18. Under section 91 of the Constitution Act, 1867, the federal government has the jurisdiction and the power to deal with a number of matters, including those relating to the Aboriginal peoples.

The federal government fulfills its duties and exercises its powers for most matters coming under its jurisdiction. This is clearly the case for areas relating to the military, the printing of money, postal services and so forth. Canadians would not have it any other way. They fully expect the federal government to act to fulfill its responsibility in areas coming under its jurisdiction. In fact, through its spending power, the federal government even acts in areas where it does not have jurisdiction. Post-secondary education and medicare are two examples of this. However, it is a different story when it comes to federal jurisdiction in matters relating to Aboriginal peoples.

The government argues that it is wrong for people to think that it should act on various aboriginal matters. It argues that its jurisdiction in this area is merely an enabling provision. As a result, the government concludes that it has no responsibility to act on matters relating to the Aboriginal peoples, except for what is provided for in the narrow confines of the Indian Act or in what is set out in arbitrary policies.

Bill S-18 would put an end to this double standard. It would compel the federal government to act in this area by defining the federal government's responsibilities, duties, and obligation to the Aboriginal peoples of Canada. In other words, the government would have to carry out its responsibilities on aboriginal matters in the same way it currently acts to carry out its responsibilities for other matters coming under its jurisdiction.

Honourable senators, I should now like to provide a brief explanation of the proposed Aboriginal Peoples Act. The first part of the bill would provide general protection for aboriginal and treaty rights through the use of various non-derogation and non-abrogation clauses. Aboriginal peoples have felt that such provisions have been made necessary by the government's inconsistent use of such clauses to protect aboriginal rights in federal legislation.

The Aboriginal Peoples Act would also direct the government to initiate policies and programs that would provide the Aboriginal peoples with the means to exercise their right to self-government; acquire institutions and resources necessary for self-government; promote their cultures and values; improve their economic circumstances; and generally exercise their skills and talents.

The same section of the bill would prevent arrangements between the federal government and other governments that would reduce the rights of the Aboriginal peoples or diminish federal authority, obligation, or fiduciary duty regarding the Aboriginal peoples.

The proposed legislation would also result in a major overhaul of the job description normally associated with the Minister of Indian and Northern Affairs. Under this bill, the minister would be charged with the responsibility of advocating on behalf of the Aboriginal peoples. For example, he or she would have to promote an understanding among Canadians that the cultures, rights, and institutions of the Aboriginal peoples constitute a fundamental characteristic of Canada.

Moreover, the minister would have to take steps to ensure that Aboriginal peoples would have adequate resources to carry out negotiations, to represent their interests, and generally to preserve and develop their economies, cultures, and governmental institutions.

In addition, the minister would have to take measures and find funding to reduce disparities in economic opportunities between Aboriginal peoples and other Canadians.

Perhaps the most significant aspect of the proposed legislation is found in the provision requiring the minister to enter into negotiations on outstanding land claims, self-government and resources required for self-government, and the modernization of existing treaties and agreements. According to the bill, the minister would have to enter into such negotiations within six months of having received a request to do so from the Aboriginal peoples of Canada.

Honourable senators, the last point I wish to make concerning Bill S-18 is very important, and one that has come to light as a result of the developments surrounding the demise of the Meech Lake Accord. It now appears that the future of the country will be decided through a series of bilateral relations and bilateral agreements between the federal and provincial governments. This type of approach may not be ideal, but it will probably work as far as provincial interests are concerned. However, it fails to provide a means by which the Aboriginal peoples may participate in decisions affecting the future of this country.

● (1850)

The events of the past few weeks more than demonstrate the danger of trying to freeze the Aboriginal peoples out of such decisions. It is therefore obvious that there is a real need for bilateral relations and discussions between the federal government and the Aboriginal peoples. Bill S-18 would clearly provide the Aboriginal peoples with a process, resource, and capability to pursue such bilateral relations with the federal government on their future in Canada.

In closing, I wish to stress that Bill S-18 is only a starting point for the Aboriginal peoples. It is my hope that they will use the bill as an opportunity to come forward with their views and suggestions in order to develop legislation that will fully reflect their desires and aspirations.

I believe the newly-formed Senate Committee on Aboriginal Peoples would be in an excellent position to facilitate such consultations. Through the use of such a forum, the Senate will be able to work in conjunction with Aboriginal peoples to develop effective solutions.

For the reasons I have outlined, I call on the Senate to give quick passage to Bill S-18. It is a bill the Aboriginal peoples need now more than ever.

On motion of Senator Doody, debate adjourned.

CUSTOMS ACT

BILL TO AMEND—SECOND READING

Hon. C. William Doody (Deputy Leader of the Government) moved the second reading of Bill C-55, to amend the Customs Act.

He said: Honourable senators, I should like to say a few words in support of Bill C-55, to amend the Customs Act. This bill is not complicated, and I should like to offer a few comments on the benefits it holds for the Canadian business community.

Honourable senators, the situation now is one where the right of duty on certain imported goods is reduced retroactively. Consequently, it is only fair and equitable that importers of these goods receive a refund for the duties they overpaid during the period of retroactivity. Over and above these refunds, the importers should be paid interest on these sums, because their financial resources have been tied up for a period of time through no fault of their own. As well, honourable senators, the act provides for appeal rights where a departmental decision adversely affects an importer. It is felt that the same provisions should be applied uniformly in all cases. In order to ensure equity and fairness, the appeal provisions should apply in these circumstances as well.

In essence, the bill gives the Department of National Revenue, Customs and Excise, the mechanism to grant the full benefits arising from the orders made by the Governor in Council. Unless this legislation is passed importers will not receive fair and equitable treatment.

Honourable senators, the new customs tariff that implemented the harmonized system on January 1, 1988, included Order in Council authority to allow the government, during an 18-month period after implementation, to respond to requests to restore rates in effect under the old tariff. A recent amendment to the customs tariff extends this authority for a further 12 months. Currently the Customs Act does not allow for these provisions to be fully implemented, given that the authority to refund duties does not cover the entire retroactive

period provided for in the tariff. As a result, without an amendment to the Customs Act, importers will be unable to obtain refunds of duties overpaid and accrued interest paid for the full retroactive period.

Honourable senators, this bill provides the Department of National Revenue, Customs and Excise, with the authority to refund duties overpaid in all instances where the Governor in Council has ordered that lower rates apply retroactively. It ensures that all importers are treated equitably with respect to payment of interest on their claims, and it ensures that appeal procedures currently provided by the Customs Act also apply to all importations affected by such Orders in Council. Honourable senators, this bill, in the interest of fairness and equity, should be passed as quickly as possible. I would recommend it for second reading.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, Senator Doody gave me a copy of his speaking notes and other material. He has clearly explained the purpose of the bill, which is to correct an inequity that flowed from certain amendments to the Customs Act, particularly in the harmonized system project.

I suggest we give the bill second reading now. If Senator Doody can produce someone for tomorrow, in Committee of the Whole, we can ask these questions of the minister or his representative at that time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senator, when shall this bill be read the third time?

On motion of Senator Doody, bill referred to Committee of the Whole at the next sitting of the Senate.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SIXTY-EIGHTH REPORT OF COMMITTEE ADOPTED

Hon. C. William Doody (Deputy Leader of the Government), for Hon. Roméo LeBlanc, moved the adoption of the sixty-eighth report of the Standing Committee on Internal Economy, Budgets and Administration.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

SIXTY-NINTH REPORT OF COMMITTEE ADOPTED

Hon. C. William Doody (Deputy Leader of the Government), for Hon. Roméo LeBlanc, moved the adoption of the sixty-ninth report of the Standing Committee on Internal Economy, Budgets and Administration.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

[Senator Doody.]

MEECH LAKE ACCORD

DEBATE AND PROCESS—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Olson, P.C., calling the attention of the Senate to the debate and process concerning the Meech Lake Accord.—(*Honourable Senator Olson, P.C.*).

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, as mentioned earlier, Senator Olson will yield to Senator David.

[*Translation*]

Hon. Paul David: Honourable senators, may motion has been agreed to, although late. I will give the speech I had prepared for the beginning of today's sitting.

Honourable senators, the rejection of the Meech Lake Accord by two Canadian provinces and the assembly of native chiefs is a new painful experience for the people of Quebec. After three long years of debate, the sudden changes of these last few weeks have shown how fragile the Canadian parliamentary system could be and how vulnerable to intolerable procedural devices. The latest melodramatic episodes have tarnished our natioal and international image. Non one in our country can take pride or feel honour in what has happened. As a Quebecer, I feel a deep sorrow comparable to what I felt during the events of 1970 and 1981-82.

Like it or not, the defeat of Meech Lake is a setback for our constitutional development and our maturity as a nation. This rejection has obviously encouraged a large segment of the Quebec population that aspires to sovereignty-association or independence. I sincerely believe that the death of Meech betrays the intent of the Fathers of Confederation who in 1867 had understood that Canada's future depended on a difficult compromise of balanced but generous tolerance between the two leading groups in our new nation.

Meech is no more. Politicians hasten to find scapegoats and shift the blame onto their opponents. Historians will dissect what actually happened, their task made easier by the passage of time and historical developments. But we who live through the event have the thankless task of rebuilding what we destroyed. I must point out with great regret the harmful role our own House played in this issue.

But to be objective, I must also tell Quebecers that it is wrong to say that the rejection of the Meech Lake Accourd is a rejection of Quebec by all English Canadians or at least by the majority of premiers who represent them.

Premiers Vander Zalm of British Columbia, Getty of Alberta, Devine of Saskatchewan, Peterson of Ontario, Buchanan of Nova Scotia and Ghiz of Prince Edward Island respected their commitment and were faithful allies of the people of Quebec throughout these three years. I take this opportunity to thank them and express my admiration for them. Premier McKenna of New Brunswick, after criticizing the imperfections of the Accord for a long time, nevertheless made a noble effort of reconciliation by submitting a list of proposals to be the

subject for coming negotiations. With the assurance of his fellow first ministers who met for a week, his legislature unanimously endorsed the Accord. We thank him.

● (1900)

A special tribute must be paid to John Turner, the outgoing leader of the Liberal Party, whose support for the accord never waivered and who had the courage to re-affirm his convictions before the recent Liberal leadership conventin. Ed Broadbent as well, notwithstanding a few minor hesitations, correctly honoured his commitment and deserves our gratitude.

Finally, the initiative for this gripping and painful adventure of national reconciliation was the work of our Prime Minister Brian Mulroney. Quebecers must not forget that he was the author, advocate and unrelenting defender of this accord whose sole aim, from start to finish, was to bring Quebec back into the Canadian constitutional fold. Despite the deep disappointment he must be feeling, it would be unfair and malicious to hold him responsible for this failure. Many of the comments I heard this afternoon led me to believe that he was the preferred target of our friends opposite. During three years the Prime Minister and the members of his team, particularly our leader, Senator Murray, worked patiently, relentlessly and loyally to convince the new provincial premiers elected during that period that they ought to honour and ratify the signature of their predecessors.

A very special acknowledgement concerning the impeccable behaviour of Quebec Premier Robert Bourassa who, in his televised address, thanked Prime Minister Mulroney for his unfailing support. With firmness, dignity but with moderation, he described the frustration felt by his government and the people of Quebec, yet never did he dismiss his federalist option. I believe this last sentence is significant.

We hope his appeal will be heard and understood. For sure, he will never negotiate a new accord as long as Canada as a whole does not accept the minimum five demands which two recalcitrant provincial legislatures chose not to honour. The ball is definitely in Canada's court, and I hope that the message of Mr. Bourassa, who has the stature of a respected and respectable head of State, will finally be analysed on its merits. Otherwise, the march of Quebecers which we witnessed in Montreal yesterday and which you saw on your television screens will continue inexorably towards their affirmation as a distinct society.

During the past few weeks I was reminded of my professional life as a physician. Many times we tried to save patients but were unable to do so. Medicine's failures, however, have been responsible for some of the remarkable progress we have made today. Using this as a metaphor for Meech Lake, it seems to me that the death of Meech Lake may become a starting point for correcting some of the serious shortcomings in our constitutional system. Society, like medicine, must analyze its mistakes and find new ways to avoid repeating them. Since perfection is not inherent to the human condition, society or legislators, we can only strive towards an ideal that is rarely achieved, and we must do so in gradual stages.

The failure of Meech Lake should be seen as one of those stages, and that is why, despite its imperfections, I personally endorse this proposal with enthusiasm, confidence and pride. I remain convinced that its rejection was a serious mistake, and I fervently hope that the consequences will not be irreparable.

I believe that if Canada is to be one of the leading nations of this world, it must show leadership in taking a more understanding attitude to its own minorities. To promote respect, good will and understanding is as much a matter of the heart as the mind. The post-Meech period demands that we review our entire Constitution, not this inconsistent and often ill-conceived «patching» whose interpretation may vary from one expert to the next. It is my humble opinion that perhaps the time has come to create a kind of royal commission whose mandate would be to draft a second constitution adapted to the needs of a modern Canada. The Commission would have a five-year mandate, which would be time well spent to take some distance and to organize wide-ranging hearings with witnesses from across the country, from all the provinces, and produce a document that is realistic and acceptable to the people of this country.

For the time being we must set aside all prejudices and, especially, our partisan feelings to draw a lesson from Meech and rebuild an exemplary country based on co-operation, not confrontation. It is a possibility, if we agree that our linguistic and cultural differences can become a stimulus for collective and distinctive enrichment.

In concluding, honourable senators, I ask you to understand the tremendous disappointment of the people of Quebec, to work hard to reconcile our differences, and to support the generous and comprehensive historical aspirations of Quebec, which are entirely compatible with the equally specific aspirations of other provinces and territories and Canada as a whole.

Honourable senators, by my reemarks I have tried to transmit to you my disappointment, my feelings, my convictions and, yes, my optimism. Thank you.

Hon. Gildas L. Molgat: Would Senator David entertain a question?

Senator David: Of course, Senator Molgat.

Senator Molgat: Did I understand correctly that at the beginning of his speech he said that two provinces had rejected the Meech Lake Accord?

Senator David: I don't know whether I said it in exactly those words, but in any case, two provinces, Manitoba and Newfoundland, did not sign the Accord.

Senator Molgat: I thought you said: "Rejected". That was certainly not the case in Manitoba. The question was never put.

Senator David: I agree that as far as that term is concerned, you are right, Senator Molgat. I should have used the word "ratified". I should have said they did not ratify the document.

• (1910)

[*English*]

Hon. H.A. Olson: Honourable senators, I originally introduced this inquiry—

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, will Senator Olson's interventon close the debate?

[*Translation*]

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I had understood that Senator David wanted to make his speech today and I wonder whether he has now finished it.

Senator David: Yes, I have, Senator Frith.

[*English*]

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, there are others who wish to speak as well. I am afraid that since the debate stands in Senator Olson's name, if he speaks now his speech will have the effect of closing the debate, but I gather that that is not so. Some honourable senators wish to speak this evening and some wish to speak tomorrow on the same subject, and, rather than going through the process of trying to open another avenue or channel, I think we should stay on this order.

Senator Olson: Honourable senators, it is my understanding that I yielded to Senator David on the basis of the discussion earlier today; that the debate will return to me and that it will go on after I have spoken. I intend to finish my participation at this time, but other honourable senators can speak afterwards if they so wish.

Senator Frith: That is fine, as long as it is understood. Otherwise, the rule would take effect.

Senator Olson: Honourable senators, as I said a moment ago, I introduced this inquiry and, after a short speech, had it stand in my name so that it would be on the Orders of the Day. As I said at the time, I believed very sincerely that there was under way an attempt to transfer the responsibility from those people involved in the management of the Meech Lake Accord—namely, the Canadian government, including the minister who sits in this chamber—to someone else. In other words, the fault would be someone else's.

We have witnessed the Prime Minister, the Minister of State for Federal-Provincial Relations and others attempting to transfer the responsibility for the failure of the Meech Lake Accord to someone else. It was clear to me that members of the government would make that attempt, and that is why I stood this order in my name.

As I participate in the debate this evening, it is more in sadness than anything else. Let us look around Canada. We have never had such bad federal-provincial relations. For example, the Premier of Quebec is saying that he will never come to another first ministers' meeting. The Prime Minister is saying that if Quebec does not come to the meeting there will not be a meeting. If these men mean what they say, that process is over. I suppose we will have to wait until other personalities occupy those positions before we have any tranquility. The strange part is that after these people go on and say what a great country Canada is, they then say, "We are going to wreck it all now because we are not coming to any more meetings."

I do not have all the points in front of me; I would not repeat them anyway because I intend to make a short speech. However, time after time comments have been made to the effect that the leaders in Manitoba or the Premier of Newfoundland caused all the problems. Then Elijah Harper became the problem. I do not think we need explain what Elijah Harper was trying to do. He had every justification, as far as I am concerned, to take the action he took. Aboriginal people in this country have been ignored for a long time, and most recently when the government did not even include them in the so-called parallel resolution they had intended to introduce.

It is sad that a government that is supposed to be the government of all Canada has created this crisis. It is a crisis. It was not there before they started debating this matter. However, the way the whole thing has been managed has created a crisis. There are intense, and perhaps hard, feelings in parts of the country as a result of the so-called great debate that has brought us to this mess.

It is important that we understand the thinking of the rest of Canada. I believe Canada has changed profoundly as a result of this debate. For example, Premier Bourassa will not come to the negotiating table any more. He has said that he will not meet with the provincial premiers; that he will only have bilateral discussions with the federal government on all the issues we wish to discuss, such as immigration, communications and so on.

We have not heard much about it lately, but there used to be something called western alienation. If you think that feeling is dead, you have not been listening or following what has been taking place. Here is what will happen, and I say this without hesitation: There is no way that any one province can deal with the federal government in such a way that other provinces are excluded from getting the same kind of deal, whether it be on transportation, communications, immigration or anything else. Western Canada is pretty tired of having to knuckle under to central Canada over and over again. Absolutely nothing came out of this whole process to improve that situation. That is why I say this whole situation is sad. I think the main reason for all these problems is that nobody has been speaking for Canada. This government has never spoken for all of Canada.

• (1920)

Therefore, what we will have is a different country. It is hard to imagine what kind of country it will be. It will be difficult to set up a structure if the feelings of today are held for some time into the future. This government delivered the present situation to us.

I do not intend to argue the pros and cons of the Meech Lake Accord. I have certain reservations about what was in it, as I have previously stated.

Senator Murray: Some reservations? You fought it every inch of the way. Don't try to rewrite history now!

Senator Olson: I suppose "certain reservations" could mean what the leader has just said.

Senator Murray: You fought it every inch of the way, tooth and nail, root and branch.

Senator Olson: I was not there every inch of the way. The leader was there every inch of the way, and he messed things up so badly that now we have a completely different country.

In many ways I am sad about that, because we did have a country that could get together under previous governments, although we did not always agree. This great country, as the leader describes it from time to time, is the result of those previous discussions. I do not think we can have such discussions any more because of what has happened. The minister responsible for federal-provincial relations surely has to take the bulk of the responsibility for that.

There are many ways to measure something, and one is to look at the result. I am told that there was a great deal of intimidation, especially of the leaders of Manitoba. There were threats of serious economic consequences for Manitoba if the Meech Lake Accord was not passed. I do not know why Hibernia is being held up in the House of Commons today, but I have my suspicions, $2.7 billion worth, and if that happens there will be another consequence because of the mismanagement of Canada's national affairs by this government.

That is the message that seems to be coming from the other place today. During Question Period in the other place only questions on Hibernia were being asked. I hope the government does not have in mind severe economic penalties for Newfoundland because of what has happened. However, after what I have seen, I would not be surprised if the government tried to do that, but it will do so at its peril.

Let me get back to what I was saying a minute ago respecting the western provinces. The Liberal Party and the Progressive Conservative Party, to be honest, have lost control in the west. If there is not to be a corresponding accommodation for what western Canada has been asking since Meech Lake came along, the beneficiary of western Canada will be the Reform Party. That party will wipe out every seat the Progressive Conservative Party now has in Alberta. In fact, that may well happen right away, but things will get worse. The government might well realize that it will not get away with this.

In Saskatchewan and British Columbia another party, other than the Conservative Party, will be the beneficiary. I do not know at this moment whether or not it will be the Liberal Party. That happened a couple of times before, and there were some rather interesting consequences.

I was a member of the Social Credit Party. I believe the Social Credit Party won all but two seats in western Canada in the federal election of 1935. The west at that time had given up on both the old parties, the Liberals and the Conservatives. That is how the CCF got its start in Saskatchewan and in other provinces across the country. In frustration, the western provinces dumped both old parties. If you think they are not ready to do that again, you are just not listening. I think it would be a terrible disservice to Canada to have that happen now.

However, there is more to it than that. Western Canada believes, just as Quebec does, that it can get along without the rest of Canada, if Canada carries on in the way it has. The oil wells will flow, the gas wells will flow, the trees will grow, and the coal mines will be mined. We have great seaports in Vancouver and Prince Rupert. If the government thinks it can intimidate western Canada, it better not kid itself, because western Canada is not listening any more. Western Canada does not want to listen any more. If the government wants to start down this road, and sit around like the Prime Minister and the minister responsible for federal-provincial relations is doing, trying to blame somebody else, they had better rethink that strategy.

I think the government has to do an enormous repair job, and not only in Quebec is there need for a repair job to be done. Even the government members will understand that if they think about it for a moment.

One tries to understand what has been taking place, but western Canada was given short shrift. What was Alberta offered? Two more Senate seats five years from now—that is, if there is not Senate reform in the meantime.

Senate reform, by the way, is a myth. The provinces really want a redistribution of power so that they can be masters in their own houses, to some extent. I do not know whether the Minster of State for Federal-Provincial Relations ever understood that. He has said that Senate reform might come about. I have been around here a long time and I know very well that there will not be a Triple-E Senate in my lifetime, or in the leader's lifetime either. He knows very well, for example, that the House of Commons would never vote for that, and that is where constitutional amendments eventually have to come from. We have been through this two or three times since I came here 30 years ago. When it gets right down to the wire, the House of Commons will not to vote that the residue of power will be vested in the Senate, whether it is a Triple-E Senate or whatever.

Neither would the first ministers transfer that power to an elected Senate, but perhaps we will not have any more of those conferences anyway. I happen to believe, however, that there will be others occupying the Offices of the Premier of Quebec and the Prime Minister of Canada who will not take this kind of head-on, devil-may-care attitude and try to impose that on the rest of Canada.

• (1930)

As I said, honourable senators, I do not intend to make a long speech. There is one other thing, however, that is becoming irritating to the people in western Canada, and that is the expression, "It is the English." I want to tell honourable

senators that there are a lot of us out there who are not "the English" doing all of this. Many of the premiers from various provinces, Ontario and others, including the Premier of Alberta, heaped praise upon, and indicated their support for, Meech Lake, wanting to go all the way with it. What is happening now that it has failed? They are trying to make out that it was some kind of rejection of Quebec, which it never was. I am sure the minister may make that argument again, but I say that this was no rejection of Quebec.

I will tell senators what it was: It was a rejection of the process. If we look into it a little deeper we will find that it was not only the process but the tactics that were used in the process that really were annoying. Those who attended those meetings for seven days and seven nights, or whatever it was, said they would never go through that again. I think almost all of them said that. I know Premier Getty returned to Alberta saying that he would never again participate in that kind of process. Premier Filmon, according to a newspaper article, will never forget how Ottawa treated him. He said that he would never participate again in that kind of process. The article states that, while claiming to recognize the aspirations of Quebec, the premier indicated that constitutional discussions directed only at satisfying one province were unworkable.

Senator Murray: Do you agree with that?

Senator Olson: Yes, I agree with that. I think the government has to treat Canadians all over Canada in the same way. If you are not prepared to do that, then you have no right to be the Government of Canada.

Senator Murray: You do not think there was some unfinished business after 1982?

Senator Olson: I believe you have misrepresented what happened in 1982 every time you have spoken about it. I was there, in case you have forgotten. You keep reminding me over and over again that I was there.

Senator Murray: I was seated over there at the time and I voted against it.

Senator Olson: Well, I attended the federal-provincial meeting in 1982. I was a junior minister, but I was there. And I know one other thing—Premier Levesque was there too.

Senator Murray: Yes.

Senator Olson: And he was invited to sign. He decided that he would not sign the constitutional amendment, so why are you saying that somebody isolated him? We knew very well that he would not sign anything that strengthened Canada because he was philosophically opposed to such a thing.

Senator Murray: What position did Mr. Ryan, the Liberal leader, take?

Senator Olson: You keep coming back to the argument that somehow the government of the day drove Quebec away from the meeting. That is not true! And no matter how many times you say it, it will not make it true. I sat for hours between the Prime Minister of Canada and the Premier of Quebec and listened, as did other ministers who were there. Quebec was not asked to leave. Quebec was not driven off or isolated, as the Prime Minister has stated, in any way. Of course, if you do not want to accept that, if you do not want to admit that the Premier of Quebec at that time was philosophically opposed to such a strengthening of Canada, that is one thing. He was a separatist. He was in favour of sovereignty association. How would anyone expect him to sign something that would strengthen the Constitution of Canada? He did not want to belong.

Senator Murray: It was imposed upon him against his wishes.

Senator Olson: It was not imposed upon him.

Senator Murray: Oh, yes, it was!

Senator Olson: Oh, come on, you were not there. You act as if you were. It is mischievous to take something like that and perpetuate it as if it were a fact. It is not the truth!

Honourable senators, as I said, I did not intend to make a long speech. I think, however, that some of these things need to be placed on the record, in case anyone has any happy idea that Canada will be the same after what the Premier of Quebec and the Prime Minister have said they will do. It will not be as simple as Quebec's indicating that it will not come to the meetings so we will not have any meetings. I do not think any province, and I don't care which one we are talking about, can make some kind of deal that will be denied to the other provinces.

Senator Murray: Where do you see that?

Senator Olson: That is the consequence of this whole situation. Premier Bourassa has said that he will have bilateral negotiations only from now on.

Senator Murray: They all do.

Senator Olson: Oh, they do. So is there now to be a French Canada and an English Canada? That is a false statement right from the word go. There is a lot more to Canada than a division between English and French. There are the Aboriginal peoples, for example. And what about the nine million people who are not English at all? What about us?

I could go on to tell honourable senators a few things about whether the first to arrive here were the French, the English, or the Vikings. They are my ancestors, and they landed on the continent first. I think Senator Doody could tell us what they have done in northern Newfoundland about that. I do not know what they did with the people—they found their remains, but none of them ever got back to Norway.

Senator Doody: How do you know?

Senator Olson: There is no record of it.

Senator Doody: Well, that's different.

Senator Olson: On that note, honourable senators, perhaps I should close by saying that I think the government has made a terrible mess of what was a great country. We do not know what will happen. I think we have enough strength in all parts of Canada, including Quebec, to perhaps repair the damage.

But I do not believe the same people who delivered us into this mess can get us out of it.

Senator Frith: Well done!

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, we are living historic times which are sad times for me. The death of Meech Lake is a very important event. You will allow a Quebec senator—Senator David is also from Quebec—to say a few words on the constitutional situation.

We have to remember that in 1867, one of the reasons, but not the only one, why Canada adopted the federal system was because Quebec had just adopted a civil code, because it was still of French language and French culture, in short, because Quebec was a distinct society. That is the main reason for Canadian federalism. Other provinces, the Maritimes, for instance, were favourable to federalism. The first Canadian constitutional crisis was not prompted by Quebec. It was induced by Nova Scotia who, in 1868, was not satisfied with Canadian federalism.

Sir John A. Macdonald solved the problem by rightly giving Nova Scotia what it was asking for. Later on, the Constitution was amended.

[*English*]

Senator Stewart: What was that amendment to which the honourable senator refers?

Senator Beaudoin: It has to do with the spending power, but I would like to respond to questions later, if you do not mind.

Senator Stewart: It certainly was not!

Senator Beaudoin: What do you mean when you say there was no amendment? The Constitution was amended later on, in 1907, for purposes of federal payments to the provinces, but I will return to that point later.

[*Translation*]

A federal system was chosen partly because of the distinct character of Quebec and also because the Maritimes wanted such a system. Then, and I think we owe it to the wisdom of Sir John A. Macdonald and Sir George-Étienne Cartier, that form of government allowed Canada, the small British colony lost in the north of the United States, to become, some 123 years later, the seventh industrialized power in the Western world.

I think that they were right, and there have been at least 23 amendments to the Canadian Constitution. I could come back on that point, but I do not intend to do so tonight. The Canadian federalism has changed considerably in time. Macdonald had dreamed of centralized federalism. Sir Wilfrid Laurier preferred a little less centralized version. At first, Mackenzie King wanted federalism to be somewhat decentralized, but he centralized it starting in 1935. Other Prime Ministers followed. That is to say that Canadian federalism has gone through phases, shifting toward centralization at times and toward decentralization at others. Hundreds of rulings were made regarding the legislative jurisdictions. Many constitutional conferences were held on the subject since 1907. The first one dealt with federal payments to the provinces.

The Canadian federalism has indeed evolved considerably. There were other constitutional crises—this was not the first—and and we have resolved all of them. However, we have just witnessed the death of a very reasonnable constitutional amendment which I think will have serious consequences. Never in our history has an amendment caused so much controversy. Some have said: "The process was undemocratic. The people were not involved. The talks took place behind closed doors."

Senator Olson: In the middle of the night.

Senator Beaudoin: Senator Olson, I challenge you to find in the Canadian history one single case of an amendment which was discussed for three years and signed on three occasions by all First Ministers. There is none. Such a case does not exist. This constitutional amendment was debated at length and rejected. One could be for or against it. In this case, however, I am tempted to borrow from great French Minister Maurice de Talleyrand—Périgord an expression which he used when referring to an event during the French Empire: "It was more than a mishap, it was a mistake".

Today, I feel that in the history of our country, a mistake was made. The Meech Lake Accord represented an acceptable form of federalism at a definite time in our history. It was consistent with our current requirements. It met the needs of the day. Yet, it happens sometimes in history that some men or women or political players do not realize the deep significance of some events. In my humble opinion—and I could be wrong—but this is what has just happened. History will identify those most responsible for this failure. Such is not my purpose today.

In one of his books, writer Stefan Zweig mentions the shining moments of human history. There is no doubt that we did not live through one of them. It was rather a dark moment. There is no doubt in my mind that we have just missed an appointment with destiny. We find ourselves today the way we were a few years ago. But in the meantime, Quebec has changed, as clearly evidenced by the events of these past few days.

I just cannot understand those who say that Quebec's five conditions were acceptable, but not the Accord itself. Such an attitude cannot withstand strict scrutiny. The Accord was signed on three occasions, analysed by experts for and against, and explained a hundred times. Personally, I wish that those who opposed the Meech Lake Accord, instead of wasting time, would have told us from the very beginning what they thought of this Accord. If the letter of this Accord is dead, we should at least try to preserve its spirit for tomorrow when we, as Francophones, Anglophones and Native Canadians, may try to resume the dialogue at the first opportunity.

I feel it is most unfair to blame this failure on the Prime Minister of Canada. I suggest that Prime Minister Mulroney and the ten Premiers who signed the Meech Lake Accord, who signed it again in June 1987, and who signed it once more at

midnight on June 9 at the Conference Centre—with three new Premiers—made the right decision.

Three years ago, the First Ministers had made the right decision on the Meech Lake Accord. Most of the Premiers went along with it. I deplore that all did not persevere to the very end. History will judge their action.

As to Quebec, I feel it showed tremendous patience and dignity.

What are we going to do now? What has the future in store for us? To be honest, nobody knows. As Victor Hugo wrote once: "The future belongs to nobody but God".

I regret the tremendous efforts I made for years to favour the adoption of the Meech Lake accords. As a teacher, I have been concerned for many years with the constitutional issue, I devoted my life to it and have always enjoyed working in Constitutional Law. It was with tremendous pleasure that I cooperated with Senator Murray.

But to return for a moment to Quebec's part in all this. Quebec has always managed to strongly influence the Canadian Constitution. This time it failed. I wish to emphasize that we, as Quebecers, should be careful not to lump together all English Canadians. A great many sais yes to Quebec. This should be emphasized again and again. Others said no. Some are in high places.

● (1940)

Honourable senators, in my opinion, those in English Canada who said no were not able to read what the events were telling them. A period of great uncertainty is beginning today.

Honourable senators, we must learn to bring more rigour in our debates. I have always thought substance prevailed over procedure. I have always thought the desire of a people, a population or the great Canadian nation prevailed over the narrow confines of partisan concerns.

Let us never forget we were right in bringing Quebec back to the constitutional table. I heard at noon a debate on whether Quebec was legally bound by the Constitution. Of course; no jurist has any doubt about that in Quebec. The issue is not whether Quebec is bound by the 1982 constitutional amendment, that is obvious.

The fact is, as Senator Murray pointed out, that Quebec's National Assembly did not say yes in November 1981. The independence forces were not alone, Senator Olson, there were also Claude Ryan and his party. They are federalists. Care should be taken in our discussions. We wanted to bring Quebec back to the constitutional negotiations. Of course, Quebec is bound by the Constitution. I said it was and would defend that position everywhere.

It is a pity, such a great pity that the debate expanded. Yet, it was the Quebec round. Everyone brought in his demands and the debate took larger proportions. At one point there was even an attempt to solve everything at the same time. That is not possible.

[Senator Beaudoin.]

I am confident Messrs. Mulroney, Bourassa, Peterson and all the other premiers who said yes will in the end be proven to be historically right.

Finally, we must make a distinction between the political situation and the legal process. If tomorrow, in the months and years to come, Anglophones, Francophones and all the various elements that make up this great country of ours, if Anglophones and Francophones want to live together—if, as André Laurendeau said, the political will to do so exists—legal experts will surely find a way to keep them together.

Constitutions exist for people, not the reverse. It is up to the Constitution to adjust to our needs. It is not up to us to adjust to the needs of the Constitution. The same applies to federalism. There is no standard form of federalism, as the Supreme Court of Canada declared. If Canada wants to survive, it will have to adapt and opt for a form of federalism that meets the needs of a country that is not, let us face it, homogeneous. Quebec is what it is. The other provinces are what they are. Quebec has the Civil Code, while the other provinces have Common Law. That is wonderful! What's wrong with that? Quebec is francophone, and the other provinces are largely anglophone. We must learn to live together. I think it would be entirely irresponsible to slam the door shut.

This is a time for sober reflection. We must find a way to reflect together. We must find a way to mature together, at the same pace. When I listen to various discussions, I wonder whether that is what is wrong with us. We are not maturing together. We are not maturing at the same pace.

I don't think Quebec can be blamed for anything. I think it put forward its conditions fairly and squarely. I think Bourassa behaved with a lot of dignity. We will have to be very creative and inventive to get out of this terrible impasse.

Hon. Jean-Maurice Simard: Honourable senators, I would like to make my own contribution to this debate, following Senator David's motion. New Brunswick was a participant and, furthermore, supported the 1982 constitutional amendment for three or four major reasons we felt were very important: to patriate the Constitution Act from the other side of the Atlantic, to enshrine equalization, to include measures in the constitutional text that would deal with regional disparity, plus a few others.

We thought then that it was not perfect. But we realized it was perhaps time to go through this first stage. It goes without saying that a few years later, in 1985-86, we felt it was desirable, given the desire of all the premiers and of the actual prime minister, Mr. Mulroney, to proceed with the Quebec round.

I will spare you the details on the minimal conditions of Quebec, because everyone knows these conditions which led to the accord. We said it in 1982, it was an imperfect document or constitutional act, but we had to go through that stage, it was one step in the right direction.

Quebec would be legally and morally back in the Canadian family. Consequently, it is with great deception and pain that, like all of you, we Acadians assisted to its failure last week.

Today, the debate was launched mainly by senators from Quebec, all of whom have spent a lot of time and energy to convince their fellow Quebecers who are more inclined toward the separatist option. One can understand their sorrow, their disappointment and their emotions which they expressed after Meech Lake was dead.

The debate has been launched by the senators of Quebec and I would like to join them because Acadians are Quebec's natural allies. The Acadians said yes after some hesitation because they believed it was a first step even though the accord was imperfect, incomplete. A few years later, they wished to demonstrate their well-known generosity and supported Quebec's demands, Canada's demands, constitutional demands which were approved by 95 per cent of the Canadian people, by nine provincial governments, Newfoundland having withdrawn it's support a few years later.

The House of Commons had done its homework, but not the Senate, as Senator David said. It is the Senate that set the ball rolling when it wanted to give a forum to the ex-chief and ex-prime minister Trudeau. They worked hard. They do not seem to have been able to convince the Canadian people but they succeeded with allies like Mr. Wells and others. We know the end of the story.

● (1950)

Honourable senators, whatever the Liberal majority in the Senate or the Liberal Party of Canada may say or do, I think that Brian Mulroney, supported as he was by Mr. Peterson, Mr. McKenna and others, has done a good job. I would like to read a paragraph of an article by Paul-André Comeau in today's *Le Devoir* about the generosity of the eight other prime ministers. Quebec came out of this process more united and certainly not isolated.

I think it is all to their credit. We owe these people all our gratitude. In fact and here I quote Paul-André Comeau:

It did not reintegrate the Constitution with honour and enthousiasm as was intended at the outset, but Quebec owes it to Mr. Mulroney to have resisted temptation to isolate it as is unfortunately the tradition. Some will continue to criticize Ottawa's tactics in this matter. But the essential point is not there. Quebec does not come out divided or torn apart of that round of negotiations. It may right away and with lucidity start a process in which all living strength and healthy minds will be able to contribute to the creation of a new project.

Of course, Quebec will work on that new project, that new federalism. Acadians will also want to participate as well as Ontarians, the 500 thousands of Franco-Ontarians. Mrs. Rolande Soucie, retiring chairwomen of ACFO, is deeply saddened by the death of the Meech Lake Accord. According to an article in today's *Le droit*, here is what she says with respect to Franco-Ontarians, and I quote:

> We will now have to consider—

She is speaking about Franco-Ontarians.

> —that there must be a new constitutional arrangement in this country.

She hopes, in the name of her association, that Franco-Ontarians will take part in the adjustment process of this country.

If people are talking about a new arrangement of this country in Quebec, in New Brunswick and in Ontario, there must be a problem! Canada is bound to be different from the country we have known for so many years.

The general secretary of the Francophones outside Quebec, Mr. Aurèle Thériault—who happens to be the son of our kind colleague, Senator Norbert Thériault—told us last weekend that as far as he was concerned, language problems in Ontario and New Brunswick were all settled, that there was nothing to worry about.

Mr. Aurèle Thériault should go back to his province of New Burnswick. There is a political party in that province, the "Confederation Party", which is threatening to repeal the provincial legislation on official languages in New Brunswick as well as Bill 88 that I will tell you more about in a few moments.

That law was passed unanimously in 1982. It recognizes the existence in New Brunswick of two official linguistic communities and the government's obligation through its programs, its budgets and the establishment of distinct institutions, to promote and protect these two communities.

So, Mr. Thériault should not be so confident, for his mandate is to advocate and put forward projects and help establish a consensus. He says that things seem to be settled in New Brunswick. I can tell you that it is not so! Once in office, the "Confederation Party" will get rid of the provincial legislation on official languages and of Bill 88.

In Ontario, thanks to M. Peterson, they had Bill 8. I wonder if another government might not be tempted to delay, take its time and possibly to repeal Bill 8 in Ontario.

Nothing is established until it is guaranteed under the Constitution. In New Brunswick, we want to make sure that Bill 88, recognizing the linguistic communities, will be there permanently. We want to have it entrenched in the Constitution. That is what the Acadians agreed on as soon as they could, while giving their approval to the Meech Lake Accord and urging Mr. McKenna to sign. We want to thank the Premier, even at this late hour, to finally have seen the light and supported the Meech Lake Accord.

Finally, to conclude this part of my speech, I want to come back to the Federation of Francophones outside Quebec and to tell them that in New Brunswick, things are not settled for ever, nor are they in Ontario. I invite them to go on, as Mr. Thériault told us at the end of last week, putting pressure not only on the federal government, but also on the two provinces and in other parts of the country, on the people of Manitoba, on the people of Nova Scotia and on other provinces.

Honourable senators, talking about Bill 88, a short while ago, I was passed on some news, though it was erroneous and incomplete. I was told that the governement of New Brunswick had asked the federal governement to take its time to follow up the formal request unanimously made by the New

Brunswick Legislature on 15, June. According to the news broadcasted by Radio-Canada tonight, the governement of New Brunswick would have asked the federal government to take its time and to avoid a backlash, etc., and to go slowly with the entrenchment of Bill 88.

• (2000)

Honourable senators, I can assure you that it was not so. I checked with the Prime Minister's Office at noon. I checked again with reporters a few moments ago. The New Brunswick government and legislature considered that they finished their job. Even though the formal request was made within the context of the debate on the Meech Lake Accord, the New Brunswick government and legislature thought that the federal government had everything it needed to proceed.

I invite the government, the leader of the government in the Senate and all other ministers and members of the House of Commons to proceed bilaterally under section 43. That is what I am told.

I was happy, as most of us were, to see that, despite the failure of the Meech Lake Accord, the Prime Minister and his government seemed willing, to a great extent, to respect the spirit of that accord with regard to Supreme Court and Senate appointments, at least in the provinces which supported the accord.

I think it would be unfortunate that, fearing a backlash, the government of Canada postponed indefinitely the entrenchment of Bill 88. Acadians have been neglected for too long. We cannot wait for another round. We cannot wait for people in Newfoundland, in Manitoba or anywhere else to be ready.

Hon. Jacques Flynn: You are asking Quebec to wait!

Senator Simard: Quebec is going to study its structures and tell us which place it could occupy in a renewed federalism.

Messrs McKenna and Mulroney seem to agree to proceed bilaterally, and I invite them to do the same thing in New Brunswick with respect to Bill 88.

Honourable senators, I insist on this because, in politics, you never know what can happen. In New Brunswick, we have a government with no opposition whatsoever. It has 58 members and its chances of being re-elected are good, perhaps.

In Ottawa also, we have a sympathetic government well implanted in Quebec, with a strong base in that province, which is going to say "no" to a Jean Chrétien who, of late, was telling us again he was in favour of the five minimum conditions. He would like to change a few commas, a few question marks . . . a bit like we did this afternoon.

We wanted to talk about our motion but because . . . you know . . . I don't know . . . it might be better to wait, there are other things . . . like this comma which was not in the right place!

That is what they said this afternoon. Finally they kept the floor for an hour and they talked about Meech as they liked.

They negotiated a bit like Quebec in the old days, one against eleven, one against ten. Senateur Murray did very well. Patiently, we managed to get our debate, and it is continuing.

[Senator Simard.]

I don't think Quebecers are going to forget some rather ambivalent declarations by Mr. Chrétien. I want to quote what he said, as reported in *Le Soleil* of March 27, 1972.

Senator Flynn: In 1972?

Senator Simard: Yes, senator Flynn, 1972.

We know, Mr. Chrétien has been telling us for the last six months. He said it again during their convention and since then. He is betting on his experience to assume power and solve the constitutional problem. Well, his experience dates back to 1972, when he was saying:

> French Canadians are in no danger of being assimilated, and the last few years are here to prove it.

This was reported in *Le Soleil* of March 27, 1972.

On March 14, 1990—he certainly is consistent Mr. Chrétien—he was reported by *The Telegraph Journal* as saying, and I quote:

> French-speaking Quebecers are afraid to be assimilated by the English-speaking majority in Canada and to lose their language and culture, but their fears are unwarranted.

As was reported in the *Telegraph Journal*, two days earlier, Mr. Chrétien was in New Brunswick, where he said:

> The Accord, in its present form, would give French-speaking Quebecers too much influence on the decision-making process concerning linguistic policies in Canada.

He added:

> One million Francophones live oustide Quebec. Acadians are more French than were are in Quebec.

So that is what Mr. Chrétien, who has great experience in that field, is suggesting. He thinks he can really put Quebec in its proper place, he can succeed at Quebec's expense. He knows that we, Acadians, will not be assimilated, that that is impossible.

Whatever Mr. Chrétien says or does, I think Quebecers will remember the positions he took. What if history was repeating itself . . . in a friendly conversation he was having with a colleague of mine this afternoon, he was blaming the authors of the Meech Lake Accord, the first ministers, for dealing with this issue behind closed doors.

He mentioned that quite often. But let me remind you that Mr. Chrétien was in the kitchen of the Chateau Laurier while the Quebec delegation . . . I, myself, was taking part in that conference, but I was not invited to the kitchen of the Chateau Laurier. Had I been, I probably would have refused to attend anyway. That is where they decided what to do with Quebec.

Senator Olson, you said Quebec was not driven out that night, how would you know, you were asleep when it happened! You were not in the kitchen, at the Chateau Laurier. That's where everything was concocted. The chef was Mr. Jean Chrétien, his assistant, Mr. Romanow!

Senator Olson, you forgot to say something, go ahead!

• (2010)

[*English*]

Senator Olson: You have that all wrong! He is distorting the facts again. I cannot stand that!

Senator Frith: They cannot help it. Forgive them. They know not what they do.

[*Translation*]

Senator Simard: I've taken a resolution, one which I invite you to take and not to forget: we must continue to denounce, to unmask, to recount the past actions of Jean Chrétien, Wells and company.

You can be sure that New-Brunswick will not forget. We are solemnly pledging, tonight, to make sure that you don't rewrite history as you see it.

Mr. Chrétien said that he was the chosen guy. I wish to end my remarks on that note. I should be through in about three or four minutes.

He said he wanted to work with Mr. Bourassa. He said so last saturday night. Right from the start he insulted him. He said that Mr. Bourassa had been shafted by the other premiers. Therefore, we dont't trust is ability to negotiate with Mr. Bourassa.

First he insulted him, and then he said: well, I can work with him.

He said that he wanted a strong Canada, in his own way. We know what it means for the Liberal Party to have a "strong Canada"; one modelled according to the vision of Trudeau! And yet he said he could work with Mr. Bourassa.

Mr. Bourassa said that federalism won't ever be the same. We would have some kind of superstructure where every region would be more independant, etc. Mr. Chrétien said he understood all that land he announced that he woud proceed accordinly. His logic was had to follow, I'm sure you'll agree.

Mr. Chrétien also said that he could unite his party. He was confident of that. Of Mr. Rocheleau and Mr. Lapierre, he said good riddance, they weren't happy any way, there was nothing left to do, they were "poor losers".

He will be the one to unify his party and this country.

As I was saying a moment ago, let's not take the chance: lets enshrine Bill 88.

Time goes fast and the next elections will soon come up. I know that for a factsince I have been involved in at least four elections at the provincial level and, if I remember correctly, we were some fifteen points behind in the public polls. The opposition party was fifteen points ahead of us but we won the elections. Yes, Senator Hébert, we were trailing fifteen points according to the polls. The Liberal party was ahead of us more or less like it is nowadays when the election was called. But during the campaign, it wasted its lead and we were re-elected four times.

All this to say that we have a sympathetic government which seems to have the support of the Quebec population. Once the goods and services tax is passed, once all the benefits of the free trade are fully appreciated and Bills C-21 and C-28 are passed—

Senator Hébert: It will take a long while, Senator Simard.

Senator Simard: It will be a long while for the opposition, Senator Hébert. A long while for the Liberals. But one can never tell with elections.

Senator Flynn: He already finds the time quite long.

Senator Simard: That is why we will make sure that Mr. Chrétien is going to make the news regularly since we will have denounced him from one province and from one region to the next one since we will be reminding the population that it was Mr. Mulroney who really worked for the country, sometiems in very delicate situations. That is to say that the next election could go either way. But it seems to me that even Mr. Chrétien agrees with me. He said the following to Mr. Mulroney:

[*English*]

"You should consider your future," and in the same breath he says, "Don't quit on me. I want to fight you." He says, "Oh, yes, I want to fight you. I am the fellow to lead Canada, yet I don't know if I am going to run in a by-election."

• (2020)

There might be an election tomorrow or in the next two or three years. I would not want to leave the future, the protection, and the promotion of Acadians in the hands of Jean Chrétien and the Liberal Party of Canada. That is why I am pressing upon Senator Murray to do all that is within his power to make sure that this thing is done swiftly and correctly.

[*Translation*]

I am also, sorry I missed this meeting with history. Contrary to what we are being told, I believe there is a crisis in Canada. If we can trust what he said, Mr. Chrétien told us that Canada is in a terrible situation, even though the Expos and the Blue Jays are ahead. It is his way of distorting and underestimating the seriousness of the situation. For him, it is a joke. The Expos and the Blue Jays are ahead. The situation is difficult, but we will deal with it later. Today, Liberal senators are telling us that there is no problem. Meech Lake is dead. It is settled. On the other hand, they spend an hour and a half questioning Senator Murray.

Senator Flynn: And they discussed for an hour whether or not to talk about it.

Senator Simard: The Meech Lake Accord is dead, probably dead and buried. The positive attitude demonstrated by the eight premiers and their retinne, by the party led by Prime

Minister Mulroney, and the spirit of Meech Lake must guide the constitutional reorganisation of this country if we are to proceed. I agree that it might be necessary to wait a few years. But it does not mean to continue the paralysis in this House. Again in the spirit of Meech Lake and with the will to better serve Canadians whose parliamentary system provides that elected leaders must decide, I hope the Prime Minister will undertake to fill the Senate vacancies with competent and hard-working people who put Canada's interests first.

Senator Hébert: And vote on the right side.

Senator Simard: No, Senator Hébert, let the Senate do its job, study the bills, Bills C-21's C-28, C-62, and all the others. And at last, let the government operate.

Senator Hébert: No matter what people are asking us.

Senator Simard: Of course, people will continue to ask you, Senator Hébert, not to tax them and to keep VIA Rail trains in operation, even if only 10 per cent of the population use it. You will continue to try to please everybody as you did until 1984. We know where it led us.

I will conclude on that. I hope we will allow the Canadian parliamentary system to work hand-in-hand with an elected House of Commons and a responsible Senate. Thank you, honourable senators.

Hon. Gildas Molgat: Honourable senators, would you allow me a question?

Senator Simard: Yes, Senator Molgat.

Senator Molgat: A little earlier in your speech, you referred to the appointment of judges to the Supreme Court and of senators. Did I understand you well when you said that for those provinces which supported the Meech Lake Accord the agreed process where provinces submit a list would be maintained?

Senator Simard: No, Senator Molgat, I said I hoped the spirit of Meech Lake would be respected. As for the appointment of judges, I am informed that traditionally, consultations with Quebec and other provinces were still taking place.

You put many things on the back of the Prime Minister and I hope he is not so stupied as to accept appointment proposals put forward by Mr. Wells who said no to Meech Lake when the time will come to appoint senators from Newfoundland. I hope you are not that ridiculous. That would be obscene. As for the other provinces, I think that we could abide by the spirit of Meech Lake.

Since I am given this opportunity, I wish to deal with an important matter which I am sorry to say I had forgotten about and about which I care a great deal.

Great is the temptation today for the supporters of the Meech Lake Accord, in Quebec and elsewhere, to advise the Prime Minister to retaliate against the provinces which have disgraced him and which have not respected their signature, such as for instance Newfoundland. In spite of all this, I invite the Prime Minister and the government to keep on giving favourable consideration to the project and to tell us whether—and I am referring here to the Ibernia project—it will go ahead if it is environmentally and financially sound. I think I know the Prime Minister well enough and his statements are here to prove it, to tell you that he is not a person to hold a grudge. I wanted to express my support for this project which will create jobs and will supply us with energy in due course. I ask Quebecers and others who might be tempted to punish Tom, Dick and Harry—

Senator Hébert: That is not nice. Vengeance is not nice.

Senator Simard: No, the times when Liberal governments used to punish riding residents who had voted against them are over. I hope so.

Senator Flynn: Mackenzie King would not give a nickel to the Tory provinces.

Senator Simard: I support this bill and I hope it will pass. Hibernia is not Clyde Wells' project. Maybe you do not know that, Senator Olson. It is not Clyde Wells' project. As a matter of fact Clyde Wells even went to the Supreme Court or to some other court to debate the issue of control over the natural and energy resources of his province. Great constitutionalist though he may be, he lost his case.

Senator Flynn: Thank God!

Senator Simard: It is definitely not his project. It is the project of Brian Peckford, John Crosbie and Ross Reed, of the then Conservative government and the people of Newfoundland.

I just saw some feigning innocence in the House of Commons. Tobin and company rose, scandalized, predicting as they have for two years all the bleakest scenarios, the end of the world if Meech Lake passed. They got up today and said that the Primce Minister must assure them that he would table the Hibernia bill today. I would like to take jake Epp at his word when he says that it is not necesary to have a bill now. There were other ways to start the project and support it. We have nothing to learn from the Liberal Party and we will not be threatened by them. They are the ones—not the native people, not Manitobans, not the three party leaders in Manitoba—who killed the Meech Lake Accord. The natives did not do it. It was Clyde Wells. He withdrew his predecessor's support fro Meech Lake and went back on his word given to June 9, his own signature with asterisks and everything. He killed the Meech Lake Accord, aided and abetted by his mentor who remained in Montreal. Thank you, honourable senators.

Senator Gigantès: Honourable senators, I would like to adjourn this debate in my name and let you hear from another Quebecer tomorrow.

Senator Flynn: Senator Gigantès, do not push it.

The Hon. the Speaker: Moved by Hon. Senator Gigantès, seconded by Hon.—

Senator Gigantès: Question of privilege, honourable senators. What do you mean by «do not push it»?

Senator Flynn: you say «another Quebecer». You are somewhere in between.

Senator Gigantès: Oh, am I not a Quebecer?

Senator Flynn: Technically you are, yes.

Senator Gigantès: Technically?

Senator Hébert: But that's racism!

On motion of Senator Gigantès, debate adjourned.

• (2030)

[*English*]

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I move that all remaining orders, inquiries, and motions stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 2147*)

IMMIGRATION ACT

BILL TO AMEND — FINANCIAL ASSISTANCE PROGRAMS — QUESTIONS AND ANSWERS

Question: Who are benefitting most from the Transportation Loan Program?

Response: Financial assistance under the Transportation, Assistance and Admissibility Loan Program is available to persons who are:

1. immigrants;
2. Canadian citizens and permanent residents in Canada to allow for the admission of their dependants as landed immigrants;
3. persons with a Minister's Permit coming to Canada for permanent residence;
4. Convention Refugees and Designated Class members (persons in refugee-like situations) who are being landed in Canada in order to allow the admission of their dependants for landing;
5. Convention Refugees and Designated Class Members outside of Canada and accepted for resettlement in Canada.

The primary users of the Program are Convention Refugees and Designated Class Members admitted under either government or private sponsorship (see Table A below).

Table A
($000s)

Year	Loans issued to Refugees and Members of a Designated Class	Loans issued to others	Total loans issued
83/84	$9,421	$4,554	$13,699
84/85	$12,390	$7,075	$19,472
85/86	$13,967	$5,221	$19,118
86/87	$16,358	$1,931	$18,289
87/88	$16,780	$1,596	$18,376
88/89	$21,068	$1,390	$22,998

Question: What are the levels of service provided to immigrants to ensure that the monies loaned to them are not lost through dealings with unscrupulous individuals who might prey on immigrants?

Response: Canada uses, wherever possible, the services of the International Organization for Migration (IOM) to make travel arrangements for persons who require a transportation loan to travel to Canada. IOM organized the travel to Canada of some 33,000 refugees and immigrants last year. Because IOM arranges travel for refugees going to a number of countries, it is able to obtain discounts of 40% to 50% on transportation costs. These discounts are passed directly to the refugees in that the transportation loans to them reflect the reduced travel costs.

IOM is a well recognised international organization, which comprises some 36 member states and 16 observer states. IOM was founded on December 5, 1951 as a non-political organization with a predominately operational mandate. IOM's main functions include the handling of orderly and planned migration to meet the specific needs of emigration and immigration countries; the processing and movement of refugees and displaced persons; the transfer of qualified human resources to promote the socio-economic advancement of developing countries; and, the provision of a politically non-aligned forum for the exchange of views and experiences on international migration issues.

Since 1952, IOM has assisted over 4 million persons (3 million refugees and 1 million national migrants) to move to countries offering them permanent resettlement or other opportunities for orderly migration. Canada is a member of IOM and is thus able to use fully the services provided by this organization for the benefit of refugees and immigrants coming to Canada.

Question: What percentage of the loans fully repaid?

Response: The Transportation, Assistance and Admissibility Loans Program (The Transportation Loans Program) was established in 1951 to aid immigrants who could not afford their passage to Canada: those joining their families in Canada, refugees, and people whose occupational skills were in demand in Canada.

Experience with refugee movements and with the Program in general indicates that most loans are repaid and only a very few are written off. From 1951 until March 31, 1990 somewhat more than $265.4 million has been loaned and more than $171 million repaid. Since 1951 approximately 2% of the loans issued have been written off as unrecoverable. In addition, it is estimated that 70% of all loans used have been repaid. A summary of the figures pertaining to the history of the fund is as follows:

Total Loans issued	$265,476,106	
Total Payments (1)	$171,161,106	64.47%
Total Write-offs	$ 5,248,678	1.98%
Total Outstanding	$ 89,065,720	33.55%
Estimated percentage of loans fully repaid (2)	$	70%

(1) does not include interest payments of $5,642,564

(2) the volume of loans issued prior to 1975-76 is not available. Estimates were issued in order to calculate the percentage of loans paid in full.

Question: What sort of agreements are in place for the collection by government from those who fail to pay back the loans?

Response: During the first year of the loan, monthly Statements of Accounts are sent and a repayment schedule is established. Based on the debtor's financial circumstances, a deferment period of up to 2 years may be granted. If the repayment schedule is not honoured more active collection actions are initiated. These include personal letters requesting payment and telephone calls to the debtor. If the client is still unwilling to make voluntary payments, the Commission will seek payroll deductions once the client is employed and/or court action if all other avenues are exhausted.

Employment and Immigration initiated a pilot project in October 1987 to evaluate the use of private collection agencies to assist in the collection of immigration loans receivable. The pilot operated for a period of nine months and proved to be successful in terms of financial and service performance. Debtor complaints on the use of private collection agencies were minimal.

The success of the pilot project led to the approval to the use private collection agencies on a regular basis for accounts which :
1) have been established for at least three years;
2) have a loan balance which is greater than $500; and
3) are at least three months in arrears.

Private collection agencies are used only as an extension of our current collection activities, with EIC maintaining sole the responsibility and ultimate control of the accounts.

Private collection agencies have been used since January, 1990. Since that time our collections have increased from an average of $1.2 million per month to an average of $1.9 million per month.

Question: Will the level of funding meet the demand of the growing number of refugees and immigrants?

Response: The Canada Employment and Immigration Commission is seeking to increase the ceiling of the Transportation Loan Fund to $150 million dollars. This represents an increase of $60 million over the existing ceiling.

Estimates for the next four years are as follows:

Forecast
($000s)

	Opening Balance	Loans Established	Loans Recovered	Write-offs	Closing Balance
1990	81.1	37.5	22.5	5.2	90.9
1991	90.9	47.1	27.5	4.7	105.8
1992	105.8	53.0	33.6	7.0	118.2
1993	118.2	55.6	36.0	2.5	135.3
1994	135.3	50.9	38.0	2.1	146.1

If the ceiling for loan funds is increased to $150 million, based on the forecast in the above table, the Transportation Loan Program should be able to meet anticipated demands during the next 5-year planning period 1995. It is expected that the demand for loans will start to level off after 1994 as the Refugee Backlog Clearance Program will have terminated and the majority of persons landed under that program should have already accessed the fund by 1993. The Immigration Levels planning is also forecasting a downturn in the number of private-sponsorship applications for refugees after 1994 and this will also reduce the demands on the loan program.

Question: What is the Minister doing to provide assistance to those persons in the Refugee Backlog?

Response: Persons, who are in the Refugee Backlog are eligible for transportation loans to bring their immediate family members to Canada, once a determination has been made to process their applications for permanent Residence in Canada. In addition to their eligibility under the Transportation Loan Program, Refugee Backlog members are also provided assistance under The Refugee Backlog Information Program. Under this program non-governmental organizations are funded to provide information to Refugee Backlog members on how the Refugee Backlog Clearance Program (RBCP) will apply to their cases, with assistance in completing the forms associated with the RBCP and in preparing to be processed under the RBCP. Once determined eligible for landing in Canada, Refugee Backlog members are eligible for services under the Immigrant Settlement Adaptation Program (ISAP) and may be eligible for benefits under the Adjustment Assistance Program and for language training.

THE SENATE

Wednesday, June 27, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

THE HONOURABLE MARTIAL ASSELIN, P.C.

FELICITATIONS ON APPOINTMENT AS LIEUTENANT GOVERNOR OF THE PROVINCE OF QUEBEC

Hon. Lowell Murray (Leader of the Government and Minister of State (Federal-Provincial Relations)): Honourable senators, I wish to pay tribute to one of our distinguished colleagues, Martial Asselin, who is soon to become Lieutenant Governor of Quebec.

Senator Asselin, I would like to start by offering you, on behalf of all senators, our sincere congratulations and best wishes for a successful term. We all know that you are worthy of this very high office.

The position of Lieutenant Governor requires a great deal of savoir-faire and diplomacy, two attributes that have become second nature to Senator Asselin.

His career in public service goes back to 1957, when he was elected mayor of La Malbaie, which he remained until 1963. He was so popular that he was re-elected by acclamation.

Almost simultaneously—in 1958—he started his career in Ottawa as the member for the riding of Charlevoix. Except for a brief interruption between 1962 and 1965, Martial Asselin was a member of Parliament until, in 1972, he became a member of the Senate, representing the district of Stadacona.

Senator Asselin is one of those rare individuals whose competence was tangibly recognized by four prime ministers. The first was the Right Hon. John Diefenbaker who appointed him Minister of Forestry in 1963. In 1972, Prime Minister Trudeau raised him to the Senate. In 1979, Prime Minister Clark asked him to sit in his cabinet as Minister of State responsible for the Canadian International Development Agency and La Francophonie. Today, it is Prime Minister Mulroney who has called on his services by appointing him Lieutenant Governor of Quebec.

Senator Asselin has also had important duties at the international level, as vice-president of the International Association of French-Speaking Parliamentarians.

Senator Asselin, you have reason to be proud of your record of service. Throughout your career in politics, in the House of Commons and in the Senate, you always represented your constituents with competence and dignity. You were tireless in your efforts to serve and have earned the respect of us all.

Now you are being asked to meet a new challenge. There are few people who are as qualified and well prepared as you are to accept the position of Lieutenant Governor of Quebec, and I am sure you will be a credit to all Quebecers and to all Canadians.

In concluding, Mr. Speaker, I want to say to Senator Asselin that he has only friends in the Senate, and that we all wish him and his wife Ginette the best of luck.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I rise, with great pleasure and enthusiasm, to support the remarks of the Leader of the Government in the Senate.

[*English*]

Our tribute is as much a congratulation as it is a farewell, because, as Senator Murray has said, Senator Asselin is leaving us to become Lieutenant Governor of Quebec.

At a time when the country continues to be concerned about its perpetual constitutional evolution, and in particular the role of Quebec in the Confederation, all Canadians can be glad to know that someone with Senator Asselin's experience and understanding—and particularly his experience in an institution such as the Senate, which is bound to continue to play an important role in the constitutional evolution—is leaving to become Lieutenant Governor of Quebec. We are glad to know that he will be constantly at an important place in our country's evolving history.

It is no surprise to anyone who knows him that Senator Asselin should reach such an important plateau. As Senator Murray said, Senator Asselin has been a member of the bar since 1951. Senator Flynn and Senator Asselin were both elected to the House of Commons in 1958. Senator Asselin stayed there until 1972, at which time he was summoned to the Senate by the Governor General, who had seen fit to accept the recommendation of another great Quebecer, Prime Minister Trudeau. It was a recommendation applauded on all sides at the time.

In his maiden speech Senator Asselin made a passionate defence of the rights of Quebecers, and that is emblematic, honourable senators, of his entire career in this place. He has always been a proud champion of his home province and of its securing its vital place within Confederation. That is a goal with which I am sure all senators are in agreement, regardless of any differences there may be on the methods employed for its achievement.

Senator Asselin has been involved in matters other than our constitutional problems. Particular attention should be paid to the time he spent in Mr. Clark's government as the minister responsible for CIDA and La Francophonie. At CIDA he developed a lasting concern for the critical problems of Africa. With respect to La Francophonie, many honourable senators here will remember how he expanded that association's role in

Canadian and foreign affairs. He has also spoken knowledgeably on matters respecting economy and welfare reform.

Honourable senators, when one retires or takes another job, one runs the risk of people burrowing into all sorts of history in order to find things to say on an occasion such as this. The difficulty in this case was to pare down the complimentary things that could be said, rather than to find them. I did find that in 1974, before I was appointed to this chamber, Senator Asselin proposed that the government consider selling marijuana in liquor stores. I believe, in support of that motion, he made the usual suggestions with regard to the dangers of anything such as this being controlled by organized crime. I believe he also suggested that it might be a novel approach to deficit reduction. That is evidence of the broadness of Senator Asselin's interests and constructive imagination.

Another thing that is important to remember is that he was our first formally-appointed Deputy Speaker. He served in that role with great distinction and was a most popular occupant of that position.

Senator Guay: Hear, hear!

Some Hon. Senators: Hear, hear!

Senator Frith: We all recognize the fairness and wisdom he exercised in that role; qualities that will do him well in the important post he is assuming.

[*Translation*]

Honourable senators, if I may conclude with the same comments I made yesterday for Senator Ottenheimer's statement, which if I am not mistaken came at almost the same time as the news of the appointment, I would say this: Dear senator, dear colleague, we congratulate you as a well-loved colleague for a well-deserved appointment.

Hon. Jacques Flynn: Honourable senators, one of the reasons our colleague accepted the position of Lieutenant Governor of Quebec and is returning to live in Quebec City is my forthcoming departure. He could not do without me. I am sure that was a big factor in his decision.

We came here together in 1958. We continued to work together except for a short period from 1962 to 1965, but even then we stayed in touch because we continued to fight for the ideas we always defended here, representing the legitimate interests and aspirations of Quebec.

As was just said, Senator Asselin has had an outstanding, very varied career. He was a minister on two occasions, Deputy Speaker of the Senate, and international president of the IAFSP. He became known throughout the French-speaking countries as an excellent ambassador not only of Canada but of the francophone community in general.

When I return to Quebec City, I will be very glad to know that I can find him easily not very far from my home. This is just a hint for him to invite me over, but even if I did not suggest it, he would have understood.

So I extend very hearty congratulations to him. I am very pleased for him, his wife Ginette, his son and the other members of his family who are very proud of his obtaining such an important position. My wishes and those of my colleagues go with him.

[*English*]

Hon. H.A. Olson: Honourable senators, I also claim some right to offer my congratulations to Senator Asselin today, because I was in the other place when he came here. We have had a long association—mostly from different sides of the house, although there was a brief period when—and even Senator Flynn will remember—we, as Social Creditors, would support the Conservatives on almost every occasion that came up. It did not last long, but at least it was a good relationship.

Senator Flynn: Do not push your luck!

• (1410)

I want to associate myself with those who have recited some of the details of Senator Asselin's career. Certainly, his career on Parliament Hill has been a long and honourable one. I wonder, however, how he will make the transition from what he has been doing here so well as a member of the Conservative Party to a non-partisan position. He has done his job so well that it seems to me that he will find it difficult to be apolitical, but I wish him well in that endeavour. I join with those who wish Senator Asselin and his family well, both in his new position and in his new location.

[*Translation*]

Hon. Rhéal Bélisle: Honourable senators, I would like to join my colleagues who congratulated senator Asselin on his appointment as Lieutenant-Governor of the province of Quebec. Knowing that other senators have had the privilege of being chosen from this chamber to serve in that very important position in several provinces, I have to say that this appointment makes all of us happy.

He certainly deserves such an honour, having always performed his duties so well in his political career at the municipal, provincial and federal levels. We will miss him, but I know that, even with all his wisdom and all his goodwill, he cannot be ubiquitous. To see him, we will have to go visit him in Quebec City.

Congratulations! You deserve it.

Hon. Gildas L. Molgat: Honourable senators, I also want to add a few words to express my true friendship, my appreciation and my congratulations to our colleague, senator Asselin, and to his lovely wife Ginette.

I have not been working with senator Asselin for as long as some of my colleagues and our association in not partisan since we sit on opposite sides of this Chamber, rather than on the same side.

Our friendship dates back to a trip my wife and I made to Japan, with the Inter-Parliamentary Union, during which we met senator Asselin. Since then, I think our friendship has grown. We had the opportunity to travel together a few more times.

I especially want to mention the work senator Asselin has done at the international level. We all know what he accomplished when he was responsible for CIDA. He drew closer to

the French-speaking countries of Africa, ties he strenghtened later as member of the International Association of French-speaking Parliamentarians (IAFSP). His tremendous accomplishments were recognized by this international association which chose him as its international chairman. For a Canadian, that was a great step indeed. Since that association is mostly dominated by members from France, our colleague had to be an exceptional man to be chosen international chairman.

Senator Asselin, in my capacity as treasurer, I think I can speak on behalf of our Canadian group in the IAFSP. I want you to know how much we appreciate what you did, how proud we are that you were chosen international chairman, and how we are going to miss your wise counsel. Congratulations and good luck in your new position, which we hope will be a bit less hectic than life as a politician was in Ottawa. Our best wishes to you and your wife.

[*English*]

Hon. Hazen Argue: Honourable senators, I should like to add a few comments to the words of congratulation and approbation of the other senators. I think it is a great tribute to Senator Asselin that he has been appointed to this very important post at this particular time in the history of Canada. It warms my heart and gives me confidence to think that in this post is a man of broad vision and broad understanding, who has, undoubtedly, all the ambitions of the people of Quebec in his heart, but who understands also the visions and aspirations of Canadians generally.

Senator Asselin has, as has already been said, a very broad background and a very broad understanding. He was a distinguished member of the House of Commons, with whom I had the privilege and honour to serve for a number of years. He has been a distinguished member of the Senate for a long period of time, and a member of cabinet. He is now moving on to other very important responsibilities and work.

I have found Senator Asselin always friendly, always understanding, and, although we have had political differences, we have had much more in common than we have had by way of differences or antagonisms. One thing I have always admired about Senator Asselin is that, in my judgment, he is one of the best orators to grace either the House of Commons or the Senate, and when he speaks in English it is impeccable English. His pronunciation is excellent.

I congratulate him on his new appointment. I think it is in the interests of the province of Quebec and of Canada.

[*Translation*]

Hon. Paul David: Honourable Senator Asselin, your appointment to the prestigious office of Lieutenant-Governor fills my heart with joy and pride.

You were kind enough to introduce me in this House in April 1985. Ever since I have appreciated your wonderful leadership as member and then Chairman of the *Assemblée internationale des parlementaires de langue française.* You entrusted me with responsibilities within that organization and on several missions I was able to appreciate the extraordinary prestige you have enjoyed in the "Francophonie" through out the world.

Your appointment, dear colleague, will serve as an invaluable asset for both Quebec and Canada who play a special role in french-speaking summits. Your unfailing friendship and remarkable experience have enlivened my life in this place. I am grateful to you for it.

I wish you the best in this new turn of your outstanding career. My warmest congratulations to you, dear colleague, and to your wife and family!

Hon. Roch Bolduc: Honourable senators, I would be furious with myself for not congratulating Martial on his promotion. I call him by his first name since we went to Law School together in 1948. It was already obvious at that time that he had the leadership and a pleasant personality that would make him not only the leader of our group but the chairman of the then student association of Laval University. We could already see in him a politician of the future. Then, naturally, he started his political career at the federal level while I went my way until we met again in the Senate 30 years later.

● (1420)

I would like to wish him the best of luck in his new role as Quebec Lieutenant-Governor.

Hon. Gerald R. Ottenheimer: Honourable senators, I would like to add a few words about our friend and colleague Senator Asselin. Unlike my colleague Senator Bolduc, I am not a classmate of his but I was with him in the IAFSP and a political colleague until now as well.

I first met Senator Asselin in the IAFSP, at a meeting in Paris in 1976, I believe. We met several times since then, at IAFSP meetings in Senegal, Gabon and Reunion. You see, honourable senators, we travel a lot in the IAFSP. At that time, I believe I was Speaker of the Newfoundland House of Assembly and during that period, Senator Doody was a fellow member. He sometimes asked me why I was away so often. I told him that I had to be with Senator Asselin and the other senators and members of Parliament to show that the IAFSP was also important for legislators in the English-speaking provinces because French is an official national language for all Canadians.

In any case, I had the pleasure to meet Senator Asselin through the IAFSP. I believe that most of these meetings, maybe all, I do not know, were attended by federal delegates, of course, and also legislators from Quebec and New Brunswick. I think that I may have been the only Canadian there whose mother tongue was not French. Senator Asselin always received me well within that association.

When I arrived in Ottawa, since the Speaker was absent, Senator Asselin as Speaker *pro tempore* welcomed me in this House.

I always appreciated his contribution to Senate debates and his sage advice in our caucus.

We will all lose a good colleague, a good friend, a man who thinks before he speaks, a thoughtful man who always adds to the deliberations in which he participates.

Senator Asselin, I wish you and your family a successful, interesting, challenging, joyful future.

Hon. Martial Asselin: Honourable senators, you will understand that I am very touched by your tributes on my departure. I am very sorry to leave.

I had a decision to make and I told the Prime Minister that I will serve Canada as Lieutenant Governor of Quebec.

Honourable senators, I spent nearly thirty years of my life here in Parliament. My political career has had its ups and downs, but I leave with the feeling that I fulfilled my responsibilities as a parliamentarian to the best of my ability.

Both in the other place and in this Chamber, I have taken part in important discussions on political, economic and social issues. Whatever they may say about the Senate, I think the most crucial debate this country has ever known took place right here, when we had the debate on the patriation of the Canadian Constitution. Journalists were unanimous in applauding the substance and essence of this debate, and it all happened right here in the Senate.

Of course, at the time the tone was less partisan and perhaps more objective. It is a fact that the opposition did not have the majority it has today. It is also true that it is sometimes tempting to abuse the power one has as the majority. That being said, the Senate has its place in the Canadian system, among our Canadian institutions. I believe our bicameral system must be maintained. For the sake of increasing our credibility, I am sure not many senators would object to changing the way senators are appointed.

Honourable senators, I was very much affected by recent events the Canadian political scene. We had a chance to remedy an injustice. Unfortunately, we failed. You will understand that as a result, my task will be far more difficult and delicate. I have always believed that what made Canada great was the fact that its two English and French majorities, with mutual respect for each others' rights and obligations, came together, with dignity, to govern this country. One will never be able to survive without the other. We are now on the edge of an abyss. It is up to you and up to me to meet this challenge.

[*English*]

I want to assure my English colleagues that I will cherish an excellent souvenir of my relations with them. Although it has sometimes been difficult, I have always respected the arguments of my opponents, even when I did not share their views. But today the future of this country is in your hands. Being people of honour, I am sure you will take the necessary steps to correct the present situation. I thank you, dear colleagues, for your cooperation and friendship.

[*Translation*]

I also wish to thank all my friends from my own party who always supported me in joy as well as in sorrow. And my thanks to you, Mr. Speaker for your unfailing courtesy. You gave me your trust when I assisted you as Speaker *pro tempore*. Thanks to your aptitudes and your good judgment, our work could go on without too many disputes. I will attempt to represent the Crown in Quebec with compassion and dedication. The social groups in need of encouragement will find a real ally in me.

I will bring to the political situation which seems to evolve at tremendous speed all my attention and my 30 years of experience in politics and constitutional affairs.

Honourable senators, I have faith in Canada. I love my country but Quebec has a special place in my heart and I would not like to see it hurt further in the realization of its destiny.

Thank you.

Some Hon. Senators: Hear, hear!

THE HONOURABLE JACQUES FLYNN, P.C.
THE HONOURABLE MARGARET ANDERSON
THE HONOURABLE CYRIL B. SHERWOOD
THE HONOURABLE MARTIAL ASSELIN, P.C.

TRIBUTE ON THE OCCASION OF THEIR RETIREMENT

Hon. Lowell Murray (Leader of the Government and Minister of State (Federal-Provincial Relations)): Honourable senators, if, as scheduled, we adjourn today for the summer, three of our colleagues will have sat for the last time, since they will reach seventy five years of age before we return.

I would like to pay tribute to these three colleagues of ours in a single speech. I will start with the honourable Jacques Flynn, senator for Rougemont, who was leader of the Progressive Conservative Party in this House from 1967 to 1984, leader of the opposition most of the time, but also leader of the Government, and Minister of Justice and Attorney General of Canada in the Clark government in 1979-1980.

Such were his cleverness and the respect he earned from his conservative colleagues and from our Party's national leaders that his leadership was never questioned.

Conservative senators knew they had in Jacques Flynn a leader of sound judgment and a very wise man that they could trust.

• (1430)

[*English*]

Much can and will be said of the passion and eloquence he has brought to our debates. There has been no livelier, no more stimulating, no more spontaneous, and sometimes no more provocative presence in this chamber than that of Senator Jacques Flynn.

Hon. Senators: Hear, hear.!

Senator Murray: Truly, the Senate will be a duller place without him. Think how forlorn will be Senator Denis and Senator Guay without Senator Flynn. He is a Québeçois through and through, but we have all seen and heard the Irish in him, and have marvelled at what a wonderful combination is made of French and Irish.

There are, however, several other aspects of his career, especially of his career in Parliament, that should be noted today, because they are more important and more definitive of

Jacques Flynn's great contribution to this country than the style and verve we shall all remember. Jacques Flynn is, and has been for half a century or more, active in the practice of law. Those of us who are not lawyers sometimes poke fun at those who are, because their counsel does, sometimes, seem to get in the way of our best intentions and to complicate matters, which, to the layman, appear wonderfully simple.

[*Translation*]

Yet, right from the beginning our Parliament has had the very good fortune of being able to rely on many outstanding lawyers. The fact is that nobody is in a better position than an experienced lawyer to predict the positive or negative impact of a legislative amendment, or even to say whether the amendment will give the expected results. The best lawyers—Jacques Flynn first among them—jealously defend the values inherent in our court system against direct attacks, of course, but most often against the overly good intentions of legislators or public officials.

Any legislative endeavour entails considerations of fairness and justice towards society as a whole, and Jacques Flynn was always among first to see them and point them out to us. The parliamentary precincts have been witness to the splendid and even brilliant use he has made of his extensive legal know-how. The Senate and the entire country are grateful to him for that.

Hon. Senators: Hear, hear!

Senator Murray: Senator Flynn is as much an ardent Quebecer as a hard-core Canadian. Some people would describe that as an inconsistency. And yet throughout our long history our most prominent parliamentarians from Quebec did indeed display both qualities. They realized that for more than three hundred years now Quebec has been, in North America, the focal point of French language and culture.

In that respect, they have been perfectly aware of the unique responsibility of Quebec, of its government and of its legislature, and they have been the staunch defenders of the rights of Quebec and the provinces generally within the Canadian Constitution.

These federal parliamentarians from Quebec have been the most energetic champions of Canadian unity, convinced as they were that our country's strength stemmed from unity.

Jacques Flynn, whose grandfather was the Conservative Premier of Quebec at the turn of the century—

Hon. Senators: Hear, hear!

Senator Murray: —is keeping alive this illustrious Quebec and Canadian tradition. There has never been in his mind, nor in ours, any doubt as to his double identity as a Quebecer and a Canadian: he is both at the same time and proud of it.

Finally, I would like to say a word about the Conservative Party's enormous debt to the honourable Jacques Flynn.

During our darkest years from 1963 to 1979 and from 1980 to 1984, Jacques Flynn was one of those who never lost heart. For many years he and a few of his friends and colleagues were the only members of the Conservative Party in Quebec.

[Senator Murray.]

Always in a good and optimistic mood, he has never spared us from his most caustic comments when he thought the Party was on the wrong track.

When our Party had practically no Quebec members in Parliament, Senator Flynn managed to gather around him the Conservatives in his province. A fierce supporter of the Conservative tradition in Quebec and within Confederation—a tradition of equality between French and English Canadians—he became, even while challenged, its symbol and champion in Quebec.

[*English*]

During my years in the Senate, and especially during the past four years, Senator Jacques Flynn has been in many ways an inspiration to me and always a valued counsellor and a loyal colleague and friend. I only wish it had been possible for him to leave here, now, in the knowledge and with the satisfaction that the unfinished constitutional work of 1982—indeed, of 1867—had been completed with the unanimous ratification of the Meech Lake Accord. His profound disappointment will not shake his own convictions about the true spirit of Confederation, nor will it lessen the determination of those who share his convictions to see them prevail.

• (1440)

Honourable senators, I have spoken at some length about Senator Flynn, because he has been in Parliament for more than 30 years, has occupied a place of leadership in this chamber, and has played such an important role in the affairs of his party in Quebec and in Canada.

More briefly, but no less sincerely, I should like to salute our two departing colleagues from New Brunswick. Senator Margaret Anderson, who comes from Northumberland County and the famous Miramichi River area of New Brunswick, has been in this chamber for 12 years. She was appointed to the Senate by Prime Minister Trudeau on March 23, 1978. She comes from a long family tradition of public service in New Brunswick, her father having served as a provincial cabinet minister for 17 years, under two premiers of that province.

Senator Anderson has upheld the tradition of public service, first, in the Liberal Party, where she has held both provincial and national office. Others are better qualified than I to give an appreciation of her contribution to the party. Suffice it to say that the dominance of the Liberal Party in the Miramichi area has been a long and solid one. During most of my time here I have had the pleasure of serving with Senator Anderson on the Standing Senate Committee on Banking, Trade and Commerce, where her contribution has been consistently well informed and constructive.

Senator Anderson has brought to this place an impressive record of community service in the Miramichi area of New Brunswick; and in business as president of the lumber firm, W.S. Anderson and Company Ltd. Her experience and her fine personal qualities have served Canada, the Senate, and New Brunswick well. She can leave here proud of her contributions and of the regard and respect in which she is held by all of us.

Senator Cyril B. Sherwood has been prominent in the public life of New Brunswick since 1952, when he was elected to the provincial legislature. As Minister of Agriculture in Premier Flemming's government for eight years, Leader of the Opposition in the legislature and leader of the Progressive Conservative Party for six years, minister without portfolio in Premier Hatfield's government for two years, Cy Sherwood was a member of the New Brunswick legislature for 22 years. He has been a senator for ten years, having been appointed on October 3, 1979, by former Prime Minister Clark.

Senator Sherwood's health has not permitted him in recent years to play as full a role in the Senate as he, and we, would have liked. He underwent heart surgery several years ago. Nevertheless, he has been deputy chairman of our Standing Senate Committee on Agriculture and has taken an active interest in that field, as might be expected from one who has been a leader in both New Brunswick and Canadian agriculture for more than half a century.

Senator Sherwood began farming in 1935, and he is proud that a fifth generation Sherwood is carrying on the family tradition of dairy farming in King's County. Senator Sherwood was the first president of the New Brunswick Cream Producers' Marketing Board, past president of the Milk Producers' Association of New Brunswick and of the Holstein-Friesian Association of Canada, and a former director of the Maritime Winter Fair Association, the Canadian Federation of Agriculture, and the Dairy Farmers of Canada.

I have known Senator Sherwood as a friend for more than 25 years. I can speak from some personal knowledge of his generous contribution to public life in New Brunswick and to the Progressive Conservative Party, in particular. I know also of the esteem in which he is held by New Brunswickers, and deservedly so.

On behalf of the Prime Minister, our colleagues in the government and in this party, I should like to express our thanks and best wishes to Senator Sherwood as he closes this chapter of a long and honourable career in the service of his fellow citizens.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I am glad and, of course, sad to have the opportunity to speak on behalf of our side, although not exclusively, about the pending retirement of our three colleagues, referred to by Senator Murray. I want no inference to be taken from this, but I will be dealing with our colleagues in the reverse order to that taken by Senator Murray. As they say frequently at the end of plays and concerts, "in reverse order of appearance."

As Senator Murray has said, in the last few years Senator Sherwood was required by his doctor's strict orders to be absent frequently from attendance in the Senate. Consequently, many of us may be ignorant of his many accomplishments since, because of his frequent absences, we did not get to know him as well as we would have liked.

In Senator Sherwood's long public career he has been a highly successful farmer, a success recognized by his peers in the agricultural industry. They, as we know, are a hard sell. He has been president or director of numerous agricultural organizations, including the Dairy Farmers of Canada and the Holstein-Friesian Association of Canada.

Senator Sherwood's public career has reflected his knowledge of agricultural matters. Elected to the legislature of New Brunswick in 1952, he served eight years as Minister of Agriculture in the government of Premier Flemming. He was Leader of the New Brunswick Progressive Conservative Party, serving from 1960 to 1966. He then spent two additional years in cabinet office in the government of Premier Hatfield.

Since being summoned to the Senate in 1979, Senator Sherwood has applied his talents to many issues. In his maiden speech he expressed concern over many of the environmental concerns that still bedevil us today, even when that subject was not as fashionable as it is today. In particular, he called for the creation of a Senate environment committee in order that this body could better deal with the complexities of environmental issues.

In his 11 years in this chamber Senator Sherwood has addressed many other issues. Given his background, we can imagine—and it is true—that he made a formidable contribution to agricultural issues when he served as deputy chairman of that committee. Senator Sherwood has also spoken on energy policy, housing, and northern development. I am sure all honourable senators join me in paying tribute to the distinguished career of Cyril Sherwood, and wish for him many years of healthy retirement.

Senator Anderson has been a most faithful atttendant to her duties in the Senate. I have been in that beautiful part of New Brunswick from whence she comes, although I did not visit her there. I know from personal experience that there is no finer salmon fishing in the world than in the Miramichi. Salmon fishermen, of course, have a certain amount of intolerable arrogance about that being the only real fishing. While visiting Newfoundland, Mr. Gushue, the president of Memorial University, took me to a trout club not far from St. John's, where we had lunch.

Senator Doody: Murray's Pond.

• (1450)

Senator Frith: Meech Lake and Murray's Pond. In any event, I said to Mr. Gushue, "Do you get a chance to do much trout fishing?" He replied, "Trout fishing? Sir, I am a salmon fisherman. I never fish for trout." That from the president of the local Trout Club. The Miramichi, as any who have been there will know, is a beautiful area of New Brunswick, and not just for salmon fishing.

Senator Anderson was an early advocate for the expanded role of women in society. She is the daughter of a distinguished New Brunswick cabinet minister, and she succeeded her father as the president of the lumber company he had established.

Senator Anderson played a significant role in the development of our party. She was president of the New Brunswick Liberal Women's Association from 1972 to 1976, and I am

sure there are many colleagues here from New Brunswick who remember her effective role in that position.

Since being summoned to this place in 1978 Senator Anderson has advocated an expansion of the role of women in Canadian life, a cause for which, although much has been done in Senator Anderson's time in this place, she still feels much more needs to be done. Senator Anderson has addressed many important issues: forest policy in her home province, an area of deep experience and expertise; health care; and the always controversial issue of abortion. I am sure all members who were present at that time will remember the eloquent tribute Senator Anderson paid to the peace initiative of former Prime Minister Trudeau in 1984.

Honourable senators, I speak for myself—and I believe for others—when I say that we will miss most the quality of her presence. I wish to turn around something Mr. Churchill said about Mr. Attlee: When told that Mr. Attlee was a humble person, Mr. Churchill replied, "He has a great deal to be humble about!" The exact opposite applies to Margaret Anderson. She is a person of humility—quiet and modest, but with many qualities she has no reason whatever to be modest about. She has good business judgment, cool common sense, good political judgment, and is intellectually and morally a person of accomplishment and character—a person whom everyone is proud to applaud as being a Canadian.

Some Hon. Senators: Hear, hear!

Senator Frith: Honourable senators, I am glad to have an opportunity today to continue my long- running speech about Senate reform, because a fundamental reform in the Canadian Senate will take place on August 22, 1990—though not necessarily because of my speech. On that day Senator Flynn will no longer be among its members. That fact will certainly change the Canadian Senate. Some will think it represents a loss; others might feel otherwise. Anyone who has observed him and me in the Senate itself, and often in committees, might consider me among the latter group.

Not long after my appointment to the Senate I found myself on the opposition benches; the back ones, in fact, in the corner where Senator Marsden is now sitting. When the Clark administration was in power and Senator Flynn was the Leader of the Government in the Senate and Minister of Justice, I was a rash, new boy. I cannot remember the exact details, but he was sitting where Senator Murray is sitting and I was sitting back in the corner. An issue had come up involving competition policy, an area in which I fancied I had some experience, having prosecuted a few cases. I stood up and started a series of questions, which led, I admit, to my deciding, brashly and rashly, to take him on—though I do not know where I got the nerve to take on this titan of forensic and parliamentary majesty, but I did.

We went toe-to-toe at it so strongly that afterwards several of my colleagues said to me, as a new boy, "The Senate is not a courtroom." I said, "I know, but Senator Flynn is a lawyer." They said, "Well, perhaps you two can have it out somewhere else, but not here." That started what I think many of our colleagues thought was an all-too-characteristic antagonism. From then on Senator Flynn and I always seemed to disagree about everything politically—sometimes so violently that we both behaved a bit disgracefully, although, of course, he always won the "disgraceful behaviour" contest. I must admit, though, occasionally it was only by a photofinish.

Senator Flynn, Renée, and I were at dinner within the last couple of months. I came in and went over to Jacques and said, "Jacques, I have a terrible problem. I do not think Senator MacEachen will be present for the tributes and I will have to present the tributes for our side. But I cannot think of a nice thing to say about you," to which Renée said, "Don't you two ever quit?" Then Jacques said:

[*Translation*]

"He is always the one to start. He is at it once again."

[*English*]

As it turned out—and as you can imagine—I simply had not worked hard enough to find something to say, because I found lots of good things when I tried harder.

Senator Flynn's public career started naturally as the grandson of a former Quebec premier. Concurrent with his political career, he had been a distinguished member of the legal profession, appearing many times before the Supreme Court of Canada. He was elected to the House of Commons in 1958, as has been pointed out, and was regarded immediately as an "up and comer," which is exactly what he turned out to be.

Senator Murray has told us about Jacques Flynn's distinguished career in Parliament, in cabinet, in the Senate, and in the Conservative Party. Quite naturally, he became the government leader in the Senate with the election of the Clark government in 1979, and he undertook the arduous duties of Minister of Justice at the same time—duties that, as I have said, I tried to make as arduous as I could, although not always with much success. In a newspaper interview Senator Flynn remarked that he would not be passive in his new role. I can testify to the fact that he was not.

He then returned to the leadership of the opposition when I was Deputy Leader of the Government. He performed that task with his customary effectiveness—often too effectively for my taste—on a wide variety of issues. As befitting an attorney of his stature, Senator Flynn has made a significant contribution in the areas of constitution and Senate reform, as well as various changes to criminal law.

On a more personal level, I was able to come up with other characteristics of his that I admire. He is certainly abrasive.

Senator Simard: No!

Senator Perrault: No!

Senator Frith: Do I detect the impression that I am using too mild a term?

I never opposed Senator Flynn in a courtroom, but I can imagine that it would be a bruising experience. He is a most effective street fighter—nay, alley fighter some might say, and very good at it. Of course, that is coupled with a great knowledge of the law, great forensic skill, and great oratorical

skills. As Senator Murray has said, Senator Flynn is certainly one of the best speakers in the Senate.

Let me close with a mention of the other characteristics I admire. He is not a phoney. In spite of being, in my opinion, frequently wrong—in fact, almost always wrong—he is never in doubt.

Senator Perrault: Always!

Senator Frith: His convictions are strong and he expresses them straightforwardly. In all my dealings with him—and I had frequent dealings with him when I was deputy leader and we were playing these opposition roles—then, as always, he expressed his views in a straight fashion. He was never devious. He was straightforward and honest, and always kept his word when it had been given. Senator Flynn has applied all of those characteristics for a long time to his view of his public service duties. What a shame that he is so often wrong!

As a result of some travelling that he and I did together, I became very fond of his wife, Renée.

● (1500)

Some Hon. Senators: Hear, hear!

Senator Frith: When I say "together," I mean the three of us!

In spite of all the above, I have tried to be as honest and as straightforward with Senator Flynn as he has always been with me. I do wish him and Renée a long and happy life together, now that they have the opportunity to spend more time together as people who, as we know, genuinely love each other, to travel more, and to pursue interests that remain unpursued because of his long and devoted commitment to his participation in the work of both houses of Parliament, the law, and his country.

[*Translation*]

Hon. Martial Asselin: Honourable senators, I never thought that my last speech in this House would be about Senator Flynn.

It is difficult to believe that this very talented parliamentarian is actually retiring. I think it is generally recognized that Senator Flynn has always belonged to the old school of theatrical speakers. Still, his logic and the coherence of his reasoning were impeccable. His comments were always stamped with that great analytical capacity of his. His sense of justice and fairness have always won him the attention and respect of his audience. Although not always in agreement with the content of his speeches, his opponents have always admired his honesty and his strong will. He always made his point very firmly.

His vigourous pleas, his wit and his sense of humour, as well as his talent for parliamentary strategy will be a great loss to this place.

Honourable senators, Senator Flynn was more to me than a colleague whom I have relentlessly seconded in his duties as leader of our party in the Senate. He was also and foremost a true friend who saw me through rough times over 20 years ago now. In those difficult times, I was able to count on his strenght and his wisdom. He always counselled me very judiciously.

I wish to put on the record how grateful I am to him for his friendship and how sincerely I wish it can last for as long as Providence will allow.

As you all know, Jacques Flynn is a "Québécois pure laine" who understood a long time ago the aspirations of our nation. He is also a Canadian who always stood up for Quebec in a strong and unified Canada.

His comments on constitutional problems were always incisive and moderate, based on an inspiring vision of the future of our country. I believe that in this area, he will be difficult to replace.

His contribution to public life, first as a private member and later as Deputy Speaker of the House of Commons, Minister of Mines, Minister of Justice, Leader of the Opposition in the Senate and Leader of the Government in the Senate, gives him ample reason to be proud. He has served his country well.

Although occasionally, some strongly worded exchanges with the opposition would break the monotony of certain debates, I am sure there was never any hostile intent, because basically, he is a very sensitive soul, witness his fondness for reciting the occasional poem, looking at paintings and laughing at his own jokes. I asked him the other day why he laughed at his own jokes. He said it was because he thought they were good jokes. But above all, he was always ready to share the concerns of others.

Senator Jacques Flynn, as I said before, besides being a brillant parliamentarian, also has an outsanding legal mind, a fact that was recognized by the Quebec Bar last year when it awarded him the Bar's "Prix d'Excellence".

It was because of all these qualities that the Right Hon. Joe Clark appointed Jacques as Minister of Justice in 1979. Jacques is a legal force to be reckoned with. That great talent and acute intelligence I mentioned earlier is always very apparent when Jacques is in court. I am witness to his successes, since he acted as my counsel several times before the courts, where he defended his cases with great vigour and tenacity. It is a pleasure to see him argue a case in court. He still enjoys and always will enjoy the respect of his fellow lawyers, and judges always listen carefully to his arguments.

Jacques Flynn is someone whose friendship I will always cherish. I wish him an active though tranquil and satisfying retirement. Our best wishes to your wife Renée and your children, Jacques.

I also want to transmit best wishes and greetings from your staff which has always been an important adjunct to your career.

[*English*]

Before I sit down I want to extend my compliments to both Senator Anderson and Senator Sherwood. I hope they will both have a very happy retirement, and I ask them to take with them my best wishes.

Hon. Raymond J. Perrault: Honourable senators, the Senate is in the process of sustaining four severe losses. Had I arrived in the chamber earlier today I would have begun my schedule by paying tribute to Senator Asselin, who will assume new and important responsibilities in the province of Quebec. He has won the respect of all of us during his time of service here, and I wish him well. He is well liked; he is a good friend to all of us; and we are sorry that he is leaving.

For a number of years Jacques Flynn and I opposed each other vigorously across the floor of this chamber, when he was Leader of the Opposition and I was Leader of the Government in the Senate. In our moderate ways we have discussed many issues in this chamber. Occasionally, our voices became raised—on rare occasions. We have discussed and debated frequently, disagreeing more often than not.

It is difficult to accept the fact that Jacques Flynn is about to depart this chamber to go on to other interests and responsibilities. We will certainly miss this active adversary. I will miss him, especially during Question Period, as I contend steadfastly that every question requires deserves an adequate and appropriate preamble, even though that preamble may consume a few minutes or more. I feel it is important. Senator Flynn, in his quiet way, disagrees on occasion, and I concede his right to disagree.

Senator Flynn has always been a very energetic senator, a senator of great ability with a knowledge of the parliamentary system. If we could harness Senator Flynn to the national power grid, every bulb in the nation would light up simultaneously. I have often wondered, had he at some point in his career become persuaded as to the merits of the Liberal Party, what progress he might have made in the "Natural Governing Party" of this country. He might have done extremely well.

Jacques Flynn has been an effective leader and a good senator. During his entire distinguished career he has always believed in a strong and united Canada. We hail him for that. Together with his many colleagues and friends I wish him well as he leaves us. As well, I wish the very best to his wife, Renée. She has been a pillar of strength during his entire career. Honourable senators may recall that it was Maryon Pearson who said that behind every successful politician there is a surprised wife. I suspect that that applies to the Flynn clan. As well, I should like to join in all the other tributes that have been paid to Senator Flynn this afternoon, including the eloquent tribute paid by our house leader, Royce Frith.

● (1510)

Honourable senators, I too regret that Senator Anderson did not come to the Senate sooner. She has really been an outstanding senator, serving with great ability on a number of committees, always placing the welfare of the nation ahead of any partisan concerns and considerations. Her incisive and knowledgeable questioning during her committee work is an example to all of us. Senator Anderson's record of selfless community service is exemplary, and we are certainly going to miss her.

[Senator Asselin.]

Senator Sherwood, during his time of service, has been a dedicated senator who has represented the province of New Brunswick with great distinction. I join in all of the tributes paid to him this afternoon.

The loss of these four senators is a severe loss for the Senate. It will be a less lively place without them. We hope that in due course replacements will come along, but they will have some very difficult shoes to fill.

[*Translation*]

Hon. Rhéal Bélisle: Honourable senators, I could not forgive myself if I did not say a few words on the eve of my good friend Jacques Flynn's departure. Several of our colleagues will want to emphasize just how clever and articulate he is, and I fully agree with them.

I wish to congratulate him and thank him for his great leadership. A leader's first responsibility is to define reality. His last is to say thank you. In between, the true leader becomes the servant of his men. Jacques has certainly done that. He always made a point of presenting problems in such a way that we could deal with them without getting discouraged. Never has he asked us for the impossible. Invariably, with a finely-tuned strategy in mind, he would always come up with lots of ideas.

Although we pay you this tribute upon your retirement from the Senate, I would not want to make it a sad event, for you leave behind you tremendous achievements first as a famous lawyer, and then as a Parliamentarian held in high esteem both in the House of Commons and the Senate. It is regrettable that the laws of the land should dictate a compulsory age for retirement, for you certainly still rate among our most active, interested and informed colleagues.

It goes without saying that, in view of the recent events concerning the Meech Lake Accord, if in the future the option of an elected Senate should be accepted, the compulsory retirement clause will no longer apply.

When you took your oath of office in 1961 as Minister of Mines, I had been a member of the Ontario legislature since 1955. I felt that the Minister of Mines was a most influential person. Gilles Vigneault may sing that "My country is made of snow", but personally I feel that my country is much more than snow, it is made of rocks filled with nickel, gold, silver, altogether 14 very precious minerals. That is the reason why I should like to thank you for taking the time to study our problems and minerals. During your very short tenure as Minister of Mines, your department demonstrated an understanding attitude by developing various expansion projects which greatly contributed to the development of all the mining centres in this country, including those in Sudbury and surrounding area.

I have had the good fortune to spend the past 28 years with you in the Senate and I have had the honour to serve the cause and support you in your efforts. I must confess that at times I felt that you were not quite conservative enough. Sometimes in your comments you displayed a certain candour which greatly irritated or aggravated some of our colleagues. But they were

always expressed with humour and with the purpose, no doubt, of conveying a message which unfortunately they often failed to understand. To convince is sometimes as difficult as to convert.

I remember an incident which occurred one day when you came to the Senate in splendid form. By way of an excuse for speaking at great length, you told His Honour the Speaker that you had no watch. One of our colleagues commented: "That is true, but you could at least have kept track of the days on the calendar in front of you".

Thirty-two years of active parliamentary life followed your initial election to the House of Commons in 1958 where you held several important functions. Appointed to the Senate in 1962, you distinguished yourself in 1967 as Leader of the Opposition by your deep knowledge of political strategy. Later on, in 1979, you became Leader of the Government in the Senate, Minister of Justice and Attorney General. You enjoyed tremendously all these functions and the well deserved honours they brought to you.

As for me, I am sure I can speak for all my colleagues when I say that your talent, your sagacity and your verve have always been appreciated. Retiring after thirty-two years of parliamentary life with an exemplary record, unblemished and without any adverse publicity is an accomplishment you and your family can be very proud of.

Serving one's community, one's province, one's country and working oneself for one's own people is a joy which in my mind has no equivalent in any other profession. They are right to give you tribute today saying that you deserved well of your country.

[*English*]

Honourable senators, I should also like to associate myself with what has been said about the other two honourable colleagues who are leaving us today. This place will miss your eloquence, your effectiveness, and your contribution. To all of you I wish the best of health; and enjoy yourselves with your families.

Hon. H.A. Olson: Honourable senators, I want to offer my congratulations to Senator Sherwood for having served well his province and his country. My first contact with Senator Sherwood, of course, was when we were both Ministers of Agriculture. We had a number of meetings and I learned very quickly to admire not only his deep interest but his great knowledge of the agricultural problems in his province and the manner in which he pursued solutions to those problems with the federal government. Since he has come to the Senate he has made an additional great contribution in his own way. He was sometimes a little less noisy than Senator Flynn and I were, but, nevertheless, he has been very effective.

To Senator Anderson I also want to offer my congratulations for her great contribution to Canada and to her province. She and I have been on the Banking, Trade and Commerce Committee, on and off, for many years. As has already been pointed out, her attendance was faithful. She always read the papers and documents that were submitted, and the depth and quality of her questioning in those meetings was certainly of tremendous value to the work of the Senate.

Senator Flynn, you and I have had a number of discussions, and I will really miss you. I doubt if I can make another speech without your participation!

Senator Doody: That's something to look forward to!

Senator Argue: Always helpful participation!

An Hon. Senator: Encouragement!

Senator Olson: Encouragement, yes. He sits right across the aisle from me now. There is real value in having someone heckling you, because it gives you time to think. I am not sure there is anyone else on that side of the chamber who can perform that important task, so perhaps honourable senators opposite will nominate someone to applaud once in a while.

• (1520)

I do not suppose there is anyone in the Senate who knows the rules better than Senator Flynn. For that matter, I do not suppose there is anyone in the Senate who knows how to abuse the rules better than Senator Flynn. In any event, I appreciated that too.

Senator Flynn was an excellent Leader of the Opposition. I think it was a pity that the Conservatives were elected, because then Senator Flynn could no longer perform the duty of Leader of the Opposition in the Senate, although after the election he performed well as Leader of the Government.

Honourable senators, I associate myself with all that has been said about Senator Flynn's good judgment and his helpfulness in this chamber in an attempt to keep everyone, including members of his own party, within the rules whenever they strayed even slightly from them. I will miss Senator Flynn because he has always been pleasant to be with. He has demonstrated good humour along with great intelligence. He is a decent human being.

Setting aside all the humour, I want to say very sincerely that I wish Senator Flynn and his family the best in the future.

[*Translation*]

Hon. Arthur Tremblay: Honourable senators, I am glad to join with those who spoke before me in paying tribute to both our colleagues, Senator Anderson and Senator Sherwood, who will be leaving us soon.

I have constantly admired the particularly serene way in which they always dealt with the business of this House.

Therefore, I wish Senator Anderson and Senator Sherwood a retirement as happy, healthy and serene as were their contributions to this House.

About Senator Flynn, I do not have the problem our friends opposite may have had in the present circumstances considering the frequent clashes they had with him in the past. On the contrary, our views spontaneously coincided on many subjects and we agreed on fundamental issues. I can think of two examples, in particular, to illustrate what I mean by that and show how important I feel what Senator Flynn has said and done on some issues in his career has been.

The first example may not be well known for it dates back a long way. Our colleague had just been elected to represent the riding of Québec-Sud in the other place. At the time, a serious problem was creating tensions between Quebec and Ottawa: the federal government was granting money to Canadian universities but the Duplessis government was forbidding the Quebec universities to accept the grant. That was cause for serious concern, and several members representing Quebec in the Diefenbaker government were understandably worried. So, they undertook to resolve the problem.

Jacques Flynn was chosen by his colleague to meet with Premier Duplessis and explore with him various possible arrangements. The meeting was apparently not as successful as Senator Flynn had wished. A few days later, if I remember correctly, he was attending a wedding reception also attended by Mr. Duplessis, and a guest who knew about the meeting asked him how it had gone.

Jacques answered as diplomatically as possible: "We had a good discussion. We exchanged ideas and views."

Mr. Duplessis overheard the conversation and retorted immediately in the way he was well known for: "Not at all. We did not exchange ideas, we each kept our own."

The exchanges of ideas were more productive the following fall, when Jacques Flynn and a few others helped the Premier, Mr. Sauvé, and the federal Minister of Finance, Mr. Fleming, develop the formula named after them.

The Sauvé-Fleming formula set in exact terms tax points, adjustment payments, in short the financial compensation. This became, under the Lesage government and after, the so-called opting out formula which reconciled to a large extent, at least at the time, the exercise of federal spending powers with respect for areas of provincial jurisdiction.

This is the first reason why I wanted to pay tribute to our colleague today: because he played a role in defining a key issue.

The second event is more recent. It happened during the debate on the 1981 proposed resolution to repatriate the Constitution. On December 8, 1981, this resolution had been passed by the Commons and the Senate was going through the last interventions before the final vote.

Senator Flynn said at that time, and I quote:

> Honourable senators, until this morning, I had hoped that the Prime Minister, and the government, would have realized that it was of the utmost importance to bring about immediately certain changes which would have met the main objections raised by Quebec. Here again, when I say Quebec, I do not refer necessarily to the Government of Quebec; I am referring to the province of Quebec in general.

He goes on to say:

> I had hoped that those amendments, especially the one relating to the financial compensation [. . .], by which clause 23 would have been made applicable subject to the approval of the Quebec National Assembly, would have been accepted. then I would have been able to join with the majority in this house in welcoming the passage of this resolution. Unfortunately, such is not the case. Within a few hours, the Canadian parliamentary stage of the constitutional process will be an accomplished fact.
>
> Once the results of the final vote . . .

It is still Senator Flynn talking.

> . . . have been announced by His Honour the Speaker. I know full well that honourable senators on the other side of this house and certainly some on this side as well, because I do not consider myself as the spokesman for the entire official opposition since various points of views are held within our party—a large number of honourable senators will want to rise and sing O Canada. As for me, I will abstain. I will not be in the mood to sing. I believe that it would be extremely difficult for me to act otherwise. I will rise with all of you. [. . .] I do not want my refusal to join with you all to be misinterpreted.

● (1530)

He has added, however, that he would abstain from singing. I will add that I did not sing either on that day, and I fully agree with what Senator Flynn said to conclude his speech. Here is what he said:

> Before resuming my seat, I will simply say that this resolution contains a germ of disunity, the virulence of which we will not have to wait long to see. Yes, Pierre Trudeau has finally put Quebec and Quebecers in their place. I pray to God, since I have given up begging this Parliament and this Senate, that Quebec having been put in its place, we will not, to our sorrow, discover that place to be outside of Canada.

End of quote.

Honourable senators, those words were said on December 8, 1981. The two episodes I just referred to happened far apart, but do reflect, in my view, some of the permanent features in Senator Flynn's career: clear-mindedness when analyzing situations; loyalty to his fundamental principles; and courage when expressing his beliefs.

I heartily thank him for his legacy to our generation and other generations to come.

In the fall of 1979, when I was summoned to the Senate, Senator Flynn held concurrently the positions of minister of Justice and leader of the government in this House. So, he was the sponsor who introduced me to the strange customs of the Senate, which I found at the time, and maybe even now, quite disconcerting, and even unpredictable. Anyway, since he introduced me to the intricacies of the Senate, you will understand how affected I am by his departure.

As someone mentioned, with Senator Flynn gone, the Senate will never be the same. Personally and fortunately, thanks to the friendship we and our families have developed throughout the years and the fact that we are neighbours in Quebec City, I shall be able to pursue as before our conversations and exchanges, from which I so often benefited in the

past, and which I will continue to look forward to, given his clear analytical mind which I referred to earlier.

Honourable senators, Jacques Flynn has now loyally served Quebec and Canada in this chamber for almost thirty years. As much as anyone else, he deserved the tribute we paid him today.

To conclude, Senator Flynn, I wish you and Renée happiness and success in your new endeavours for many, many years to come.

[*English*]

Hon. Norman K. Atkins: Honourable senators, I should like to add my congratulations to Senator Asselin on his important appointment as Lieutenant Governor of Quebec. I also wish to extend my best wishes to our three retiring colleagues.

While I have not had the privilege of getting to know Senator Anderson, I am sure she is very special—after all, she comes from New Brunswick.

Many of our colleagues have already paid tribute to Senator Flynn today. When Senator Frith made his comments on Senate reform, he gave us one more reason for reform: namely, extending the age limit so that our energetic senator might remain in the house. Senator Flynn, who has been in the Progressive Conservative Party for many years, has been an inspiration to me. From the mid-1950s I have always perceived him as one who is bigger than life. He will certainly be missed in the Senate, but I hope he will continue his commitment to the Conservative Party, because he has been a tremendous soldier and team player throughout his career in party politics.

I should also like to pay tribute to our colleague, Senator Sherwood. I have had the pleasure of knowing him since 1952. We met during the famous provincial "let's clean house" campaign, which not only brought Cy Sherwood to the New Brunswick legislature but also saw the successful election of Hugh John Flemming, after years of Liberal domination in that province.

That occasion saw Cy Sherwood elected to the legislature for the first time, and I began my career during that election as a "gofor" for the provincial PC campaign. It was a most memorable election; although perhaps not as memorable as the one that followed in 1960, it was still an historic election that had a tremendous impact on the province of New Brunswick. As has been mentioned, Cy Sherwood was appointed Minister of Agriculture. I think it is important to state that he was an outstanding Minister of Agriculture in New Brunswick for eight years. As well, he was a valued member of the Flemming government.

● (1540)

In 1960, when that government was defeated and our colleague across the way became the premier, Hugh John Flemming offered to run as a federal member. He was elected, and Cy Sherwood became the leader of the Progressive Conservative Party in New Brunwick. It was a difficult task, but he did an outstanding job, keeping the party together and leading the opposition. In 1966, after he resigned as the leader, he remained as an elected member of the New Brunswick legislature, always being a team player.

In 1970, when Richard Hatfield became the premier, Cy Sherwood was once again a member of the New Brunswick cabinet, where he remained as a minister without portfolio for two or three years.

Honourable senators, Cy Sherwood has served his province and his country with great distinction, not only in "good times" but in "difficult times." There are certain attributes that in my mind are important for those who serve in public life: friendship, loyalty, principle, and commitment. Our honourable friend to whom we pay tribute today has more than measured up to all of those four attributes. I am not only proud to know him through our various activities in active politics, but, honourable senators, I am especially proud to be a friend. I am sure all honourable senators will agree that Cy Sherwood has served the Canadian community especially well and merits the continuing gratitude of the people of New Brunswick and the people of Canada.

[*Translation*]

Hon. Louis-J. Robichaud: Honourable senators, I am sure that it will take me less time to read the blues in a few minutes than it will take some senators who talked before me. However, I should like to pay tribute to four senators who have well served their province and this country.

During my 17 years in the Senate, I have seen several senators sworn in at the same time, but I do not recall having seen four departures in one day. This is why we have spent almost two hours paying tribute not to our departed, but to those who will depart from this chamber.

The two senators from Quebec have exemplary careers and I will not repeat what has been said about them. Suffice it to say about Senator Asselin that the first time I heard about him, such nice things were said that I still remember them to this day. I was told that he had gone through a terrible family tragedy, having lost his wife and children, and that he had demonstrated a lot of courage and determination thoughout his ordeal. I wish him a distinguished career as Lieutenant Governor of the Belle Province.

Everything has been said about Jacques Flynn. I have nothing to add, except perhaps that he had two adjectives to describe those who did not agree with him: They were either naive or stupid. As for myself, I had the privilege of being naive instead of stupid. He was always a courageous fighter. I wish him a happy retirement and good health.

[*English*]

I realize this afternoon for the first time that I am the senior senator for New Brunswick—and at my age! I realize too that for years I was a colleague of the father of Senator Anderson, who is retiring today because she is about to reach the age of 75. In many respects that makes me feel like a senior citizen and a senior senator.

Honourable senators, Senator Anderson was, and remains, an institution in New Brunswick. She comes from a great business family and a great political family. Her father was a

good friend of mine, but he could not support me for various reasons. I remember that, when I was running for the leadership of the Liberal Party back in 1958, he said of me that I would become a good provincial secretary-treasurer of the province in a Liberal government. But things turned out differently, and I was elected Leader of the Opposition, and subsequently—well, the rest is history. Honourable senators, I wish Senator Anderson well in her retirement.

As Senator Atkins has said, Cy Sherwood was elected on September 22, 1952. I was elected on the same date. He was elected on the Conservative side while I was elected in the opposition as a Liberal. He became a minister—a quiet minister, but a very competent one. It was a thrill to watch him in action in the house. He was senior to me and was a cabinet minister, and that commanded my respect. Indeed, Cy Sherwood always commanded respect so far as I am aware.

On June 27, 1960, 30 years ago today, Cy Sherwood went with his government to defeat at the polls. We missed Cy Sherwood as minister, even though he was succeeded by other competent ministers. But Cy was always active, albeit in a quiet way, and was respected not only by me but by the people of New Brunswick generally.

I remember when he became Leader of the Opposition. I remember many things, honourable senators, that transpired in the provincial legislature in the sixties when he was there. I remember one thing in particular during the election campaign of 1963. In those days television was in its infancy. We were almost pioneers in running a political campaign on television. It was direct—we were on air, live. We could not correct mistakes if we made any. Mr. Sherwood, as he then was, was in the studio at about four o'clock in the afternoon and I was replacing him immediately at 4:15. It was only about two days before the election when our paths crossed. I was surprised to see him and he was surprised to see me. We wished each other well. I said, "Cy, I think you are going to win next Monday." He said, "Of course I am going to win." I said, "In King's County," which was a safe constituency for the Conservatives.

• (1550)

Senator Sherwood, I feel sad today that you are leaving. Your whole life has been based on politics. I hope you will continue to serve not only the Conservative Party but also New Brunswick, as you have done so well in the past.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, I would only like to add a few words to congratulate our colleagues leaving us today.

[*English*]

Senator Robichaud has said he will remain the senior senator from New Brunswick after Senator Sherwood has retired. You are now looking at the junior senator from New Brunswick, because it has been exactly five years to the day since I came to this place. I did not realize five years ago that I was celebrating a Liberal victory that had been won by your party 25 years before. That was my way of saluting the Liberal Party, and I am sure I will find other ways in future years.

[Senator Robichaud.]

[*Translation*]

I wish to thank Senator Asselin for his guidance, the tremendous example he has set for all of us in the work he performed with dedication all through the years I have known him. I thank him also for his contribution to the international Francophonie. I speak on behalf of all those who are members of this international parliamentary organization, and certainly on behalf of all Canadians and all members of the Federal Parliament and Provincial legislatures who are active within this organization.

Senator Asselin, I congragulate you on your appointment as Lieutenant-Governor of the Province of Quebec. You have been a mayor, a member of the House of Commons, a cabinet minister and a devoted senator. No doubt that, together with Senator Flynn, you have influenced much more that you could imagine the decision which I made in the 1960's to participate actively in the activities of the Progressive Conservtive Party, first at the national level, and later on in New Brunswick.

It is common knowledge in Temiscouata and Madawaska that such men as Maurice Duplessis and former Senator Jean-François Pouliot have deeply influenced my development first as a teenager, then later during my college years, and finally as a professional accountant, not to mention my political thinking.

I suggest we should go back to the 1958 election, an election which brought Senator Asselin and Senator Flynn to the Canadian Parliament. You have achieved your ambition and your dream of giving Quebecers a choice. At that time and up until quite recently, it was not easy to be a conservative either in Quebec or New Brunswick. For giving Quebec men and women an alternative at election time and for having done so with so much dignity and dedication, I congragulate both of you, honourable Senator Flynn and honourable Senator Asselin.

Senator Asselin, I join with our colleagues from both sides of the Senate to pay tribute to you as an outstanding lawyer, resourceful Parliamentarian, great Canadian, and to offer you our best wishes in this new appointment which is the continuation of an already outstanding political career. To you, Senator Flynn, I wish much success in your future endeavours.

[*English*]

I did not know Senator Anderson before I came to this place. I knew of her family and knew that she was devoted to the Miramichi area. Although I was not active in provincial politics, I was aware that she had been president of the New Brunswick Liberal Women's Association. She has served her party, her province, and her region very well.

Over the last five years I have been able to observe, appreciate and take as an example—although not always successfully—Senator Anderson's work. People say I have a high profile, but I have always been impressed by Senator Anderson's cool, steady and dignified way of looking at bills that have come before the Banking Committee. Senator Anderson, I wish you a long life and a happy retirement.

I said earlier that Senator Asselin and Senator Flynn had influenced my decision to become an organizer and, in a very modest way, a helper in the PC Party of Canada and New Brunswick. However, a few years later I got to know the then minister without portfolio, Senator Sherwood. I was not present in 1963 when he led our party. However, I know he shared Richard Hatfield's vision of making our party a truly provincial party. His efforts were not compensated immediately. Francophones could not make up their minds at the time, and certainly could not see their way to supporting the alternative. However, I believe Senator Sherwood planted the seed for future electoral success for our party. In a very impressive way, he changed the electorate for many years to come and for the betterment of New Brunswick.

[*Translation*]

Senator Sherwood, through your dedication, your modesty and your knowledge of New Brunswick and both its francophone and anglophone communities, you put your mark on our party, on our province and on our country. I wish you a well deserved retirement. I know that you will want to continue to provide us with your precious advice. I will be eternally grateful to you for the courage you have shown all along your career and even through periods of disappointment, I am sure, and your example will continue to give me and others the eagerness to serve better and to listen more, something that is not always easy for me, but I think you will continue to be for me and for many others an interesting and very worthy model. I wish you a very good retirement, Senator Sherwood.

In closing, I would like to go back to Senator Flynn. He too has represented his province, his party and his country with great dignity, always with an incomparable fairness and surely with a lot of courage and dedication. For my part, I will try to take my inspiration from Senator Flynn and model myself upon him. I know that if over the next few years I were to be accused of adding a sound and rash partisanship in our proceedings, I could always say that Senator Flynn inspired me to do so. This will also be my way to remind our colleagues opposite or their successors of the long and outstanding career Senator Flynn had in this House as well as in the other place.

Senator Flynn, I wish you a good career and a good retirement.

● (1600)

[*English*]

Hon. Hazen Argue: Honourable senators, I should like to add my words to those of my colleagues who have expressed their admiration for the honourable senators who are about to retire.

It has been said that Senator Flynn has graced Parliament now for some 30 years. During most of that period I have had the privilege to serve with Senator Flynn, first, in the House of Commons and, more recently, in the Senate. I remember Senator Flynn in the House of Commons as the Deputy Speaker. I can appreciate, now perhaps more than I did then, his knowledge of the rules and his general fairness in the application of those rules. But I was in a particular position in the House of Commons in those days. I led perhaps one of the smallest parliamentary parties we have ever had in that chamber, yet we had a leader in the formal way.

I do not know whether it was at Senator Flynn's recommendation, but the seating plan in those days was much different from what exists today. Instead of relegating the smallest party close to the exit door, we had the privilege—our small band of eight—of sitting close to the Speaker and Deputy Speaker. I can remember—and Senator Flynn has reminded me often of it since—that no matter what subject I might be speaking on in the House of Commons, in one way or another I would drag in the topic of wheat. In those days Senator Flynn thought I was often out of order. I want to say to him now that I appreciated the facility I achieved in catching the Speaker's eye and ear. It was a pleasure to work with Jacques Flynn in the House of Commons.

I cannot in any way be as eloquent as those who have already spoken, but Jacques Flynn is a giant of a parliamentarian. He has a great and sharp mind, and his reasoning is usually, if not always, logical. He can cut through a phoney argument or presentation with great speed and facility. Jacques Flynn, a stalwart son of the province of Quebec, has made his mark for that province and for Canada in his contribution to Parliament.

When Confederation becomes strained, one of the main reasons for the strain and the difficulty is a lack of communication—that is, one area of the country does not know what the other parts of the country are thinking, and certainly does not appreciate what they are thinking.

As a westerner I should like to invite Jacques Flynn to come to western Canada to present to the people of that part of Canada his perspective of our nation's past, present, and future. If he would do that, he would find the hospitality of westerners quite warm.

Senator Flynn: I have experienced that.

Senator Argue: You have been there often before, but we would be happy to see you and to hear from you once again.

I now wish to say to Margaret Anderson that I was privileged to be the chairman of the Agriculture Committee of the Senate for some years. Senator Margaret Anderson then, and since, was one of the most faithful members of that committee.

You, Senator Anderson, have served your country and your province well. You were steadfast in attending the various meetings. When we made our study of the beef industry across the country, and particularly our study of Kent County, your contribution was enormous and greatly appreciated.

Senator Sherwood came to the Senate later than Senator Anderson. He brought with him a tremendous knowledge of the agricultural industry. He too was a diligent and faithful member of the Agriculture Committee, and for a time he was deputy chairman. Senator Sherwood was recognized as an authority on agriculture and was appointed to the Canadian Agriculture Hall of Fame.

These two senators, who are retiring, are important voices for of agriculture. Agriculture is in difficulty today in many

parts of Canada. I hope, when the Prime Minister is considering the names of future senators, we shall be fortunate in having appointed to this chamber new senators who have a knowledge of agriculture, because agriculture in Canada is still of great importance and is in great need of knowledgeable and conscientious spokespersons.

The senators, who are retiring today, will be greatly missed. I wish them well, as others have done. I am sure all of them will continue to make a major and important contribution to the welfare of this country.

[*Translation*]

Hon. Eymard G. Corbin: Honourable senators, I take this opportunity to offer my best wishes to Senator Martial Asselin, with whom I worked for many years within the International Association of French-Speaking Parliamentarians. I could even say practically from the beginnings of that association as a structured entity.

He did a wonderful job. I wish him fulfilment and happiness in his new responsibilities. I am saying this to him with all my heart.

[*English*]

Senator Anderson, I had ten years under my political belt when you came to this place, but I knew very well of your active participation in Liberal circles. I know you were appointed to the Senate on the basis of your personal merits, but in a way you are the jewel of the Anderson family—a family that has distinguished itself in politics, in the military, and in the civil service of New Brunswick and elsewhere.

I know you live on Pleasant Street in Newcastle. That says it all. In fact, I suspect that the street was named after one of your most notable characteristics—your pleasantness.

An Hon. Senator: Hear, hear!

Senator Corbin: I will retain fond and pleasant memories of you and of our association here in the Senate, in the Liberal caucus, and in some of its committees.

[*Translation*]

To Senator Flynn, I would like to express my friendship. Although we sit on different sides in this House, he always was cordial and, in a certain way, friendly to me.

He once told me that although we might lose our temper during our discussions, we can still be good friends once out of the chamber of the Senate. That, Senator Flynn, I always really appreciated from you. I wish you a happy and peacefull retirement.

• (1610)

[*English*]

Senator Sherwood, I have not had the opportunity of working with you, but I know your reputation. I wish you well in your retirement.

Honourable senators, forgive me for taking these few minutes, but our numbers from New Brunswick are decreasing. We are losing two of our members today, and if certain people, or, indeed, if the people have their way, there will be even less of us in the future. So I intend, as I have done today, to take every opportunity to speak of my New Brunswick colleagues and of New Brunswick problems, and I will remain a good Canadian while doing so. The best to you all.

Hon. Lorna Marsden: Honourable senators, I would like to extend my best wishes to all those senators who are leaving today, Senator Asselin, Senator Flynn, and Senator Sherwood, and to pay tribute to Senator Margaret Anderson, the member of the group whom I have had the privilege of knowing the longest and the best. As others have said, she has made many important contributions to Canadian life, in the Miramichi, the heritage trust, the historical society, the environmental society, the art club and in many other ways. She has had a distinguished career in business as the president of W.S. Anderson and Company, Ltd.

However, I would like to emphasize something she does not necessarily emphasize, and that is the many contributions she has made to the quality of life of women in this country. She has worked in her church, the United Church of Canada, and was president of the United Church Women; she has worked with the Canadian Girls in Training, an important association for young women; and, as well, she has worked with the Victorian Order of Nurses and many other associations, which have been very important to the community life of women in this country.

I first met Senator Anderson when we both served on the National Women's Liberal Commission of the Liberal Party of Canada, she coming from New Brunswick and I from Ontario. She showed there, as she has shown everywhere, and as I have come to learn from her work on the Banking, Trade and Commerce Committee and elsewhere, that she was always well prepared; she was courteous but firm with colleagues, witnesses and others; and her solutions to the problems she faces in both her volunteer life and parliamentary life are based on common sense and wisdom.

I wish Senator Margaret Anderson a very long and happy life in New Brunswick and wherever she goes, because I am sure her qualities will continue to contribute to life in this country.

I also wish to extend my very best wishes to all those senators who are retiring today.

Hon. L. Norbert Thériault: Honourable senators may have noticed at the outset of the sitting today that I tried to get the floor. I had not realized that this was the last day of the sitting and that there would be all these tributes, so I apologize for that intervention. I wanted to do something else.

[*Translation*]

I want to join those who have complimented Senators Asselin and Flynn. I met Senator Asselin through the International Association of French-Speaking Parliamentarians. As for Senator Flynn, I happened to know him historically and politically, because I always watched very closely the political history of the province of Quebec.

My best wishes to both of you.

[*English*]

I hope honourable senators will pardon me for taking a minute, but, as a New Brunswicker, coming as I do from the Miramichi, I could not leave without placing on record my feelings, and joining with everyone who has preceded me in what they have said on behalf of my two colleagues from New Brunswick. I am sure, if one were to check the records, this is probably the only time a small province like New Brunswick has lost two senators on the same day.

I know that everything that has been said about Cy Sherwood is true, and that much more could be said. I served with him for 19 years in the legislature and I had the good fortune to observe his work both in government and in opposition. He has made New Brunswick proud, both in this place and in the other place.

To Senator Anderson I want to say that all that has been said about you I have known since my childhood; all the good things people have learned about you, I grew up knowing, through your family and through yourself.

Those on the Miramichi have been fortunate, if I may say so, because they have had two representatives from that very small area serving in the Senate at the same time. We probably have more senators per capita than any other region in the country. I will probably not be able to do as much as Senator Anderson has been able to do for our people on the Miramichi and for our province, but I can assure her that I shall do my best. I would not want the record to show that I had not spoken about my feelings on the day of her retirement, because, if we ever come to an elected Senate, I would never be able to get elected on the Miramichi if I had not said some good words about her.

Honourable senators, when I rose earlier this afternoon I wanted to say that today we are celebrating the thirtieth anniversary of the election of Louis Robichaud as Premier of New Brunswick. It is a moment I will never forget.

Some Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn: Honourable senators, I should like to add my brief remarks to the many words of praise that have echoed in this chamber this afternoon. I particularly want to say a very fond farewell to my colleague, Senator Margaret Anderson. Senator Anderson is leaving her career as a senator after a lifetime of success in business, politics, and volunteer service. Since arriving in this place in 1978 she has done the job well for the Senate, and particularly for the province of New Brunswick. No matter what issue Senator Anderson tackles, she always makes sense, commonsense. Her quiet wisdom in this place, in Senate committees and in our Senate Liberal caucus meetings, has been a tremendous contribution to better understanding.

I was looking at a clipping of the day Senator Anderson was appointed to the Senate. She said then that the most pressing issues facing our national leadership were the economy and national union, and that one was no more important than the other. Today her judgment has certainly been borne out, as both those issues are still of the highest priority within our country. I know that when she returns to the beautiful Miramichi she will continue to contribute to the understanding that is so necessary in Canada.

I want to say to Senator Sherwood that it has been a delight serving with him on the Agriculture Committee. His distinguished career in politics is made even more important by his kindness and humanity. I wish him happiness in his retirement.

To Senator Flynn—my goodness, we have been friends for a very long time, going back to when I was a young reporter in the parliamentary press gallery. Over the years the friendship and kindness Senator Flynn has shown me in the various things I have done on Parliament Hill has been most appreciated. We will miss you, not only in the hurly-burly of political life here but, again, because of the personal qualities that have marked your career in politics.

• (1620)

I should like to say to Senator Asselin that he will do a tremendous service to his province and to the country in the position of Lieutenant Governor. He too is a colleague I have known for many years on Parliament Hill.

To all of you I wish the very best of health and happiness with your families in the years to come.

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, I want to join in the tributes to the four senators who are leaving us today. Allow me to say a few words about Senator Jacques Flynn.

I knew him before being appointed to the Senate. We discussed political, legal and constitutional issues in 1980, 1981 and 1982. Senator Flynn belongs to a great family of lawyers who has made a name for itself in politics.

Upon my appointment to the Senate, he became my mentor, something I have always been proud of. I wish him and his charming wife healthy, happy and long lives.

I would also like to say a word about Senator Martial Asselin who will become Quebec's next Lieutenant Governor. I had the good fortune to know this eminent lawyer and to often discuss legal and political issues with him. I have always considered his ideas very constructive. I wish him and his charming wife good health and success in his important duties.

[*English*]

Hon. Cyril B. Sherwood: Thank you, Mr. Speaker. Honourable senators, I have sat here for quite a while this afternoon. Earlier I was hoping that this fellowship and good cheer would never end.

Senator Argue: It almost did not.

Senator Sherwood: However, this last little while I have been wondering if it ever would end!

Honourable senators, I first wish to add my hearty congratulations and good wishes to all those that have been so well extended to Senator Asselin. He has made a tremendous contribution throughout his lifetime of service to his province and to his country. To have the opportunity to serve, as he will

have, as Quebec's Lieutenant Governor in these times is, indeed, most fitting and most propitious. He will do a wonderful job in that capacity for his province and for Canada.

Hon. Senators: Hear, hear!

Senator Sherwood: I congratulate Senator Asselin and I wish him and Madame Asselin every success and happiness in his new career.

I wish to thank all honourable senators for the very nice things that have been said this afternoon. I cannot commence to deal with them. I would not know where to start or where to end. Certainly, I want to thank all honourable senators in this chamber not only for their kind remarks today but for their courtesies and their help to me in this chamber through these last ten years. I have appreciated the fellowship and the good work done here by all of you.

I just wish I could be speaking today in the knowledge that the Meech Lake Accord had been ratified and unanimously adopted. I am sure my leader here in this place wishes that, and I only wish he could be celebrating that too. He has worked long and hard and has given tremendously of himself in the interests of drawing the country together and getting the accord passed. It is now up to all of us to work through the healing process. Perhaps we will all live long enough to see something great come out of all our concern and deliberations. I sincerely hope and pray that that is true.

Honourable senators, I have enjoyed this place. It never bothered me that the press rarely had anything good to say about us. After all, they were only repeating what everybody else was saying. As someone stated earlier, I guess I came here with a bit of a mission. I intended to take an active interest in environmental pollution. I know that politics makes strange bedfellows, but my big surprise was to find out that it created even stranger authorities on the farm problem.

I shall miss this place. I could rattle off a lengthy list of useful work done by various committees. We have done studies and produced reports that have received honourable and favourable response. We have looked into problems such as poverty and soil contamination. I could go on and list a great many that were not even popular issues when they were approached by Senate committees. We were concerned enough about some of these problems to invest time and effort into searching for solutions before our elected brethren even realized there was a problem. We responded to needs and concerns, not just to potential votes. That is what makes this chamber different. However, I do not want to get into the merits of having an appointed rather than an elected upper chamber. I shall follow with great anticipation the future of this place, and I wish all of you well, whatever may happen.

It has been a pleasure and a privilege to have served with you in this unreformed and unrepentant Senate. Happy days and good health to you all!

Mr. Speaker and honourable senators, just before sitting down, I could not pass up the opportunity to say a few words about Senator Flynn. He was among the first to congratulate me when I was appointed to this place, and he was obviously overjoyed at my appointment. I soon realized that Jacques Flynn was a field marshal with some awfully battered and beleaguered troops. The sight of anything wearing the same uniform as his, and that could walk and chew gum at the same time, would obviously have been a source of relief to him. He made me feel like a much-loved, long-lost cousin, and I appreciated that.

Although I served many years in the legislature of New Brunswick, I was somewhat intimidated by this august red chamber. Senator Flynn, sensing that and wanting to ease me into the situation, favoured me with some views on the Senate. He made our chamber and the work of its committees sound perfectly idyllic. I had visions of men and women with a wealth of experience and knowledge working closely together in order to find the best solutions possible to whatever problems their collective genius uncovered.

● (1630)

Imagine, if you will, my amazement when I took my seat and attended my first Question Period. I had seen ministers of the Crown worked over before—I had been one myself—but, in comparison to that, I had been subject to what was a sissy's game. The Liberal opposition was as tough then as it is now, and since they had a few ministers to grill there was no end to the barrage of questions. So what of Senator Flynn's promise of pleasant, philosophical exchanges? Well, that was it.

Senator Flynn took to it like mother's milk. He was having the time of his life. He looked more like Mohammed Ali up there, and if the Leader of the Opposition telegraphed his punches by wasting too many words in winding up, Senator Flynn was into him with a jab that left him searching for words.

So I discovered that Jacques Flynn was, above all, a politician, just like the rest of us. He loved to cross swords with the other side, and he still does. But apart from being combative, there are many qualities to the man that must be recognized, for they were of immense benefit to the Parliament of Canada and to the federal legislative process.

This is the man who brought to our deliberations, and to those of the House of Commons when he served there, a keen legal mind, an acute sense of fair play, a vast knowledge of Canada, its history and traditions, and an honesty and integrity that have always been totally beyond reproach. His incisive comments on legislation coming before us will, I am sure, be missed, as will his views on the proper course for our two founding peoples to follow in order to ensure a harmonious and profitable future together.

Senator Jacques Flynn can be proud of the contribution he has made to public life. Certainly, I was proud to serve under his command in this chamber, and I shall ever be proud to count him among my friends.

Honourable senators, to my colleage from New Brunswick, Senator Margaret Anderson: I also had the privilege of serving with her father, the late Stafford Anderson, in the legislature of New Brunswick. He was a gentleman of the first order.

When I went there he was the senior member of the opposition in the government of the late Mr. Flemming.

Senator Margaret Anderson has served her region, her native county, and her province in an outstanding fashion. She was very helpful to me, especially on the subcommittee on agriculture dealing then with Kent County, of which I was chairman. Her intimate knowledge of the area adjacent to her homestead was indeed helpful to the farmers we were working with in the region. Her intimate knowledge was greatly appreciated, and I also appreciated her interest and support throughout the entire project.

She has represented her region quietly, effectively, with compassion, with dignity and understanding. I join with all in this chamber in wishing Senator Anderson a healthy, rewarding retirement and many happy years to enjoy it.

Hon. Margaret Anderson: Honourable senators, first, I must also congratulate Senator Asselin and the Province of Quebec in having such a distinguished and able person in the important post of Lieutenant Governor.

I want to thank Senator Murray, Senator Flynn, and the many others who have said such nice things about me. It really opened my eyes as to what I contributed to this place. I had not realized that. If I had been writing my own tribute, I would have said, "She is a good attender."

This has been an interesting 12 years. There have been many changes. I am sure at least half of the Senate membership has changed in those brief 12 years. I shall miss all honourable senators, although perhaps honourable senators will not miss my long, tiresome speeches.

As someone said, I am a member of a political family, and honourable senators will realize that is true when I tell them that one of my main regrets in leaving is that I will create a vacancy. I want senators on the other side to know that I am not retiring today, but on August 7, so do not fill the vacancy right away.

I especially thank those senators who are retiring with me. I will miss them. It is nice to know I am not going alone; that I have company.

There isn't anything else to say except that I have enjoyed my 12 years here. They have gone quickly. Now it is time to go. However, as I said, I do not like to leave a vacancy.

I thank all honourable senators and wish them the best.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I am the third to speak because I retire only on August 22nd, Senator Anderson and Senator Sherwood are a few weeks older than I am.

[*English*]

As the three of us were being showered with compliments, I could not resist remembering the talent of a former leader of this place, Senator John Connolly, who specialized in eulogizing the dead. I also remember Senator Kinley from New Brunswick saying, "When you listen to a eulogy by John Connolly, you almost wish you were the corpse."

Senator Anderson, Senator Sherwood and I did not have to go that far, just to age 75; old age. However, they say we should not complain about old age because it is presumed to be better than the alternative.

Senator Anderson's saying that we are not retiring immediately reminded me of the fact that one should not be eulogized too soon. I remember when Pierre Trudeau decided to retire, for the first time. Everybody made the greatest compliments about him, only to find out two months later that he was not retiring but was coming come back.

[*Translation*]

I remind you that I am still a senator until the 22nd of August. You have to be careful. That's what Winston Churchill used to say. One day he was told that Anevrin Bevan was dead and he was asked for a few words. Churchill said: "Are you sure he is dead?"

• (1640)

[*English*]

I have until August 22. As you know, I was appointed to the Senate before 1965, at which time I had to give notice that I would retire at age 75. The other day I was thinking, "Did I really sign that letter? Am I really obliged to go?" I see Senator Frith's face turning white. To all of you on the other side and all those who are looking for the vacancy of Rougemont: Don't worry.! I am going on the 22nd of August.

[*Translation*]

Life, like love, is a game of chance. My defeat in 1962 allowed Mr. Diefenbaker to keep a minority government and to appoint me to the Senate. Maybe if I had won in 1962 and lost in 1963, nobody would have heard of me after that. I guess that is what we call fate.

I think that, in the 28 years that I spent in the Senate, I saw close to 200 senators leave this place.

There are three survivors among those who were here when I came to the Senate in November 1962: Senator Croll, who, from what I heard, is doing well, Senator Molson, and my very good friend, Senator John M. MacDonald. Two more senators arrived around the same time, Senator Bélisle and Senator Phillips. There are two more of those who are called "lifers", that is those who were appointed prior to 1965. They are Senator Denis and Senator Lang. Senator Denis' career as a parliamentarian is quite phenomenal because he arrived in Parliament in 1935 as the elected member for Saint-Denis. Can you imagine, 55 years? It is extraordinary. I salute him and all those who were there in those days.

I also think about all the leaders that came and went. When I arrived here, it was Senator Brooks from New Brunswick, an extraordinary man. Senator Ross MacDonald, who became Lieutenant-Governor of Ontario. Senator John Connelly, of whom I spoke earlier, and Senator Paul Martin. Those who were here when Paul Martin was leader of the government and I was leader of the opposition in the Senate will remember some exchanges that were quite amusing. Senator Perrault mentioned it. Senator Olson and I also had some interesting

exchanges regarding those megaprojects that he talked to us about every single day.

And then I was leader of the government in the Senate for just a few months. However, my record was broken by Senator MacEachen who never had the opportunity to act as government leader in this House. I do not know if he longs to act in this capacity some day, it could be. But I think he would get a taste of his own medicine, since he would probably be in the minority by then. After that, there were Senators Roblin and Murray.

Senator Roblin, my assistant for several years, is incredibly dedicated. I don't have to sing Senator Murray's praises, not after the exceptional work he has done lately. Despite the failure, I think we should congratulate him for a job well done.

Naturally, during the 28 years I sat in this House, I was always in the minority. That may account partly for my agressiveness. My party never had the majority. Not once was the result of a vote in my favour. I lost each and every vote taken in this House in the last 28 years. That could change, I hope.

Now, I would like to ask all of you to forgive me my trespasses. I know I have been unfair, I certainly exaggerated in many cases. I know I irritated some of you, and especially Senator Gigantès. Sometimes, he provoked me. I always said that I was the kindest man on earth when unprovoked.

Senator Gigantès: Even when you are provoked.

Senator Flynn: Anyway, I promise you my contrition will be perfect as soon as I step out of this House. A perfect act of contrition.

Now, I also want to forgive all those who have offended me. I forgive, not forget. The battles I had to fight here are the best memories I will keep from my tenure in this House.

I am extremely grateful to all those who have been of assistance to me, my staff, Ron Lefebvre, Cécile Pelletier, and Sonia Gauthier. I want to thank the clerks of the Senate, John McNeill, what an extraordinary constitutional expert, also Robert Fortier, Charles Lussier, and Gordon Barnhart and all his assistants. I am also very grateful to the personnel of the Debates, the constables, all the people who were extremely kind to me, although I did not always deserved it, I admit. I created problems for the unlucky staff of the Debates. As you can imagine, it was not always easy to record what I had to say, and that is an understatement.

But before I quiet down, and because I want you to remember me well, I want to say a few words about the failure of the Meech Lake Accord. It would spare me from taking part in the debate later on.

I will be brief. It may not be very charitable, but it is what I think from the bottom of my heart.

The failure of Meech Lake has delighted those who wanted to say "no" to Quebec as well as those in Quebec who wanted to say "no" to Canada.

Actually, English Canada did not say "no" to Quebec, eight provinces having clearly said "yes". I submit that it is the federal Liberal party and particularly the Trudeau wing (so well represented here) that said "no" to Quebec. Witness the statements of three Liberal members of Parliament, Mr. Prud'homme, Mr. Lapierre et Mr. Rocheleau.

There is no use in pursuing the problem indefinitely. We need to determine how to rebuild bridges, how to renew the faith of Quebec in the perspective of a federalism flexible enough to give it a comfortable position in Canada.

The reflection that is beginning and that will perhaps prove to be very long and difficult may find a new way to achieve this goal. I hope that new efforts, if made, will not be messed up like the last ones.

I should like to say a few words to the Senate on a less controversial matter. Events of the recent days have delayed the emerging of an elected, equal and efficient Senate. Perhaps we could say that something good came of this sorry business.

In the meantime, one can certainly say that the unreformed Senate has much to its credit. When it is working in consultation and in cooperation instead of in confrontation, it can improve legislation considerably. We have had quite convincing experiences of this: the tax reform of 1971 (brought about in this manner), the Maritime Code, the Bankruptcy Act and many other laws that were improved by consultation, not by confrontation.

Besides, in areas of research and inquiries when it is usually easier to be objective, the Senate endeasvours on poverty, childhood, soils, trade with the US, National Defense, terrorism and so on were most valuable and useful.

Even if the election of its members might confer more legitimacy to the Senate, it does not necessarily mean that it would make our institution more efficient. I doubt that proponents of an elected Senate would get all they expect from such a body.

In conclusion, I thank the Speaker of the Senate for the kindness he has shown me. You know, from last week's reception, how grateful I am to all of you for your kind consideration.

I want to say to this gracious lady which is Margaret Anderson, and to an excellent colleague, "Cy" Sherwood, that I wish both of them a most happy retirement and all the health and the happiness they deserve.

For now—

[*English*]

—I will not say, "Long life to the unreformed Senate," but I can say, "Long life to the unelected senators!"

• (1650)

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL
OTTAWA

27 June 1990

Sir,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of June, 1990, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary, Policy

The Honourable
The Speaker of the Senate
Ottawa

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Jacques Hébert: Honourable senators, I have the honour to present a petition signed by 23 residents of Maidstone, Saskatchewan, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 757 residents of the province of Ontario who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 214 residents of the province of Ontario who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 25 residents of Winnipeg, Manitoba, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 111 residents of the province of Quebec who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 40 residents of the region of Sherbrooke, Quebec, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 22 residents of Notre-Dame-du-Nord, Quebec, and New Liskeard, Ontario, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 276 residents of the region of Montreal who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 20 residents of Saint-François de Madawaska, New Brunswick, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 45 residents of the region of Victoriaville, Quebec, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 20 residents of La Patrie, Quebec, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 22 residents of the province of Alberta who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 21 residents of the Peace River region in Alberta who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 20 residents of Lefebvre, Quebec, who are opposed to the bill on the goods and services tax.

Honourable senators, I have the honour to present a petition signed by 531 residents of the province of Quebec who are opposed to the bill on the goods and services tax.

• (1700)

INCOME TAX ACT AND RELATED ACTS

BILL TO AMEND—REPORT OF NATIONAL FINANCE COMMITTEE ON BILL C-52 PRESENTED AND PRINTED AS APPENDIX

Hon. Fernand-E. Leblanc: Honourable senators, I have the honour to present the sixteenth report of the Standing Senate Committee on National Finance respecting Bill C-52, to amend the Income Tax Act and related acts.

A Clerk at the Table:

Your committee, to which was referred—

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, does the chairman of the committee agree that the report essentially describes the purposes of the bill and supports its general approach, but has a reservation in the last two paragraphs, which would be the operative part? If any of the report is to be read, perhaps those last two paragraphs could be read.

Senator Leblanc: The report was distributed to all members of the committee.

Senator Frith: Then dispense!

(*For text of report, see Appendix "A", p. 2212.*)

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(*b*), I move that the bill be read the third time now.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

[*Translation*]

Senator Leblanc: Last night, honourable senators, Tuesday June 26, 1990, the Committee on National Finance heard evidence from the Minister of State for Privatization and Regulatory Affairs and from Department of Finance officials at its sitting on Bill C-52.

Committee members expressed different views, and I for one had already received a number of requests from Canadians anxious to appear before the committee. Most of them had objections to some of the provisions of the bill.

However, when the minister introduced the bill had this to say on page 7 of his presentation, and I quote:

> In concluding I want to comment briefly on the time factor. Given the scope of the bill and the need to hold extensive consultations we had to spend a lot of time on the drafting of new regulations. It became obvious after the evidence heard at the finance committee . . .

He was referring to the finance committee of the House of Commons, of course.

> . . . that Bill C-52 should be passed at the earliest opportunity so that people responsible for the various plans not be left in a state of uncertainty. Nor should we forget that they will soon have to get ready if they want to be in a position to make the payroll changes needed for reporting registered funds on T-4 slips between now and the end of February 1991. To do this they have to be sure that Bill C-52 will not be further delayed.
>
> Considering that we are pressed for time . . .

Still quoting the minister.

> . . . and since all parties in the other place have agreed to pass this legislation, I urge members of the Standing Senate Committee on National Finance to give serious consideration to the possibility of sending Bill C-52 back to the Senate for adoption as soon as possible.

As you can see from the report, honourable senators, most committee members except me gave general support to the bill. They recognized that the administrators of the pension schemes have been uncertain for some time now and that they will not be able to carry out the necessary changes by 1991 if this bill is not quickly adopted.

For this reason, this bill was adopted on division. I insisted that the report should be tabled without amendment, although it contained remarks which I feel are very important. The Committee felt however that the potential effects of Bil C-52 were not sufficiently considered and feared that the bill would make it impossible for women, especially those forty years and over, who are currently working to provide for themselves an adequate retirement income, that the new obligations in the area of declarations would prevent or discourage small businesses from setting up or maintaining pension schemes with defined benefits and finally that the committee's amendment removing the pension adjustment reversal provided in the draft bill would have no significant effect on the pension entitlement portability and would place young workers changing jobs at a disadvantage.

So the committee accepted to carry out a more thorough examination of Bil C-52 while allowing it to become law because the House of Commons had promised to review the bill every three years to ascertain whether it was adequate to meet the needs of the population.

Next fall, I am planning to move a motion to allow the National Finance Committee to carry out a more thorough review together with consultants. I believe and hope that the Senate will give us permission to carry out a more significant study than that we have done. The last one was not a real one. We heard the minister who clearly spoke very well and we heard one of his officials. We asked a few questions. We certainly did not exhaust the subject.

With this proviso, I will accept to vote for third reading of Bill C-52, on condition that next fall we may carry out a more thorough study and deal again with this issue at a later date.

[*English*]

Hon. John B. Stewart: Honourable senators, everything the chairman has said is quite accurate. However, there is one point that needs some elaboration.

● (1710)

The majority of us in the committee agreed that we could not reach a conclusive position on the bill because, in a sense, it is exploratory. But we agreed, and the representative of the government agreed, that we would not lose sight of the subject matter of the bill, notwithstanding that the bill had become law. In other words, it was agreed by both sides that there would be support for a motion to refer this topic to the Committee on National Finance, and also that the provision would be made to enable the committee to engage the necessary technical consultants.

Senator Frith: It is called a post-study instead of a pre-study!

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, I do not think it is necessary to confirm what Senator Leblanc and Senator Stewart said about the approval of members from this side of the Senate who were at the committee yesterday. But if it is necessary, I hasten to confirm it is the wish of senators from the government side who will recommend and do all they can to have this House authorize and allow the sums required so that the study mentioned in the report will really be done as fast and as seriously as possible.

Motion agreed to and report adopted; bill read third time and passed.

[*English*]

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I ask leave to revert to Notices of

Motions later this day for the purpose of moving the adjournment.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

QUESTION PERIOD

THE SENATE

ABSENCE OF GOVERNMENT LEADER FROM CHAMBER

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, Senator Murray was called to a meeting. I would be prepared to take as notice any questions honourable senators might have.

Senator Frith: So soon in the afternoon?

Senator Doody: Yes, that is right.

NATIVE AFFAIRS

LETTER FROM PRIME MINISTER TO ABORIGINAL PEOPLES IN MANITOBA—REQUEST FOR TABLING

Hon. John B. Stewart: Honourable senators, I have a question for the Deputy Leader of the Government. Yesterday the Leader of the Government agreed to table a letter sent by the Prime Minister to the Aboriginal peoples in Manitoba. If that letter has not yet been tabled, will he agree to send copies of it to those of us interested in it, if the Senate is not then sitting?

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I will look after the matter for Senator Stewart.

TRANS-CANADA HIGHWAY

RECONSTRUCTION OF NEW BRUNSWICK SECTION

Hon. Eymard G. Corbin: Honourable senators, I have a perennial question. Would the deputy leader inquire whether studies have been completed or received by the government respecting the funding for the rebuilding of the Trans-Canada Highway in New Brunswick?

I have been asking that question for ages. The government always tells me that it is waiting for the studies or reports to be completed. I should like to know where the matter stands now. Will it be another three months, six months, six years, or what?

Hon. C. William Doody (Deputy Leader of the Government): I do not have that information, senator, but I will make an inquiry on your behalf.

DELAYED ANSWER TO ORAL QUESTION

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have one delayed answer to a question asked by Senator Muir.

ENTERPRISE CAPE BRETON CORPORATION

REDUCTION IN STAFF—PROPOSED RELOCATION OF OFFICES—GOVERNMENT POSITION

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have a delayed answer in response to a question asked in the Senate on June 26 by the Honourable Senator Muir regarding Enterprise Cape Breton Corporation.

(*The answer follows:*)

As of March, 1991, the Enterprise Cape Breton Corporation (ECBC) will come under the full auspices of the Atlantic Canada Opportunities Agency (ACOA). As a result of this move, there will be no job losses. Current personnel will remain employed with ACOA.

IMMIGRATION ACT

BILL TO AMEND—THIRD READING

Hon. C. William Doody (Deputy Leader of the Government) moved the third reading of Bill C-77, to amend the Immigration Act.

Motion agreed to and bill read third time and passed.

CANADIAN LAWS OFFSHORE APPLICATION BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Ottenheimer, seconded by the Honourable Senator Doyle, for the second reading of the Bill C-39, An Act to apply federal laws and provincial laws to offshore areas and to amend certain Acts in consequence thereof.—(*Honourable Senator Frith*).

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, the title of this bill explains its purpose accurately. Titles of bills do not always do so, but in this case the title does.

The application of domestic laws to offshore areas raises important legal questions; it is a matter of great importance both legally and politically. The legal questions that are implied in the object of the bill are particularly suitable for investigation by our Standing Senate Committee on Legal and Constitutional Affairs. We should accept the principle of this bill now, give it second reading, and send it off to that committee for study and report.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Senator Ottenheimer, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

CUSTOMS ACT

BILL TO AMEND—CONSIDERATION IN COMMITTEE OF THE WHOLE

On the Order:

> The Senate in Committee of the Whole on the Order of Reference dated 26th June, 1990, respecting Bill C-55, to amend the Customs Act.
>
> The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Senator Ottenheimer in the Chair.

The Chairman: Honourable senators, the Senate is now in Committee of the Whole to consider Bill C-55, to amend the Customs Act.

Senator Doody: Honourable senators, waiting to appear before us, to answer any questions honourable senators might have on this bill, is the Parliamentary Secretary to the minister. With your permission, I will ask him and his advisers to join us here in the chamber.

Hon. Senators: Agreed.

Pursuant to Order of the Senate, Mr. Vincent Della Noce, Parliamentary Secretary to the Honourable Otto Jelinek; Ms. Pauline Sprague, senior counsel, Legal Services, Department of Justice; and Mr. John F. Shearer, Director General, Tariff Programs, Customs Programs Branch, Revenue Canada, Customs and Excise, were escorted to seats in the Senate chamber.

Senator Doody: Honourable senators, I should like to introduce the Parliamentary Secretary to the Honourable Otto Jelinek, Mr. Della Noce, who will be pleased to answer any questions you have on this bill. I am sure he will be pleased, as well, to introduce his advisers.

Mr. Vincent Della Noce, MP, Parliamentary Secretary to the Minister of National Revenue: I should like to present Ms. Pauline Sprague and Mr. John Shearer. Ms. Sprague is senior counsel, Department of Justice, and Mr. Shearer can answer any general questions. He is with Revenue Canada, Customs and Excise.

● (1720)

The Chairman: Honourable senators, we welcome the Parliamentary Secretary and his officials before the Committee of the Whole.

Senator Frith: Yes, welcome, Mr. Secretary. To save some time today—not that that is always a desirable objective—in the circumstances of this bill, whose principle the Senate accepts, we simply wish to have something on record at the committee stage to justify what I believe is its unanimous support. I should like to refer to a document that I hope you have. It was furnished by the department and is headed "Questions and answers, proposed amendments to the Customs Act, Bill C-55."

Honourable senators, for the record, succinct answers are given to the following questions in that document:

Number one: Why did Customs and Excise wait until now to seek authority to make technical amendments to the Customs Act? Mr. Secretary, to save some time, perhaps you would agree if I am properly interpreting these answers. The answer is: The fact that no authority to issue refunds for the full period covered by the budget was not discovered until later, and it was introduced shortly after the budget was adopted.

Number two: Will this late measure delay refunds or cause financial hardship to Canadian business? The answer is: The delay is admitted, but it should not in the long run cause financial hardship.

Number three: Why did Customs and Excise not foresee this problem before the inception of the harmonized system? The answer is: At the time the harmonized system was introduced the Customs Act authority was sufficient to cover the situation, and this I think is important. The problem occurred only when the retroactivity provisions were extended beyond the limitation period covered by the act.

The remaining questions are: How many requests for rate reduction has Customs and Excise received? How many further requests are expected?

As for guarantees that the amendments will resolve the problem, that guarantee is given for the current situation.

Then there is the question of how much it will cost. The answer is that no additional cost is expected. It is unlikely that the same situation will recur, and other countries did not generally face this problem because they did not provide for retroactive adjustment of tariff rates.

Question number nine deals with the new June 30, 1992, extension.

Then there are questions 10, 11 and 12, which have detailed answers.

I have summarized those questions and answers, honourable colleagues and Mr. Secretary, simply because I propose that you offer to present that document so that it will be a part of our record. I made these other comments only to try to inform our colleagues as to how those questions were dealt with. I ask, first, if you will present the document, and, secondly, if you or your colleagues have anything to add?

Mr. Della Noce: Yes, senator. There is no problem with having this on the record. The action to reform this duty is very important for the department. There are many Canadian businesses waiting for this refund. This has been a problem since the harmonized price tariff was introduced in 1988, as you mentioned in two paragraphs here. With this bill, I think the Customs Department can solve all or almost all of their problems.

Senator Frith: All of the current ones, anyway.

Mr. Della Noce: Yes, and there is more than that. People are waiting for this legislation. We will be able to refund the money that is owed to them, with interest. They are not only waiting for their money, they are waiting for the interest, because the interest rate is very good at this time, as you know, senator. It will be very good for our people. I know that even in my area people are waiting very anxiously for this. It will also make the Customs people feel good to be able to deal with the money that is owed.

Senator Frith: Thank you, Mr. Chairman.

(*For text of document, see Appendix "B", p. 2213.*)

The Chairman: If there are no further questions, I thank the Parliamentary Secretary, as well as the members of the department who are with him, for appearing before the Committee of the Whole to answer the questions of senators.

Hon. Senators: Hear, hear!

The Chairman: Honourable senators, shall the title be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 1 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 2 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 3 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 4 carry?

Hon. Senators: Carried.

The Chairman: Shall the title carry?

Hon. Senators: Carried.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, the sitting is resumed.

REPORT OF COMMITTEE OF THE WHOLE

Hon. Gerald R. Ottenheimer: Honourable senators, the Committee of the Whole, to which was referred Bill C-55, to amend the Customs Act, has examined the said bill and has directed me to report the same without amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(*b*), I move that the bill be read the third time now.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

LETTER FROM PRIME MINISTER TO ABORIGINAL PEOPLES IN MANITOBA TABLED

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, a few minutes ago Senator Stewart asked for a copy of a letter sent by the Prime Minister to Chief Fontaine and his group in Manitoba. I have the letter with me now and I should like to table it at this time.

Hon. Senators: Agreed.

PRIVACY COMMISSIONER

MOTION RE APPOINTMENT REFERRED TO COMMITTEE

Leave having been given to proceed to Order No. 16:

Resuming the debate on the motion of the Honourable Senator Doody, seconded by the Honourable Senator Nurgitz:

That, in accordance with Section 53 of the *Privacy Act*, Chapter P-21, R.S.C. 1985, this House approves the appointment of Bruce Phillips as Privacy Commissioner.—(*Honourable Senator Frith*).

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I yield to Senator Pitfield.

Hon. P. Michael Pitfield: Honourable senators, with your forbearance, I should like to say a few words with respect to what are called the officers of Parliament. You may ask who are the officers of Parliament. They are the Auditor General, the Chief Electoral Officer, the Commissioner of Official Languages, the Privacy Commissioner, and the Information Commissioner.

• (1730)

Honourable senators will quickly note that there is something very special about the function of "an officer of Parliament." Whatever the role and status of other government officials, the officer of Parliament is the direct and immediate servant of Parliament itself. It is a function with the rank of a deputy head and the independence of a judge.

The officers of Parliament must not be confused with the "officers of the House": The Clerk, the Clerk Assistant, the Sergeant-At-Arms and the Parliamentary Counsel in the House of Commons and their peers in this chamber. The officers of the House are the nominations of the government and serve Parliament. But their appointments do not require

the approval of Parliament, and they do not have security of tenure.

The officers of Parliament, on the other hand, are quite different: For them, the approval of Parliament is required both for their appointment and for their removal.

Few, indeed, are the positions in the Government of Canada where appointment and removal both require the concurrence of both houses. Why this requirement? Because in each case the function concerned has been deemed so special in its purpose, so important in its relationship to members of Parliament and senators and what we do, that this rare and particular mix of authority and independence is called for.

As might be expected, there are not many officers of Parliament. And it follows from what I have said that each of them should attract the special concern of each and every member. For the officers of Parliament do the members' work, and they are armed with special powers for that purpose—powers that members do not have individually, powers of a scope or kind that they should be exercised only in the name of Parliament as a whole. The qualities of an officer of Parliament must therefore be very special. Expertise, experience, integrity, and good judgment are very important.

Because the officer of Parliament belongs to each and every member, it is particularly important that a nominee be regarded as non-partisan. A nominee who cannot command the unanimous support of the House—at the very least, the broad support of all parties of the House—cannot be regarded as a credible officer of Parliament, and an officer of Parliament who is not credible is to the body politic and individual rights what an armed revolver is in the hands of a child.

That is why the officers of Parliament are referred to as "consensus" appointments. Traditionally, a government bends over backwards to make certain that its nominee for a consensus appointment is acceptable to all the other parties in Parliament. By "convention," a government does not proceed with a consensus appointment, does not use its majority to force such an appointment, if it is not broadly supported by members on all sides.

Consultation with respect to the appointment of an officer of Parliament is, in my experience, real, frank, and thorough. This is right, because these are the officers of all members, particularly opposition members. The officers of Parliament are there, in large measure, to watch the government, to guard against its excesses, against its improper intrusion. The officers of Parliament belong to the members, not to the government.

Consider now the cases of two individuals: one is a former Privacy Commissioner, Ms. Inger Hansen, the other is the government's presesnt nominee, who is the subject of Senator Doody's motion. I am not acquainted personally with Ms. Hansen, but I believe it was because of her distinction as a former member of the Department of Justice, because of the excellent job she did as Penitentiary Commissioner, that she was appointed an officer of Parliament, with the agreement of all members on all sides in both houses, not once, but twice.

[Senator Pitfield.]

As I said in the Senate a few weeks ago, Ms. Hansen served from 1977 to 1983 as Canada's first Privacy Commissioner, and then from 1983 to 1990 she was Canada's first Information Commissioner. In the first job, she aided members of Parliament in the cause of the sanctity of the individual; in the second, she served to assist in the cause of more open government. During these and prior appointments as Canada's first Correctional Investigator and Penitentiary Commissioner, Ms. Hansen consistently won praise for her courage, intelligence, and integrity.

More to the point, there was no criticism of her by anyone in authority. She was widely reputed to be doing an excellent job. Yet, when her appointment expired a few weeks ago, she was shown the door without so much as a thank you. She was pointedly left without any help from the government to find a job.

I should point out that because an officer of Parliament should be expert, experienced, and politically neutral, a place where suitable candidates are often found is the public service, where, in fact, Ms. Hansen was before her appointment. And because good people have good career prospects, the conventional understanding is that persons taken out of the public service to do these jobs will not be left high and dry after the appointment, which is for a fixed term, has expired. That has always been the understanding, honourable senators. I have never known it to be otherwise. Ms. Hansen had every reason to expect this conventional treatment. She has not received it.

With respect to her personally, that is unjust and ungrateful treatment. Were it simply inadvertence and oversight, it would be the sort of treatment that should anger every senator and member of Parliament, for she served each of us. How can we stand for one of our officers being treated in such a shoddy manner?

However, it is more than that. Such are the circumstances of the treatment of Ms. Hansen that it can only be taken as clearly purposeful, intentional, calculated on the part of the government. It must be assumed to be intended as it appears, a message to every officer of Parliament and every Order in Council appointment: Behave yourself! Watch out! Beware that you do not offend the government of the day, its leader, its party, its minions!

So in this case it is not simply a matter of rank ingratitude for services rendered to all members; it is an insult to every member that his servant is being punished for having served him. Set to watch the government, Parliament's servant is being punished for having done so. How can we stand for that?

What then are the likely consequences of this message? Are they not that officers of Parliament will be inhibited in the fulfilment of their mandates? Is not the consequence of the government's actions to belittle the office Parliament has set up? How can we stand for that?

Why safeguard the powers of an officer of Parliament? Why protect that officer's independence with the security of tenure of the Judges Act if a government can with impunity

visit upon a retiring officer the treatment this government is giving Ms. Hansen?

What message does this send to future prospects for recruitment to these difficult and demanding posts? Is not the message, again: Watch out! Beware! Take this job at great risk to your future or to your integrity!

Is that the way members of Parliament want the functions of officers of Parliament to be viewed? Is the function to be made so risky and thankless for the well-qualified that it becomes sought after simply because it is a plum in the gift of patronage?

That issue comes to a head with the motion of Senator Doody, which is my second case. I do not know Mr. Phillips. I bear him no ill will. I am sure he was a paragon in his profession and an outstanding member of the Prime Minister's Office. But, clearly, as an officer of Parliament, the nominee has neither particular experience nor particular expertise. If anything, his training is on the other side of the street. But above all, and for whatever reason, it is an appointment that has been opposed by the opposition parties.

● (1740)

Those members who support this kind of an appointment are telling us that the useful function of an officer of Parliament is to be curtailed, the reach of Parliament encumbered, the capacities of members of Parliament restricted, the independence of officers of Parliament decisively undermined, and that the government is to be given license, contrary to the clear spirit of the law. More important, the members are also sounding an alarm that they will allow the special powers and authority of an officer of Parliament to be put into partisan hands. Honourable senators, I suggest we think about that.

I regret having to speak so forcefully about these matters. I would prefer not to take sides so vigorously; but a few weeks ago I raised this matter in the chamber for the consideration of the government, and, quickly, with what seemed to be a certain amusement, justice was refused in Ms. Hansen's case. It is in that light that I raise my plea to the whole house so that individual senators on both sides may think about it.

If senators agree to this motion, we are agreeing to the punishment of our officer because she served us. We are agreeing to a diminution of the powers with which Parliament has armed us. We are agreeing to the transfer of exceptional powers into partisan hands. Members of both houses on all sides should reflect on what is being done to the functions of an officer of Parliament. They are functions that belong to each of us and that are being performed by our servants. Diminish them and Parliament is diminished.

Some Hon. Senators: Hear, hear!

Hon. Finlay MacDonald: Honourable senators, I would like to thank Senator Pitfield for reminding us of those people who were appointed according to the degree of their independence from the government. However, I am somewhat puzzled. Senator Pitfield suggests that the person who held this particular position was summarily dismissed, which, according to him, was a bad precedent. He then goes on to suggest that the nominee for the position is unsuitable for the reasons he mentioned, including that of being partisan. Senator Pitfield also referred to the Security Intelligence Review Committee, which was headed by Mr. Atkey and is now headed by Mr. Bassett. Several members of that committee had their term expire. They were Conservative appointments, and they were not replaced. They were not given a banquet.

Senator Pitfield: They were part-time appointments, sir.

Senator MacDonald: Of course they were part-time appointments, but I do not see your point. When this lady's appointment ran out, it ran out. It was a seven-year appointment, and it ran out. I do not know the lady, but I am sure she is well qualified; and I am sure that in the system, as you call it, a place will be found for her.

What have we got against this nominee? He has an impeccable record as an award-winning journalist. His integrity has never been questioned. His performance as a counsellor in our embassy in Washington was first class. He was asked by the Prime Minister, because of his previous experience as a correspondent with Southam, if he would work in our embassy in the United States as part of the team working on the Free Trade Agreement, which he did at some monetary inconvenience to himself.

What is the problem? Senator Pitfield must remember the distinguished people we had in Washington, such as Dick O'Hagen and Mr. Gossage. What are we heading for here? Is this something without precedent? Are we to turn down the nomination of the Prime Minister for this important job? Is there any precedent for it? Are we attaching an American limb to the parliamentary system? Are we to take the man before a commission? Are we to get into his sexual preferences, his financial affairs, or his ability to hold a job?

In this chamber there are a number of journalists, such as Senator Doyle, Senator Gigantès, Senator Fairbairn, Senator Roméo LeBlanc—

Senator Simard: Senator Chaput-Rolland.

Senator MacDonald: Senator Chaput-Rolland.

An Hon. Senator: Senator MacDonald.

Senator MacDonald: Myself.

An Hon. Senator: Hear, hear!

Senator Guay: You missed Keith Davey.

Senator MacDonald: I do not think any one of those people mentioned, or any others that I could think of, are unprofessional or unable to carry on a job as important as this. It is a slur against anyone who has ever worked in a confidential capacity for a prime minister.

I happen to know Mr. Phillips and I speak with some knowledge. There is no question that he was a loyalist. A sycophant he was not. He knows what this job demands, and he would expect no less of himself in the performance of it. I hope Ms. Hansen is properly looked after, but I suggest that that is history. We have another matter here. Your reference to a committee is without precedent, but I hope that that

committee will carry on its functions in reviewing this appointment in a professional manner.

Some Hon. Senators: Hear, hear!

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I support the comments made by Senator Pitfield and I do not quarrel with the comments of Senator MacDonald, although I do not think his analogies are applicable. We are not looking at the appointment of a press officer in the Canadian embassy in Washington.

Senator Guay: Right on!

Senator Frith: We are looking at an appointment of the importance and with the dimensions that were articulately outlined by Senator Pitfield. Also, I agree with Senator MacDonald that, as far as I am aware, this is unprecedented. The motion in amendment that I am about to make is unprecedented, but I make it because I believe, for the reasons advanced by Senator Pitfield, this nomination is equally unprecedented, in the sense that it has abandoned the tradition of consensus that was referred to by Senator Pitfield, and that it has been strongly opposed by the House of Commons. That is also unprecedented.

MOTION IN AMENDMENT

Hon. Royce Frith (Deputy Leader of the Opposition): For those reasons, honourable senators, I move in amendment, seconded by the Honourable Senator Fairbairn:

> That the motion be not further proceeded with but that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

• (1750)

Hon. Finlay MacDonald: Honourable senators, I have a question. Would a press secretary to Prime Minister Trudeau not be entrusted with an important job, yet put in the Senate? I am referring, of course, to Senator LeBlanc. He could not take on a job of this importance as an officer of Parliament, but he is safe in the Senate.

Hon. Eymard G. Corbin: He was elected. He ran for election, and you did not.

Senator MacDonald: I did, Senator Corbin. Get your history straight! I did in 1963.

Senator Frith: Honourable senators, I think the question of appointing a journalist to the Senate could be debated, but I do not think this issue has anything to do with journalism. It has nothing to do with whether Mr. Phillips is a journalist. That is not a disqualification.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): What is his disqualification?

Senator Frith: I believe Senator Murray was in the chamber when Senator Pitfield was speaking. The principle involved here is the abandonment of the tradition of consensus and the appointment of a clearly partisan person to this job. The motion I am making is not at this stage leading, and may not eventually lead, to a refusal of the appointment, but, because of the important principles raised by Senator Pitfield, I believe our committee should look at this unprecedented appointment. I believe we should take this admittedly unprecedented step, as far as I know, of referring the matter to the committee, because it is in answer to an unprecedented move on the part of the government.

Senator Murray: Honourable senators, I should like to take a minute or two of our time. I had not intended to speak on this matter, but a couple of points have been raised by Senator Pitfield on which I would like to comment.

The Hon. the Speaker: Honourable senators, is it agreed that I ignore the clock?

Hon. Senators: Agreed.

Senator Murray: I will take no more than a moment or two. Senator Pitfield has listed the officers of Parliament, as he calls them, among others the Auditor General, the Commissioner of Official Languages, the Privacy Commissioner, and the Information Commissioner. He has said that frequently, if not typically, the background considered necessary and desirable in the incumbent of these positions is a public service background. That has been and is the case sometimes.

Typically, it seems to me that the Auditor General has come from the private sector into government. The two most recent Commissioners of Official Languages, Mr. Yalden and Mr. D'Iberville Fortier, have indeed come from the federal public service. But the first, and one of the truly outstanding Commissioners of Official Languages, the man who wrote the book, as it were, on the position of Commissioner of Official Languages, was Mr. Keith Spicer, who came not through the public service but directly from the world of journalism into that position.

Senator Frith: It was the world of academe, actually.

Senator Murray: And through the world of academe, as the Deputy Leader of the Opposition reminds me. The Privacy Commissioner these past few years has been Mr. John Grace, a journalist from the *Ottawa Journal*, a business associate of the former Leader of the Opposition, Mr. Turner, and, so far as I am aware, not one who came to his position through the public service. In all of those cases—whether it be Mr. Spicer, Mr. Grace, the various Auditors General—they came with the necessary professional qualifications and, of course, with the integrity that is required for such a position as an officer of Parliament.

We have now been told that consensus is necessary, and certainly consensus is highly desirable. We have also been told that governments in the past have "bent over backwards", to use Senator Pitfield's words, on consensus appointments, that the consultation has been real, frank, and thorough. That, frankly, is not my recollection, honourable senators. I recall sitting across the way, six years ago, or whenever it was, when the name of Mr. D'Iberville Fortier was brought in for the position of Commissioner of Official Languages. So slight, casual, and routinière was the consultation that, indeed, it was

not a consultation at all. It was a nomination sprung on us by the government of the day. So slight and casual was that process that I seriously considered, up until the last moment, intervening to make the kind of speech that Senator Pitfield made today about the lack of consultation.

There was no real consultation at all. I decided not to make the speech because I had a healthy respect for Mr. D'Iberville Fortier, whom I had known when he was Canadian Ambassador to Belgium, and I decided not to add an unpleasant note to a nomination that I felt would go through in any case.

The consultation process was not real, frank, and thorough in that case, nor in most of the others with which I am familiar. It was strictly casual and routine, if at all. It was a telephone call and a matter of information going from one office to the other to the effect that the Prime Minister and the government had intended to make a certain nomination at a certain time. That is my recollection.

Senator Pitfield says that he does not know Mr. Bruce Phillips. I must say, honourable senators, that that surprises me. Bruce Phillips has been around here as long as Senator Pitfield and I have. I would have thought that Senator Pitfield knew him as long, and perhaps as well, as I do. In any case, Mr. Phillips has been a journalist in this town for lo these many years. Everything Senator Finlay MacDonald has said about his professional qualifications, his integrity, and his ability is true. I fully support what he has said in that respect.

Mr. Phillips has one overwhelming defect in the eyes of Senator Pitfield and some others in this chamber and elsewhere, and that is that for a period of a couple of years at the most he spent some time in a minister's office—indeed, on the staff of the Prime Minister of Canada as communications director.

Hon. P. Michael Pitfield: Pardon me, sir, but that is not true.

Senator Murray: Then what is his defect?

Senator Pitfield: I too was a member of a prime minister's office.

Senator Murray: I was about to remind the honourable senator of just that.

Senator Pitfield: My objection is not to that. Indeed, I would support that, as I think you would also. My objection is that the appointment does not carry the approbation of all parties. That is all.

Senator Murray: But why not?

Senator Pitfield: Because it must. The position is that of an officer of Parliament. It must have the approbation of all sides of the House. That is my argument.

Senator Murray: We cannot wait forever for the approbation of all sides of the House. The honourable senator cannot hide behind the "lack of approbation," as he puts it.

Senator Frith: He is not hiding at all!

Senator Murray: The honourable senator surely has something to say either in favour of or against Mr. Phillips and his professional qualifications, his experience, his ability, and his integrity. It is not enough simply to say that he opposes his appointment because others oppose it. Let me say that that should not be a bar to public service.

• (1800)

It should not be a bar to public service of this kind to have been associated on the political staff, so to speak, with a Prime Minister. As I have pointed out, Senator Pitfield and I got our start in this town in the same way, indeed, in the same office, working for the same minister. While I have pursued another route, he has risen in his time to the rank of deputy head, indeed, Clerk of the Privy Council. Senator Austin, whom I first caught sight of in Ottawa many years ago when he was on the political staff of the late Minister Arthur Laing, later rose to the rank of deputy minister in this town. Good for him. Later he was principal assistant to the Prime Minister of Canada.

The present Clerk of the Privy Council, Mr. Tellier, a man who has served several governments loyally and well, got his start on the political staff of the Honourable Jean-Luc Pépin. And so it goes.

I take Senator Pitfield's statement that he has no objection to Mr. Phillips on the basis of Mr. Phillips' two years on a political staff. Then what is the objection? The objection is that other political parties object.

Senator Frith: No!

Senator Murray: Then why do they object? Let them say why they object.

Senator Frith: You know what the tradition has been. You consult first, and if you cannot get the approbation, then you get someone else.

Senator Murray: I am telling the honourable senator that the consultation of which he speaks has been entirely routinières, in my experience, and a pleasant fiction—a telephone call from the government to the opposition to tell them what they propose to do. That has been invariably so in the cases with which I am familiar.

I regret very much that this matter is being handled in this way. We will vote against the amendment being proposed. There is no reason in the world why Mr. Phillips' nomination should not be confirmed now by the Senate. Those who wish to vote against it should at least have the courage to stand up and say why this man is not entitled to the confidence of the members of Parliament.

Senator Frith: Thank you for the invitation. In due course.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I would like to ask Senator Pitfield a question. On June 7, he mentioned that Inger Hansen had not been re-appointed. He just based his argument on that point. I see no connection between the problem of Ms. Hansen and his motion. Referring Mr. Phillips' appointment to a committee would not change the problem of Ms. Hansen. Even if the committee refused to appoint Bruce Phillips, that would not solve the problem of Ms.

Hansen. I see this argument, but it is beyond me. I do not know if he really thinks it is relevant. If so, he had better explain it to me because I do not think it is appropriate.

[*English*]

Senator Pitfield: Honourable senators, I should like to make a clarification that might be useful to the Leader of the Government in the Senate.

What I am commenting on and urging members of both houses to reflect upon is the gradual erosion of the function of an officer of the Parliament. These are jobs that have great powers attached to them. The Privacy Commissioner has to deal with files of individuals and the Information Commissioner has to deal with government secrets. It is very important, in my view—and it has been viewed as very important traditionally—that these jobs should have the approbation of members on both sides of the house. Perhaps in the future this will be borne in mind when these appointments come forward. They are only seven appointments out of the 600 or 700 appointments a year that are made by a government under Order in Council.

The erosion of the function of an officer of Parliament is as dramatic in the case of Ms. Hansen as it is in the case of Mr. Phillips. I do not know either of them. I know of them, but I do not know them personally. This is an important issue, and I raise it for the consideration of members of the house, and perhaps of the committee.

Senator Flynn: You did not answer my question. You seemed to suggest that if the government had treated Ms. Hansen otherwise you would not have a problem. This motion has nothing to do with Ms. Hansen's problem.

Senator Frith: He is simply not listening!

Senator Flynn: Don't listen if there is some logic!

Senator Frith: You are not listening to his answer because you do not like his answer.

Senator Flynn: He did not answer the question.

Senator Frith: In your opinion.

Hon. John B. Stewart: Honourable senators, may I ask Senator Pitfield a question?

Senator Flynn: Yes, but he might not reply.

Senator Stewart: Thank you, Senator Flynn, for your gracious consent.

Honourable senators, the Leader of the Government in the Senate has told us that certain members of this chamber started in ministers' offices and so on. He asserts that those examples should be borne in mind when considering the appointment now before the Senate. Does Senator Pitfield regard those examples, which Senator Murray obviously regards as analogous, as convincing against his own argument? If not, why not?

Senator Pitfield: Honourable senators, clearly, they are not analogous. Those appointments do not require the approval of both houses of Parliament. Why is approval of both houses of Parliament required in the case of an officer of Parliament? It is because those posts belong to the members of Parliament, not to the government, and they have to be considered as such.

If members of Parliament wish to let the tradition disappear into desuetude, so be it. I raise the question for consideration. Is that to happen? If so, do members want those powers left in the hands of members appointed in the manner they are appointed? It is for their consideration.

Senator MacDonald: Are we obliged to reappoint the Auditor General?

Senator Pitfield: No.

Some Hon. Senators: Question!

The Hon. the Speaker: Honourable senators, it is moved, in amendment, by the honourable senator Frith, seconded by the Honourable Senator Fairbairn:

> That the motion be not further proceeded with, but that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion please say "nay"?

Some Hon. Senators: Nay.

And two honourable senators having risen.

● (1810)

The Hon. the Speaker: Please call in the senators.

● (1820)

The Hon. the Speaker: Let the doors to the chamber be locked.

Motion in amendment carried on the following division:

YEAS

THE HONOURABLE SENATORS

Adams	Haidasz
Anderson	Hastings
Austin	Hébert
Bonnell	LeBlanc (*Beauséjour*)
Buckwold	Leblanc (*Saurel*)
Cools	Lefebvre
Corbin	Marsden
De Bané	Molgat
Denis	Neiman
Fairbairn	Olson
Frith	
Guay	

YEAS

THE HONOURABLE SENATORS

Perrault	Stewart (*Antigonish-Guysborough*)
Petten	Stollery
Pitfield	Thériault—30.
Stanbury	
Steuart (*Prince Albert-Duck Lake*)	

NAYS

THE HONOURABLE SENATORS

Asselin	MacDonald (*Halifax*)
Atkins	Macquarrie
Beaudoin	Muir
Bélisle	Murray
Bielish	Nurgitz
Bolduc	Ottenheimer
David	Phillips
Doody	Poitras
Doyle	Simard
Flynn	Tremblay—21.
Macdonald (*Cape Breton*)	

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

• (1830)

The Hon. the Speaker: Let the doors be opened.

Honourable senators, is it your pleasure to adopt the motion as amended?

Senator Frith: Honourable senators, I rise to note that I always feel that if the amendment carries, the motion carries.

Some Hon. Senators: Oh, oh!

Senator Frith: I know we always argue about this. I have never understood why there should be separate votes if the amendment is not defeated.

Senator Doody: Another tradition respected!

Senator Frith: I will quit while I am ahead.

Motion re appointment referred to Standing Senate Committee on Legal and Constitutional Affairs.

The Hon. the Speaker: Is it your pleasure, honourable senators, that the Senate do now adjourn during pleasure to await the arrival of the Honourable the Deputy of His Excellency the Governor General?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

• (1840)

ROYAL ASSENT

The Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Deputy Speaker, the Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Income Tax Act (*Bill C-51, Chapter 34, 1990*)

An Act to amend the Income Tax Act and related Acts (*Bill C-52, Chapter 35, 1990*)

An Act to amend the Customs Act (*Bill C-55, Chapter 36, 1990*)

An Act to provide for the protection of integrated circuit topographies and to amend certain Acts in consequence thereof (*Bill C-57, Chapter 37, 1990*)

An Act to amend the Immigration Act (*Bill C-77, Chapter 38, 1990*)

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

The sitting of the Senate was resumed.

• (1850)

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

DEADLINE EXTENDED FOR PRESENTATION OF COMMITTEE REPORT RESPECTING CHILD POVERTY

Leave having been given to proceed to Motions No. 3 and No. 4:

Hon. Lorna Marsden, pursuant to notice of June 12, 1990, moved:

That the Order of Reference of the Standing Senate Committee on Social Affairs, Science and Technology dated December 20, 1989, respecting child poverty, be

amended by deleting the words "June 29, 1990" and substituting therefor the words "October 31, 1990".

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

DEADLINE EXTENDED FOR PRESENTATION OF COMMITTEE REPORT RESPECTING ILLICIT DRUG USE IN CANADA

Hon. Lorna Marsden, pursuant to notice of June 12, 1990, moved:

That the Order of Reference of the Standing Senate Committee on Social Affairs, Science and Technology dated March 15, 1990, respecting illicit drug use in Canada, be amended by deleting the words "June 29, 1990" and substituting therefor the words "June 28, 1991".

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. C. William Doody (Deputy Leader of the Government), with leave of the Senate and notwithstanding rule 45(1)(*g*), moved:

That when the Senate adjourns today, it do stand adjourned until Tuesday, September 25, 1990, at two o'clock in the afternoon.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I have a question. Is it understood that the House of Commons will be adjourning until September 24, 1990?

Senator Doody: My information is to that effect, although I have nothing official. It is only hearsay from the other place.

Motion agreed to.

[*Translation*]

MEECH LAKE ACCORD

DEBATE AND PROCESS—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Olson, P.C., calling the attention of the Senate on the debate and process concerning the Meech Lake Accord.—(*Honourable Senator Gigantès*).

Hon. Roch Bolduc: Honourable senators, I should like to convey briefly the few thoughts I have concerning last week's failure of the Meech Lake Accord.

I have always believed that, in a geographic and social entity like Canada, a federal form of government is best suited to preserve the freedom of each citizen and take into account the differences of various groups.

We need to ask ourselves what kind of federalism is involved. Quite obviously Canadians have at least two diverging views on federalism. Some advocate a strong central government for several reasons: unity of the country, efficient management of public affairs, similarity of public services without consideration for the relative wealth of the regions, and so on.

For 40 years now the Canadian government has favoured that option through an unbelievable number of state interventions. The federal government has been busy defining and managing more than a thousand different programs. The proliferation of so-called national Canadian welfare state policies is marked by the search for uniformity and standardization. So we have been headed towards the kind of centralization which cannot be justified by constitutional considerations, tradition, technology or economies of scale.

This centralized federalism mirrors the aspirations of the socio-democrats who ruled the country during that time, roughly from 1960 until almost now, say until five years ago. It is not irrelevant to ask at the end of this long march toward centralisation what the real effects are when viewed against the declared intentions, the speech notes which inspired them.

A first effect of this political design is that it does not create any wealth, it only redistributes it and not necessarily to those most in need. In this process, we transfer wealth from one group to another in an endless and inconsistent series of victorious but short-lived coalitions to the detriment of the silent majority.

Indeed, the federal government only can impose these gigantic transfers such as the Energy Policy. The second effect of this constant discrimination is the ill-feeling, the constant confrontation among social groups. In fact, it contributes—and there is the real drama—to the balkanization of Canada.

As long as we had conservative governments in the provinces and above all at home, in Quebec, federal-provincial rivalries were bearable, endurable. But we've realized for 20 years now that centralization is, in fact, the natural opposite of harmony between regions of this country because the standardization which results from it goes directly against regional preferences and disparities.

Centralized federalism has a third effect, that is the "cartelization" of provinces. It creates monopolies or near-monopolies and negatively affects competition which, in fact, enables one to see the costs of the actions taken by the players.

The powers which Ottawa fails to exercise will not be recovered by the provinces because of interprovincial competition. We often tend to forget that, and everyone then loses its sense of duty which results in a race for favours and privileges. For example, why don't the provinces increase minimum wages since everyone knows that everytime we do so, the number of unemployed increases? But the provinces tend to play down the gravity of the situation and argue that the federal governement will give them unemployment insurance. We could give many more examples that show where the sense of duty of governments and individuals tends to crumble. The

change in attitude which has emerged in the last 30 years results in solutions which are more and more collectivist or interventionist in nature.

It is high time, honorable senators, to thoroughly review our federal government system of decentralization and a respect for regional differences are concerned. We may be fighting a losing battle when we try to embark in this other system, that of a decentralized federalism. I want to say now that if it should fail I would have serious doubts about the future of our country.

Besides, this new sharing of power I am talking about is not an exercise just for federal government and the provinces, it must also involve governments and families, indivuals, and also the government and the marketplace, the businesses. We must return to a more balanced sharing of power between the three partners: family, business and government.

In short, we must stop shifting the cost of public services from one generation to the next, that is to our children, through government deficits brought about by centralized federalism.

We must be fiscally responsible because our children will, and rightly so, refuse to pay the pension of those who, when they were in power, burdened them with an excessive public debt.

Honourable senators, I would like to mention that there are profound divisions in Quebec and Canada as to what kind of country Canada should be. There is the centralist vision that has prevailed for 30 years in Ottawa, and still does in certain quarters. On the other hand, there is the tradition of a decentralized federalism which prevails in Quebec since the beginning of the century. Mercier could be the first proponent of that vision, but let's mention Parent, Gouin, Taschereau, Duplessis, and Bourassa. An urgent task awaits us, in my opinion. On the one hand, we must redefine the functions of the family, the market, and the State. On the other, we must also redefine the distribution of power in our federal system by restraining the role of the federal government to functions concerning the nature of things and by letting the provinces respond to the regional preferences of their population. That must be done with the help of a renewed political process which would stop all interest groups, including the Public Service, from controlling governments, to the detriment of everyone's interest, that is the liberty of every citizen.

I conclude my remarks by stating my deep conviction that the unity of the country does not require a strong central government that multiplies so-called national policies but a government who respects true federalism, that is decentralized federalism, respectful of regional differences and the real preferences of its citizens.

Hon. Raymond J. Perrault: Honourable senators, as thousands of people in Canada, I am deeply upset by the turn of events. Many of us cannot understand that a nation such as Canada, with such a great potential, cosuld get involved in such a dialogue, as to whether the Canada we know and love will continue.

As many of my colleagues in this House, I am proud of my ancestors of Acadian and Quebec region. In fact, many of my ancestors are buried in Deschambault, Charlesbourg, Trois-Rivières in Quebec, Port-Royal in Nova Scotia and in many other places. Several of them played an active role in the political history of Quebec and Acadia.

Eventually, they settled in Western Canada where, with people from all countries in the world and all ethnic and religious origins, they worked the land and co-operated as brothers and sisters to help build the West.

My accent in French is that of someone born in British Columbia, the lively western Belle Province where English, French and Chinese are spoken.

• (1900)

[*English*]

In my view, it constitutes a profound national tragedy that men and women from Quebec did not come in greater numbers to the west in its course of development. Had they done so, perhaps we would not have today's solitudes and Canada would have developed naturally, inevitably, and inexorably as a bilingual country.

Yet I can understand why the leaders of Quebec discouraged French settlement in other parts of Canada at that time. Understandably, they wished to protect their language, religion, and culture, just as they wish to protect language and culture today. They have my full sympathy and the sympathy of most right-thinking Canadians. Perhaps it was the only way to ensure cultural survival. Surely the subsequent "la survivance" was tantamount to a miracle. No one had any right to assume that French culture and language would have survived without a great effort.

Those Quebecers who did come west made a significant contribution to the development of Manitoba, Saskatchewan, Alberta, and British Columbia. Few people know, for example, including most of the people of my province, that the first newspaper in British Columbia was a French language publication. Photostat copies of that newspaper are still available as vivid proof that many people of French descent were among British Columbia's pioneers.

My father, who died when I was very young, was fluently bilingual. He was determined to maintain his language and culture. He worked actively to establish a local French-language cultural group, whose members met regularly. There were no subsidies provided by any level of government, but its members never complained. They regarded the ability to access the linguistic and cultural riches of two great traditions as an immense cultural advantage. He left me his books, which I treasure very much today.

The west has been good to our family and to thousands of other families. Of course, we have our share of rednecks and bigots, like the pitifully small minority of sodden idiots who booed the Canadian anthem sung in French in Toronto the other day—but just as pathetic was the nut who desecrated the Canadian flag in Montreal this week. Thank God, these sad souls do not represent mainstream Canada. Unfortunately,

however, they receive far too much media publicity in relation to their numbers and their significance.

The trampling of a Quebec flag or a Canadian flag always makes the front page. What happened after the St. Jean Baptiste parade in Montreal last week? There it was—on the front page of the *Vancouver Sun*, in living colour, a photograph of the Canadian flag being desecrated in the St. Jean Baptiste parade, just as large as the picture of a Quebec flag being trampled and dishonoured by those poor, pathetic souls in Brockville a few weeks ago; a disgraceful episode that was given so much publicity in Quebec publications and on television. These incidents cause right-thinking moderates in this country to despair, because tensions and misunderstanding continue to build between the solitudes in this country. To some people such solitudes have become chasms apart.

A few days ago there was a francophone festival in British Columbia. There were 3,000 French-speaking young people, most of whom were of other than French descent. Their parents had encouraged and assisted them to study the French language and to immerse themselves in French culture. They had a festival of joy—la fête de la columbien—in Fort Langley, British Columbia. They tell me there was not one story about it in eastern Canada, but that picture of the Quebec flag being stomped on was on the front page of the newspapers and telecast over and over again in Quebec.

When I was on the aircraft coming to Ottawa, the person across the aisle was reading the *Vancouver Sun*, with its front-page picture of a Canadian flag being desecrated. I publicly criticize this western newspaper for what it did. The reader smashed the newspaper with his fist and said, "I'm fed up." I contrast this with la fête de la columbien, which was a great success, a wonderful day at our historical Fort Langley, and a marvelous occasion for English-speaking Canadians and French-speaking Canadians to get together.

I ask my friends in this chamber: Which news item deserved more prominence—the drunken nerds who drag Quebec's flag in the mud or the thousands of young people with a genuine desire to learn French and explore the riches of Quebec culture? Who deserves more publicity—the louts who desecrated the Canadian flag the other day or the great Quebec young people who have visited the west in the thousands in recent years and have formed life-long friendships with other young people in my province? Perhaps our distinguished colleague, Senator Doyle, who edited the *Globe and Mail* for so many years—one of the great newspapermen of our generation and time—can tell us some of the reasons why the values seem to be totally warped. Newspapers are the instruments of information that affect public attitudes.

Some people in Canada today use language like an arsonist uses gasoline. How else can one describe the reported remarks of Mr. Bouchard the other day when he stated that "English Canada wants us to grovel at their feet." English-speaking Canadians do not want anyone to grovel at their feet. Only the mental cases, who would be better off in institutions, would make a statement of that kind.

[Senator Perrault.]

• (1910)

Just as tawdry is the language used by the anti-Quebec minority who fling words around like hand grenades at a garden party. You read of these pathetic, little, frustrated groups that have never achieved anything worthwhile in their lives, so they decide that they will attack Quebec or some other entity.

If this country is to be saved, it will be saved by the moderates. The warped view of certain English-speaking and French-speaking Canadians needs to be reviewed and revised. There is one attitude I encountered in my political career—and this is what used to happen if you had a French name in British Columbia. I remember the loony eccentrics—there were a group of them—who campaigned against me in one election during the 1960s. They went from door to door, circulating the slanderous rumour that "Perrault is of French descent and is a former member of the Union Nationale; he abandoned a wife and four children in Quebec." Do you know what happened?

Senator Murray: What did you say in answer to that?

Senator Frith: How much of that are you prepared and able to deny?

Senator Perrault: Fellow senators, I suppose I invited that comment. But let me tell you that I got the biggest majority in my life from the voters on that occasion. They did not like prejudice. They said, "Clearly, this is not the way we should conduct things. We don't need bigotry."

I want to tell you about la belle province de l'ouest. First, we are geographically closer to the Soviet Union than we are to Ottawa. If you wonder why some of our attitudes seem a little distant from the centre of this country—for example, if two jets take off from the Vancouver airport at the same time, the one headed for Russia arrives there first.

To label British Columbia as English is to distort the facts and to invite a fight. It is not a monolithic, English community. In many ways, and at certain times, we dislike Toronto more than the people of Quebec hate Toronto—but for different reasons; economic reasons.

Senator Frith: There are no bad reasons for hating Toronto.

Senator Perrault: There are no bad reasons, but we can think of some, can't we?

While those of English, Irish, Scottish, and Welsh descent make up the largest group in British Columbia, those of German descent are next, along with the Chinese, Dutch, Yugoslavians and dozens of other ethnic groups. Apart from a few minor family quarrels, we get along together extremely well.

I hope no one in Canada thinks there is a conspiracy centred in downtown Toronto, headed by Englishmen, to take away French language culture and rights. If they try, we in British Columbia would join you in the fight.

Most of us are English only in the sense that we speak English in various accents. If you call someone of Ukrainian

descent English, in the provinces of Alberta or Manitoba we know what would happen to them, Senator Guay, don't we?

Senator Guay: I know.

Senator Perrault: The fact is that the west has become a great multicultural community.

Our lieutenant governor is of Chinese descent, and he is outstanding. He is learning French. Our premier came as an immigrant from Holland. Even some of our street signs are in language combinations such as French and English, Chinese and English, Japanese and English, and German and English. We enjoy our cultural diversity and the benefits it brings in the arts, education, agriculture, business, and even in cooking.

Vancouver used to be famous, or infamous, for the English boiled dinner served with boring and unappetizing regularity in west coast restaurants, but no more. Our cuisine is as diverse as our community, and we rejoice in it. Predictably, some of our best chefs come from Quebec, but they come as well from every other area of the world.

I will not prolong this speech, but I hope that this summer we can give the moderates a chance and give the people a chance. For example, my local city council sent a resolution down here, which said, "We are behind 'distinct society.' We support the idea of the amendments proposed to the Constitution."

The mayor has also telephoned me and said, "We are doing what we can to help." But does the message ever get through? Is there not a responsibility on the part of the media to publish these events and initiatives and to tell what is going on in the rest of the country so that we do not retreat into two solitudes and become suspicious, destructive, and negative in our attitudes? I am convinced that we can work out our problems.

In my province, the third largest province in Canada, our track record has been good with respect to the Meech agreement—but I do not want to get into the details of it. Suffice it to say that there is a great, huge ocean of support and goodwill there to make this country work and to recognize the legitimate aspirations of those living in the other provinces.

There has to be merit in any proposal for moderation, compassion, tolerance, and understanding if this nation is to remain united. It will be the moderates in all parts of Canada who will save it.

Some Hon. Senators: Hear, hear!

Hon. Richard J. Doyle: Honourable senators, it is good to hear such fine sentiment from my good friend from the west coast. I am sure there could be a measured response from some of my friends from Quebec to this kind of assurance. I am sure the senator means more than just taking a trip to the Gaspé or watching the sports events of the summer that might take place down around Montreal or in that part of the country.

We are reassured. There is sometimes reassurance when Liberals gather. We recognize their good intentions. It was after the Meech Lake death last week that we all drew reassurance from a gathering of Liberals. They gathered in Montreal, a mix of Premier Bourassa, a contingent from Ontario, and my premier, David Pearson, to begin planning a positive summer. I am sure that that is the kind of thought Senator Perrault was bearing in mind. He raised the point whether some of our trouble does not come from the media and the reporting of events along the way. I am the first to agree with him.

About two weeks ago one of the newspapers carried a large picture of a flag-trampling that was over one year old—at least the incident portrayed in the *Vancouver Sun* was recent. We had a story in one of the newspapers in Toronto the other day, after the death of the Meech Lake Accord, that dealt with the question of who is to blame for this failure. My God, they listed practically everyone in the country with the exception of anyone connected with the media! Yet so much can be laid on the backs of the newspapers, the radio stations, and the television stations of this country for their perpetuating of mythology throughout the long three-year debate—

• (1920)

Senator Perrault: Hear, hear!

Senator Doyle: —for reporting stories about the question of time, without explaining the difficulties of time, without explaining that if you reopen the debate and put in matters that had not been covered in the first round you were reopening another three-year exercise. They did not bother to explain that.

It is an example of the cavalier way in which so many writers in the media have dealt with other questions. I think of that favourite line of reporters—I do not care about editorial pages; good grief, they are there to create argument, just like you are there to create argument, and sometimes that is the best we can do.

Senator Frith: Let's make sure he is quoted on that one!

Senator Doyle: Let us examine that favourite line of reporters about this deal, that it was cooked up in the dead of night by 11 men. It does not seem to matter how that has been torn apart by people like Mr. Tessier, people who said, "Look, it took us years to get to Meech Lake." The country was aware of that, and of the time and effort that went into getting to Meech Lake. Yet we perpetuated the mythology, and we are perpetuating it today in the newspaper that I once worked for. We say that the poor Prime Minister stands alone in his difficult situation. He does not stand alone at all! Apart from his own caucus, he stands with all but two premiers.

Senator Frith: That is right!

Senator Doyle: They are right behind him, agreeing with him, defending him. There are not just two premiers who are opposing him but two premiers who have supported him. The press, the media, forget about what those two premiers themselves have had to say.

We all agree that the process is wrong. We need something livelier, something that moves faster. We need something in which the public feels more genuinely involved. We need all of that. We do not need reminders like we heard here yesterday, that what happened in Ottawa and in Winnipeg happened in a

pressure cooker; that it was part of a manipulation; that it was, as the media calls it, a case of the Stockholm syndrome—terrorists and their hostages. How far can you stretch the English language—even if you work for the *Globe and Mail*?

I suppose Senator Murray could feel that there was a bit of terrorism when he went to Winnipeg, and that he was in a pressure cooker, because our Aboriginal friends had an itinerary waiting for him. They said, "No, you do not bring your experts in here. No, you do not get the order of business that you want. No, you do not get a last word. No, you cannot sum up. We have a program for you. You knew this and you knew that. Say what you have to say and get out." That is about what the situation was. I am not faulting the Aboriginals. Like everyone, I will say that they have had so many frustrations that they must be forgiven any excesses they undertake to use, but I do not think we can be accused of putting the Aboriginals in a pressure cooker. They knew where they were. They knew where they were going, and if f anyone was left in a pressure cooker, it was all the rest of us.

What about the one man who has talked about being at his wits' end, Premier Filmon? I can understand how he felt that he was in a pressure cooker. If, at the end of every day, at the end of every hour, I had to report to Sharon Carstairs and to Gary Doer, I would say that I was in a pressure cooker and I just cannot stand it any more!

Hon. Senators: Hear, hear!

Senator Doyle: We have another problem with Senator Wells.

Senator Ottenheimer: He is not a senator yet!

Senator Doyle: Pardon me, Premier Wells. He may be a senator yet. We are about to get some new senators and he may get picked up in the rush. However, let us get back to Mr. Wells. Mr. Wells has had a lot to say about the pressure cooker. I believe that when Senator Olson spoke yesterday, he was referring to Premier Wells, and he was talking about the fact that so much has been laid on Premier Wells that we could understand how he felt. Well, I am sorry, I should like to go back to the end of the Ottawa meetings, when we had what we thought was an agreement, and each of the premiers was given an opportunity to speak. I am not talking about what was said to the *Globe and Mail* or the Winnipeg *Free Press*, or to anyone else as people did their little scrums on their way to and from the meetings in Ottawa. I would like to tell you what Premier Wells said in his formal statement:

> Before closing, Prime Minister, I want to express my personal appreciation to you for your great courtesy and your great tolerance of all of my comments and all of my intervention during the course of the last seven days. I must acknowledge publicly that you treated me with nothing but absolute respect and consideration, and I am grateful to you.

That did not sound like a complaint. However, that was the end of the Ottawa meetings. We know the phone rang often down in St. John's, and we know, apart from calls from Gary and Gary and Sharon, there were calls from the Prime Minister's Office and from Senator Murray, and we all know how that puts the fear of God into you.

• (1930)

At any rate, on Thursday, which was the last day of honest deliberation in the Newfoundland legislature, the Prime Minister spoke to the members. He was introduced by Clyde Wells, and I shall quote that introduction:

> Mr. Speaker, Prime Minister, it gives me a particular pleasure this afternoon to extend, on behalf of all members on both sides of this Legislature, and indeed on behalf of all of the people of this province a very warm and sincere welcome to you . . .
>
> It is important and I say to you we are indeed grateful for the honour that you have done us. It also gives me an opportunity Prime Minister to reciprocate some of the warm welcome and the very sincere and kind and courteous treatment that you extended to me when I was in Ottawa a couple of weeks ago. All the World knows that we had some difficult sessions. A seven day long dinner meeting is quite a long dinner meeting and there were some very difficult sessions, but, as indicated in speaking Saturday night at the closing of that session, I acknowledged the great courtesy with which you treated me personally throughout those difficult discussions, and I welcome this opportunity to extend a similar courtesy and respect to you.
>
> Thank you again most sincerely for doing us this great honour, and would you now be so kind as to address the members.

Perhaps honourable senators will say he was insulted by what the Prime Minister had to say. Now we have Premier Wells back on his feet, and he said:

> Perhaps this is the first time in Canadian history that it has been done.

He is referring to the Prime Minister taking part in a debate in the Newfoundland legislature. He went on to state:

> It is a very significant event and I want to assure you, Prime Minister, that I am confident that all of the members, whether they agree with the comments you have made or they disagree, or they agree with some and disagree with others, whatever, they respect your views and I have no doubt that all will take your views into consideration in making the decisions that they have to make, and in the end I am confident that all members of this Legislature will make the decision in the way that they feel is best for Canada.

Honourable senators, a decision was never made, and that is the end of the evidence we have of the pressure applied to Clyde Wells.

On motion of Senator Frith, debate adjourned.

THE SENATE

HOLIDAY WISHES TO SENATORS AND SENATE STAFF

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, before my colleague, the Deputy Leader of the Government, moves the adjournment, let me, on my own behalf and on behalf of my colleagues on this side, extend to all honourable senators my warmest wishes for a most pleasant summer holiday, and, if I may say so, a well deserved holiday on the part of all.

At the same time, let me reaffirm our gratitude and appreciation to all of those who serve us in this chamber in various capacities—

Hon. Senators: Hear, hear!

Senator Murray: —and throughout this side of the Parliament Buildings.

If I tried to list them, I am sure I would forget or neglect to mention some by inadvertence, but I do want them all to know that they are all included.

As our departing friend, Senator Flynn, said today, staff in this place treat us all with extreme kindness, much more than most of us as individuals deserve. They treat us so well because they have such a high respect for the institution and for the functions that we, as members, perform here.

I do want to thank them for their diligence and their kindness, so often much beyond the call of duty.

[*Translation*]

Finally, I wish you, Mr. Speaker, and all our colleagues a very nice summer. Farewell and see you on September 25.

[*English*]

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, let me enthusiastically support every word the Leader of the Government has said with respect to the wish for an enjoyable, restful, and nourishing summer. At the risk of maudlin exaggeration, I would say that at least I feel a very family feeling, and always have, in the Senate in the relationship we have with the staff, who always make us feel exactly as Senator Murray has said, at home, because they are so devoted and loyal. That provides one of the great bonuses, it seems to me, of being a Canadian senator—that is, the feeling of family that exists here, not without exception but in general.

Honourable senators, along the same line, may I take this opportunity to say farewell, at least as far as their formal relationship is concerned, to three members of the family, those we live with every day while we are sitting, and that is three of the pages. We bid farewell to Michelle MacDonald, a native of Prince Edward Island. She has completed her second year at the University of Ottawa and has been with the Senate since September of 1988. Also, a native of St. John's, Newfoundland, Tina Budden.

• (1940)

Hon. Senators: Hear, hear!

Senator Frith: Tina has also completed her second year at the University of Ottawa and has been with the Senate since August 1988. Then we have Sandra Cruickshank. I do not think she needs to stand, but please do, Sandra.

Hon. Senators: Hear, hear!

Senator Frith: Sandra is a native of Vancouver, British Columbia, and has been our chief page since September 1989. She has received her BA in Lettres Françaises from the University of Ottawa. She is studying to become a high school teacher—would that I were 13 again and could attend her class! Sandra has been with the Senate for three years and was with the House of Commons for one year prior to becoming a Senate page.

I speak for all of us in thanking them for the pleasure of their company and the loyalty of their service, and to wish them great success in their budding careers.

Hon. Senators: Hear, hear!

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, before I move the adjournment, I want to wish a fine summer to the members of the GST Committee as well.

The Senate adjourned until Tuesday, September 25, 1990, at 2 p.m.

APPENDIX "A"

(*See p. 2195*)

INCOME TAX ACT AND RELATED ACTS

BILL TO AMEND — REPORT OF NATIONAL FINANCE COMMITTEE ON BILL C-52

WEDNESDAY, June 27, 1990

The Standing Senate Committee on National Finance has the honour to present its

SIXTEENTH REPORT

Your Committee, to which was referred Bill C-52, An Act to amend the Income Tax Act and related Acts, has, in obedience to the Order of Reference of Thursday, June 14, 1990, examined the said Bill and now reports the same without amendment but with the following observations and recommendation:

The Committee, at its meeting to review the Bill on Tuesday, June 26, 1990, heard testimony from the Minister of State (Privatization and Regulatory Affairs) and officials of the Department of Finance.

Bill C-52 provides a reform of the rules governing tax-assisted retirement saving. It restructures the limits on deductible contributions to registered pension plans, deferred profit sharing plans and registered retirement savings plans to make them fairer and more flexible. As well, it amends the Income Tax Act to codify the registration rules that pension plans must satisfy in order to qualify for tax assistance. The aim of the Bill is to make the tax preferences for retirement saving more effective in assisting Canadians to achieve adequate incomes for retirement.

The Committee agrees with the general approach of Bill C-52, which is the product of a lengthy development process involving extensive consultations with the pension industry, employer groups and labour organizations. The House of Commons Finance Committee heard witnesses from all these groups during its review of the Bill, and unanimously recommended a set of amendments that were included in the Bill that passed third reading. The Committee also recognizes the uncertainty faced for some time by pension plan sponsors and the urgency of the Bill's passage if sponsors are to be able to implement the required changes early in 1991. As well, it understands that the House Finance Committee plans a thorough review of the Bill in three years' time.

Nonetheless, the Committee believes that the likely effects of Bill C-52 have not received adequate study. In particular, it is concerned about: the impact of the Bill on the ability of women to achieve adequate retirement incomes, especially women aged 40 or more who are currently in the labour force; the impact on the ability and willingness of small employers to set up or continue to administer defined-benefit pension plans, given the reporting burdens inherent in the new system; and the issue of portability, particularly in the light of the House of Commons amendment that removed the pension adjustment reversal feature from the original Bill and may therefore have adversely affected younger employees who change jobs.

Accordingly, the Committee recommends that the subject-matter of Bill C-52, and the regulations that accompany it, be referred to the Standing Committee on National Finance for further study.

Respectfully submitted,

FERNAND-E. LEBLANC
Chairman

APPENDIX "B"

(*See p. 2199*)

CUSTOMS ACT

BILL TO AMEND — AMENDMENT PROPOSALS — QUESTIONS AND ANSWERS

QUESTIONS AND ANSWERS

PROPOSED AMENDMENTS TO THE CUSTOMS ACT

(BILL C-55)

1. Q: Why did Customs and Excise wait until now to seek authority to make technical amendments to the Customs Act?

   A: When the April 1989 Budget was introduced, Customs and Excise became aware that it did not have the authority to issue refunds for the full period covered by the Budget. After examination, it was determined that amendments to the Customs Act would be required; this legislation was therefore introduced shortly after the Budget was adopted.

2. Q: Will this late measure delay refunds or cause any financial hardships to Canadian businesses?

   A: It may delay refunds for a few isolated cases; however, we do not expect this to cause any financial hardship to importers. The importing community was advised in mid-December that this Bill was before the House.

3. Q: Why did Customs and Excise not foresee this problem before the inception of the Harmonized System?

   A: At the time the Harmonized System was introduced, the Customs Act authority was sufficient to cover the situation. The problem occurred only when the retroactivity provisions were extended beyond the limitation period covered by the Act.

4. Q: How many requests for rate reduction has Customs and Excise received to date? How many further requests are expected?

   A: Approximately 875 requests have been received. Approximately 250 remain to be processed. No more are expected as the deadline for filing requests was December 31, 1989.

5. Q: Can the Minister of National Revenue, Customs and Excise, give guarantees that these amendments will resolve the problem of refunds once and for all?

   A: These amendments will resolve the problem of the current situation.

6. Q: How much will these refunds cost the Canadian government?

   A: Given that we will be refunding duties which were overpaid and that we can process these refunds in the regular fashion, no additional cost is expected.

7. Q: Could the same situation reoccur?

   A: This is highly unlikely. This situation arose because of the massive conversion of the Tariff and the extraordinary measure taken to ensure that Canadian businesses were not adversely affected by this conversion.

8. Q: Have other countries encountered the same problem Canada is now facing?

   A: Other countries did not generally provide for retroactive adjustment of tariff rates. This provision in our legislation reflects our commitment to a revenue-neutral conversion.

9. Q: Will the new June 30, 1992 extension be sufficient to process all requests for rate reduction?

   A: Yes. It gives importers 2 years in which to file claims for refund. This should be sufficient.

10. Q: **Who will benefit most from the proposed changes to the Act?**

A: All importers, large or small, affected by a retroactive order will benefit from this proposal.

11. Q: **Under the proposed legislation, how will importers obtain a refund?**

A: Importers will continue to file applications as they have done in the past; the procedures will remain the same.

12. Q: **Will importers have to wait 2 years to get a refund?**

A: No. Once the legislation is passed, they will be able to submit their application; these will be processed in the normal manner.

THE SENATE

Tuesday, September 25, 1990

The Senate met at 2.00 p.m., the Speaker in the Chair.

Prayers.

PRIVILEGE

Hon. Gerald R. Ottenheimer: Honourable senators, I give notice that there is a matter of privilege I wish to draw to the attention of honourable senators. I am serving notice now so that I may pursue it at the appropriate time.

Hon. Brenda M. Robertson: Honourable senators, I, too, rise on a question of privilege. I have no idea whether my question of privilege will be similar to Senator Ottenheimer's or not, but I just wish to advise honourable senators that at the appropriate time I wish to pursue it.

[*Translation*]

Hon. Jean-Maurice Simard: Mr. Speaker, at this point, I would like to advise my colleagues that I intend to rise on a question of privilege since I think that my privileges as a senator have been breached in many respects. After the introduction of our new colleagues, at the appropriate time, I hope I will be allowed to rise on a question of privilege.

[*English*]

Hon. Efstathios William Barootes: Honourable senators, I, too, wish to bring a matter of privilege to the attention of this honourable chamber.

Hon. Senators: Hear, hear!

Senator Guay: Why not do it now?

Senator Barootes: This is a question of privilege which will bring to the attention of this honourable chamber when the appropriate time arises.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I should like to give notice also that I will be drawing to the attention of the chamber a question of privilege dealing with the nomination of new senators. I will do so in due course—and at the appropriate time, to quote my friends.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I think it would be remiss of me not to get involved in this. On the assumption that the questions of privilege that have been raised by my colleagues do not cover the situation I found myself in yesterday, I also would like to give notice.

Senator Frith: And the filibuster begins!

Senator Doody: I hope it's more effective than yesterday's.

Senator Roblin: A little better than closure!

Senator Perrault: You were not even there! Where were you? You did not even show up.

Senator Frith: A voice from the near west.

The Hon. the Speaker: Order!

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Patricia Carney
Nancy Clark Teed
Gerald J. Comeau
Consiglio Di Nino
Richard Bennett Hatfield
Donald H. Oliver
John Sylvain
Noel A. Kinsella
John MacLennan Buchanan
Claude Castonguay
Mabel Margaret DeWare
John Lynch-Staunton
James Francis Kelleher

INTRODUCTION

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were introduced; presented Her Majesty's writs of summons; took the oath prescribed by law, which was administered by the Clerk; and were seated:

Hon. Patricia Carney, of Vancouver (British Columbia), introduced between Hon. Lowell Murray, P.C., and Hon. Martha P. Bielish.

Hon. Nancy Clark Teed, of Saint John (New Brunswick), introduced between Hon. Lowell Murray, P.C., and Hon. Brenda M. Robertson.

Hon. Gerald J. Comeau, of Church Point (Nova Scotia), introduced between Hon. Lowell Murray, P.C., and Hon. Robert Muir.

Hon. Consiglio Di Nino, of Downsview (Ontario), introduced between Hon. Lowell Murray, P.C., and Hon. Norman K. Atkins.

Hon. Richard Bennett Hatfield, of Fredericton (New Brunswick), introduced between Hon. Lowell Murray, P.C., and Hon. Jean-Maurice Simard.

Hon. Donald H. Oliver, of Dartmouth (Nova Scotia), introduced between Hon. Lowell Murray, P.C., and Hon. Finlay MacDonald.

Hon. John Sylvain, of Montréal (Québec), introduced between Hon. Lowell Murray, P.C., and Hon. Jean-Marie Poitras.

Hon. Noel A. Kinsella, of Fredericton (New Brunswick), introduced between Hon. Lowell Murray, P.C., and Hon. Brenda M. Robertson.

Hon. John MacLennan Buchanan, of Halifax (Nova Scotia), introduced between Hon. Lowell Murray, P.C., and Hon. John M. Macdonald.

Hon. Claude Castonguay, of Montreal (Québec), introduced between Hon. Lowell Murray, P.C., and Hon. Jean-Marie Poitras.

Hon. Mabel Margaret DeWare, of Moncton (New Brunswick), introduced between Hon. Lowell Murray, P.C., and Hon. Brenda M. Robertson.

Hon. John Lynch-Staunton, of Montreal (Québec), introduced between Hon. Lowell Murray, P.C., and Hon. Paul David.

Hon. James Francis Kelleher, of Sault Ste. Marie (Ontario), introduced between Hon. Lowell Murray, P.C., and Hon. William M. Kelly.

The Hon. the Speaker informed the Senate that the honourable senators named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I would ask your indulgence for just a moment to permit me to express a word of welcome to those honourable senators who have taken their seats with us for the first time today.

As honourable senators are aware, some 15 new senators were summoned over the last little while by His Excellency, the Governor General, on the recommendation of Prime Minister Mulroney. Thirteen of them have taken the oath today; I want to assure the house that the other two will not be long delayed.

Senator Doody: Hear, hear!

Senator Murray: On behalf of those of us who have laboured for some years in support of the government on this side, I want to express our entire satisfaction with the number of reinforcements who have arrived today. I am sure, however, that I speak for all or almost all honourable senators here in expressing our pleasure at the quality of those reinforcements, the quality of the new senators who have taken their seats today.

We have joining us today two former provincial premiers, one of whom is Senator John Buchanan of Nova Scotia, who, in four general elections and 12 years as premier of that province, has earned the respect and affection of the people of Nova Scotia unmatched by anyone.

Some Hon. Senators: Hear, hear!

Senator Murray: I have had occasion in the past few years to observe at close hand and to be involved in discussions at the national level in which Premier Buchanan, as he then was, was called upon to contribute to the cause of understanding and national unity of our country. This he always did with the greatest of generosity and wisdom.

We are absolutely delighted to have him with us today. I also want to draw to senators' attention the fact that Senator Buchanan has brought with him two outstanding Nova Scotians, Senator Don Oliver

[*Translation*]

Senator Comeau is strenghtening the Acadian deputation in this House.

Some Hon. Senators: Hear, hear.

Senator Murray: From New-Brunswick, we have of course former premier Richard Hatfield who, throughtout his 27 years of public office in the New Brunswick legislature and his 17 years as premier of his province, has devoted himself to the promotion of a greater understanding between anglophones and francophones, especially in his province, but across the country as well. He has greatly contributed to national unity throughtout his career.

Some Hon. Members: Hear, hear.

Senator Murray: In this House, Senator Hatfield meets again his former opponent and predecessor, the former premier of New Brunswick, Senator Louis Robichaud, as well as Senator Thériault, who was a member of the New Brunswick legislature.

Senator Hatfield is also reunited with four of his former ministers: Senator Simard, former minister of Finance of New Brunswick, Senator Robertson, former minister of Health, Senator Teed, former president of the Treasury Board, and Senator Deware, former minister of Education.

[*English*]

I am pleased to bid Senator Teed and Senator Deware a very warm welcome here on behalf of those of us on this side.

Hon. Senators: Hear, hear!

Senator Murray: In Senator Noel Kinsella we have a former head of the Human Rights Commission of New Brunswick, a former senior public servant in the Government of Canada, and one who has a special contribution to make to public policy and to the work of this chamber and of Parliament.

[*Translation*]

For the first time, we had the opportunity today to welcome Senator John Sylvain, a well-known businessman from Montréal, highly respected by his peers and his fellow citizens, and

another very distinguished businessman and statesman from Quebec, the honourable Claude Castonguay.

[*English*]

As well, there is Senator John Lynch-Staunton, a businessman, a former vice-chairman of the executive committee of the civic government, whose grandfather, from Hamilton, Ontario, sat in this chamber in the early part of this century, having been appointed by Prime Minister Sir Robert Borden.

From Ontario I am very pleased to welcome Senator Consiglio Di Nino, an outstanding businessman and community leader; and, of course, my old colleague in the cabinet, the former Minister for International Trade and former Solicitor General of Canada, the Honourable James Kelleher.

Hon. Senators: Hear, hear!

Senator Murray: Senator Kelleher made his first appearance here in this chamber about four years ago, when a minister and a member of the other place. He was invited to the Senate chamber, within 24 hours of having been named Solicitor General of Canada, to help pilot through Committee of the Whole legislation dealing with justice for which he was responsible.

Finally, let me say what a great pleasure it is to welcome from the west coast the first Conservative senator to be nominated to this place from British Columbia since the 1930s and the Prime Ministership of R.B. Bennett. I refer to the Honourable Pat Carney, former Minister of Energy, Mines and Resources, Minister for International Trade and President of the Treasury Board, whose skills as a public person and whose career as a journalist and champion of her native province and of western Canada are well known indeed.

Some Hon. Senators: Hear, hear!

Senator Murray: Honourable senators, at its best, the Senate provides an opportunity for all members to use their talents and experience to contribute to the public policy process, to the legislative and parliamentary process, and to the wellbeing of our country. This is a place where there is, as the new senators will find, more than ample opportunity to perform honourable service to Canada and to derive the satisfaction that comes from making such a contribution. Therefore, I wish all of the new senators satisfaction, good health and happiness in their new role in the Parliament and, in particular, in the Senate of Canada.

Some Hon. Senators: Hear, hear!

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, after witnessing this march up the gangway so many times I felt like joining Senator Doody in rising on a question of privilege against this reinforcement of the government benches.

I can understand the sense of expectation that attends the arrival in the Senate. I believe it is up to each of the new arrivals to assess the Senate for himself and herself. I certainly had my own assessment when I arrived, and still have it, which is held under the oath of secrecy until all can be revealed at a later date.

[Senator Murray.]

The sense of expectation that is apparent today will be realized only if the new senators take advantage of the opportunities that are available in the Senate, as Senator Murray has stated, to contribute to the formulation of public policy and to the examination of legislation that comes to us generally from the House of Commons.

I said to my colleague, Senator Frith, that in light of the large number of senators arriving today who are qualified to contribute one ought to establish a Senate watch to determine how longlasting their diligence will be. I say that because it is noticeable that once the initial excitement has disappeared and the initial ceremonies are completed there is a tendency to drift away, and to allow a corporals' guard as it were, or a small group of senators, to carry out the work of the Senate. That would be the first reform that those who come with a reformist attitude could undertake to change the Senate. However, it was not my intention to make that comment.

I wish to congratulate each and every senator. Please do not expect me to praise you as Senator Murray has done; although let me say that I have been known to praise Conservative senators.

Senator Roblin: When?

Senator MacEachen: I like it better when they are leaving the Senate, rather than when they are arriving.

Some Hon. Senators: Hear, hear!

BANKING, TRADE AND COMMERCE

PROCEEDINGS OF COMMITTEE—QUESTION OF PRIVILEGE

Hon. Gerald R. Ottenheimer: Honourable senators, I rise on a matter of privilege and will explain it during the next few minutes.

As honourable senators are aware, the process under which I do this is outlined in *Beauchesne's* Fifth Edition at pages 25 and 26 where it is stated:

> (1) Once the claim of a breach of privilege has been made, it is the duty of the Speaker to decide if a prima facie case can be established. The Speaker requires to be satisfied, both that privilege appears to be sufficiently involved to justify him in giving such precedence (or as it is sometimes put, that there is a prima facie case that a breach of privilege has been committed); and also that the matter is being raised at the earliest opportunity.
>
> (2) It has often been laid down that the speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question, whether the case conforms with the conditions which alone entitle it to take precedence over the notices of motions and Orders of the Day standing on the *Order Paper*; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the House itself.

Therefore, it is my duty to outline that there is a prima facie case and that the matters referred to by me are of a nature which involve privilege. If the Chair so decides, then obviously

I would be prepared to move the appropriate motion at the appropriate time. It is this body, the Senate, which should decide whether or not there has been a breach of privilege.

● (1420)

There are essentially three headings under which I wish to put forward my case.

The first point that I wish to draw to everyone's attention is that in my opinion, with respect to the meeting yesterday of the Standing Senate Committee on Banking, Trade and Commerce, some members of the committee were denied the opportunity of fulfilling their parliamentary duty. For a definition of "parliamentary duty" I again refer to *Beauchesne's,* page 190, item 570. It is stated therein:

> It is the duty of all committees to give to the matters referred to them due and sufficient consideration.

I repeat: "It is the duty of all committees to give to the matters referred to them due and sufficient consideration." But the consideration that members of the committee were able to give yesterday to a document of over 300 pages involved approximately six and one half hours before—

Senator Cools: A long time!

Senator Ottenheimer: Perhaps it is a long time for Senator Cools, who was there, but perhaps it was insufficient time for some senators who feel that six and one half hours for over 300 pages of an extremely complex matter was insufficient. Whether one is for or against the GST, I assume that everyone realizes the complexity of the subject and that it is not a matter with which one can be thoroughly familiar, or examine and judge the various alternatives, in such a short period of time. I do not feel capable of doing that. However, there may be some honourable senators on the opposite side who, through superiority or intelligence, or communication with the divine, have that facility. I certainly cannot claim that. I now wish to refer briefly to that.

It is important to point out that the chairman of the committee, quite appropriately, intended to have a meeting on September 19 and another meeting yesterday, September 24, for tabling the report in the Senate today, September 25. We are in the area of fact here. The fact is that the original intention of the senator who was chairman of the committee was to have a meeting of that committee on September 19 and another meeting on September 24 in order to have the report tabled today. I do not think that is in dispute, but I am informed by the Clerk of the Committee—in reply to a note that I sent him—that that is a fact. These notes were exchanged yesterday. I wrote to Mr. Wilson, saying that in order to meet the September 25th date to table the report in the Senate, "it was originally intended to have the report available for this committee almost two weeks ago. Please inform me what date was envisioned." That letter was signed by me. It was signed by me. The answer that came back said, "Meeting was scheduled for Wednesday, September 19, in addition to today's meeting," which was yesterday.

In order that senators give due and sufficient consideration to the matters referred to them, it would appear that the chairman himself saw it as necessary and beneficial that there be six days between the committee having the report and its referral to the Senate. However, that was not allowed. A motion to the effect that a vote be required at 7 p.m. was adopted. The result was that approximately six and one-half hours were available for debate on that particular matter.

Mr. Speaker, this is a matter of privilege, because what transpired in the committee yesterday is contrary to a parliamentary imperative which paragraph 570 of *Beauchesne's* quite clearly and succinctly puts as follows:

> It is the duty of all committees to give to the matters referred to them due and sufficient consideration.

I submit that a matter of this complexity cannot be given due and sufficient consideration by all senators on the committee within that period of time.

I should like to refer to another matter, which I believe Senator Poitras will refer to in more detail. However, I believe that one of his colleagues should show an interest and a sensitivity to what I consider to be a breach of his privilege. He will be in a better position, of course, to pursue it. In any event, if the privileges of one senator are involved, frequently the privileges of all senators are involved, and in this way the privileges of the institution itself can be undermined and eroded. This is not necessarily or usually by any frontal attack on the institution, but the privileges of individuals can be negated, minimized, ridiculed, or whatever.

I maintain that the privileges of the Deputy Chairman, Senator Poitras, were infringed when he was denied access to information by the research officers of the committee. Senators who were at the committee meeting will be familiar with this letter from Senator Poitras to the senior analyst of the Research Branch dated September 19. It reads:

> It is my understanding from Senator Buckwold that draft material has been produced by the staff of the committee for consideration by the committee in the formulation of its report on Bill C-62.
>
> Would you please forward this draft material to me by hand at my office in Room 266-N of the Centre Block before 3:00 p.m. today. I am aware that this material may not be available in its translated form. I wish to have the documentation in its current form.

On the same date, September 19, there is a letter to the Honourable Senator Poitras which says:

> Further to your letter regarding the draft report, I wish to inform you that Senator Buckwold has instructed the staff not to distribute copies to any Member of the Committee, including Members of the Steering Committee. To date, the Chairman is the only Senator to have access to the draft materials. When the first draft is completed and translated it will be made available to all Members of the Committee.

The letter goes on, but that is the substantive part. It is interesting to note and worth repeating the following:

> Further to your letter regarding the draft report, I wish to inform you that Senator Buckwold has instructed the staff not to distribute copies to any Member of the Committee, including Members of the Steering Committee.

Senator Doody: Shame!

Senator Ottenheimer: When I learned of that instruction, it appeared to me to be highly unusual. Without commenting on the privileges of the steering committee or of the other members of the committee, I think it can be well maintained that every member of the committee had a right to such material. Certainly, it appeared to me that the deputy chairman of that committee had the right to that material. Yesterday, among other things, I wrote another note. I wrote the second note to a research officer. I have his name here, but I do not see much sense in reading it, although I do not mind doing so. It was a brief note requesting him to inform me of when it was that he had received instructions from the chairman with respect to denying access to the deputy chairman to this information. I have his reply in which he says that he received instructions the same day that the letter was sent, after having spoken to the chairman on the telephone.

I am not criticizing that research officer. He was given instructions. Whether it was appropriate or inappropriate for him to follow them and the question of whose advice he should have or should not have sought are different matters. It is the source of the instructions, the nature of the instructions and their resulting infringement upon the privileges of the members of the committee that interest me. That is the aspect that is of concern to me.

I do not know whether the costs of the study of the GST amount to $1 million, less than $1 million or in excess of $1 million, but they are quite substantial. To the best of my knowledge the costs for the research work and for the people who did it were not paid by the chairman or by the Liberal caucus. Those costs were borne by the taxpayers of Canada through a vote of the Senate; therefore, the work should be available to all senators.

Some Hon. Senators: Hear, hear!

Senator Ottenheimer: I am not aware of any principle that would suggest that this work, undertaken at the expense of the people of Canada for the Senate of Canada, should be made available not to the deputy chairman of the committee but only to the chairman. Therefore, I submit that, in that respect as well, the rights and privileges of Senator Poitras, deputy chairman of the committee, were infringed upon, and as a result all our privileges are somewhat in jeopardy. Certainly the rights and privileges of the minority are in jeopardy.

I am sure that Senator Poitras will refer to the matter in greater detail when he speaks.

Another incidence of infringement of parliamentary privilege occurred at the meeting of the committee yesterday in the absence of parliamentary order in the proceedings of the committee. Let me refer to *Beauchesne's* Fifth Edition, paragraph 606(2) which says:

> The Chairman of the Committee is responsible for order and decorum in the committee.

Senator Perrault: For heaven's sake, that is ridiculous!

Senator Ottenheimer: It is a responsibility, not a privilege; it is not something the chairman may do if he so wishes, but, if he does not wish to have order, can dispense with it and impose it again at the next meeting or whenever he feels like it. This is an obligation. The chairman of the committee is responsible for order and decorum in the committee. I am not too concerned with the decorum aspect, but I am concerned with the order aspect.

What does "order" mean? Obviously, Beauchesne is referring to parliamentary order. Standing orders 1 and 2 of the *Rules of the Senate* I think are worth considering here because they refer to order. Those standing orders state:

> 1. In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.
>
> 2. Except so far as is expressly provided, these rules shall in no way restrict the mode in which the Senate may exercise and uphold its powers, privileges and immunities.

Honourable senators, a very restrictive interpretation with respect to parliamentary privilege is indicated in standing order 2. Indeed, to the best of my knowledge, whenever there is any serious consideration of parliamentary privilege, there is a restrictive interpretation, because it is so important for the functioning of a parliamentary institution.

Of course, people will say—and, as a matter of fact, I heard it said yesterday—that irrespective of standing order 1, or the fact that the *Rules of the Senate* apply in committee, the committee is master of its own fate, that the committee can determine its own procedure, and that by majority vote the committee may do as it pleases. That was the position put forward by the Honourable Senator Frith on behalf of, and with the concurrence of, his colleagues.

With due respect, I do not think that that interpretation is correct. I do not think one can say without any qualification, without any modification, that the committee is master of its own rules, full stop. Surely there are certain principles which cannot be changed by mere majority vote. Surely there are certain principles—like the right to speak within the rules; like the right to impartiality of a presiding member in his or her capacity as a presiding member—that the Senate committee or the Senate itself cannot change just by majority vote.

When it is maintained that the Senate can do what it wishes and can determine its own procedures, that cannot be taken without understanding and qualification, and the major qualification is that certain parliamentary principles cannot be undermined by majority vote. If one does not recognize that, then I think we are all left in absolute political and parliamentary limbo, because whatever legitimacy a committee of the Senate has, it depends upon its nature and function as a parliamentary body as an aspect of the Senate. It has no legitimacy in any other manner, and if it does not act in a

parliamentary manner, then it is no longer parliamentary in nature, and then where lies its legitimacy? I am not aware that there would be any.

The enforcement and observance of certain fundamental principles is required in committees of the Senate irrespective of the majority so that the committee does not lose its legitimacy because whatever it would then become it would no longer have parliamentary legitimacy.

● (1440)

Among those characteristics, I would identify the right to speak on motions that are debatable, the right to perform one's parliamentary obligations, and the impartiality, in the sense of the imposition of order, of the Chair.

I want to make a distinction there. We all know that, within the Senate committee, the Chair has views on the substantive matter, on the legislation that, is being considered, on the report being considered, or on the specific substantive issue before the committee for its deliberation. It is recognized without argument that the Chair may say, "I am for it," "I am against it," "I think this, that or the other thing." That is recognized.

The impartiality aspect comes from, if you wish, the dual responsibility of the Chair. However, to the extent that the chairperson of a committee of the Senate is a presiding member, then there is an inherent obligation of a presiding officer to be impartial in that function—not to be impartial in the sense that one cannot have an opinion and vote for one's opinion in terms of the legislation or the report or whatever else, but to be impartial as the presiding member of that committee. When that is lacking, as I maintain it was in this case, then parliamentary privilege is undermined as well.

I do not make this allegation with relish or with pleasure. I served as deputy chairman for a number of months with the present chairman of that committee, and had what I consider an excellent relationship. I recall involvement and consultation with respect to the recommendation that came out of the committee in its report on financial institutions. There was no problem. We did not always agree, but I certainly felt that I had the appropriate involvement.

I do not think that the chairman perhaps wished to or enjoyed acting the way he did, but I really cannot help that. It is not the person; it is the actions and the manner of performaning those duties that in my opinion constitute breaches of privilege.

Another aspect of the absence of parliamentary order in the proceedings of the committee, which is the responsibility of the chairman to maintain, may be indicated when I point out that, on two occasions, members were denied the right to speak on a motion which was debatable, a motion on which they had the right to speak. That is not a privilege; it is a right. That specific motion was what is called "the previous question". Our own standing order 36(3) is very specific on it:

> The previous question refers to a motion "that the original question be now put". Such a motion may be made on a main motion, or on a main motion as amended, but not on a motion for an amendment. When such a motion is put by the Speaker no motion to amend it is in order. It is debatable and senators who have spoken on the main motion or on the main motion as amended may speak again to the previous question but may not move or second it.

I do not think there is any need to continue. I certainly do not wish to quote out of context. However, there is Standing Order 36(3), which says it is debatable.

On two occasions, the Chair refused to allow members to speak on a motion on which they had a right to speak. Indeed, I sent a clear note to the clerk—it is a good thing I had a pen yesterday—saying, "In my opinion, to the best of my knowledge, this is a debatable motion. I think you have a duty, as an officer of Parliament, to inform the Chair." I did not ask him to reply, because communication between the clerk and the Chair is probably privileged, or at least not something one should inquire into. I do not know what happened. I certainly assumed that that responsible person advised the Chair that the motion was debatable. It needed no great parliamentary knowledge on my part, or on his, to read the standing orders.

There was another instance as well—one may regard it as minor—whereby the Chair permitted a motion to be withdrawn without unanimous consent. Again, I would refer to our standing order 23, without referring to the quotations from *Beauchesne*:

> A senator who has made a motion or presented an inquiry may withdraw or modify the same by leave of the Senate.

The final matter I wish to refer to is the refusal by the Chair to entertain a motion that certain events that had occurred in the committee might constitute a breach of privilege or contempt and that the matter should be reported. On this matter, I would refer, to any who may be interested, to *Parliamentary Privilege in Canada* by Joseph Maingot, Q.C., page 189, under the heading "Privilege Arising in Committee". I have no doubt that this was written for the House of Commons and is only applicable to the House of Commons. There is no reference whatsoever to the Senate—no reference to anything except the House of Commons.

I would point out to honourable senators that while certain procedural rules, such as time allocations and how various committees are constituted, change from one parliamentary body to another, there is a certain body of parliamentary law and custom which is inherent and intrinsic to a parliamentary institution by its very nature, whether it be a legislature in a province, the House of Commons, the Senate or any parliamentary institution that recognizes the general principles which have developed from the Westminster system, not that they are necessarily identical. I would therefore say that this is relevant:

> Accordingly, a committee may not commit a person for contempt or breach of privilege. Nevertheless, it may report to the House that in its opinion a breach of privilege or contempt has occurred and ask the House to

> take action. Therefore, while the chairman cannot entertain questions of privilege in the sense that he is not competent to rule on whether a *prima facie* case has occurred, as the Speaker may do, the chairman of a committee may entertain a motion that certain events that occurred in the committee may constitute a breach of privilege or contempt *and* that the matter be reported to the House.

Obviously, the operative word is "may" because it depends on whether the conditions are fulfilled or not. However, I would submit that the privilege of members was undermined because the chairman of the committee would not permit such a motion or debate on such matters of privilege.

I have endeavoured to outline, in some detail, the aspects of privilege which I believe were infringed upon yesterday.

● (1450)

In conclusion, I look forward to the contribution of other members. Obviously anyone can say what he or she wants to, but I hope we do not try to hang our senatorial hats on that fallacious, misleading and dangerous principle that the committees of the Senate alone are responsible for their procedures and may do what they wish. If a Senate committee is alone responsible for its procedures, then it becomes omnipotent and may overlook the most basic rights of parliamentary institutions: the right to speak on a debatable motion when it is in order, the right to impartiality from the Chair and the right to have one's privileges respected. If that is the case, such a committee has no legitimacy and has lost its parliamentary nature. Thank you, honourable senators.

Hon. Royce Frith (Deputy Leader of the Opposition): Speaking to the point of privilege, it would be more economical in time if I listened to the various points and then made my intervention. If it turns out that an intervention is substantially different and is a question of privilege not relating to a committee, I would like to have the opportunity of making an observation at that point; otherwise, I would prefer to hear all of the remarks and then make an intervention.

Hon. Orville H. Phillips: Why was it necessary to tell us that?

Senator Frith: I made that statement so that I would not be told later that my intention was not timely.

[*Translation*]

Hon. Jean-Marie Poitras: As we get together after a few months of absence, honourable senators, I believe it is impossible not to draw the attention of this chamber to the behaviour and the image honourable senators give our fellow citizens across the country.

We have been talking about Senate reform for quite some time. I share the view that the basic reform of this institution must be the initiative of its members, through their exemplary conduct, because one after another we have been praising ourselves. The fact that we have assumed this responsibility freely without being compelled by procedural rules will prompt our fellow citizens to renew their confidence in ourselves, and in turn we will deserve it.

I should like to echo the words of Senator Ottenheimer, not only to point to some of the weaknesses I have seen but above all so that we be aware of them in our future deliberations, particularly in committees, because they are standing committees which in many instances irreversibly commit the state of the nation and the country's most important laws.

In spite of a recent experience, I had the opportunity to get better acquainted with many of you, particularly during our travels across this country to hear evidence on the GST. As far as our fellow Canadians are concerned we can still promote understanding and unity, and it is up to us to achieve that on a collective basis.

We went from Newfoundland to the Yukon, and everywhere each of us could have positive exchanges in spite of often seriously diverging views. When time comes to make a point and establish a link it is sometimes difficult to work in perfect harmony.

I give as an example the fact the Senate wanted the committees to have a striking committee made up of members from both sides of this chamber, of course with the majority being represented as such on committees. On a number of occasions, as a striking committee we were able to sit down, have exchanges, work out compromises and find solutions which were not necessarily endorsed by all but which we had to accept on the basis of democratic principles.

These rules may have fallen by the side in the recent past when it became quite clear that we were dealing with a highly controversial issue and that each of us entertained altogetheer different options.

For instance I can still recall September 17 when modern communication techniques enabled us to hold conference calls. Of course they have to be well organized! One day the chairman of our committee, accompanied by our clerk, got in touch with me without having told anything about it to the third member of our committee.

When we could not agree with a decision of the chairman to assume full authority I was unable to make my point with this third member, listen to his opinions as I should, exchange views with him and perhaps reach a compromise.

I believe that in the circumstances, on the spur of the moment and without serious consideration, we forget what democracy means and that, in addition, these are not regular meetings which can be considered as involving the responsibility of the committee.

I believe we were not treated fairly and that we were misled, one way or the another. There were several instances, including the time when the committee's research officer, who had been hired by the Steering Committee, was appropriated by the chairman who denied us access to material prepared by the research officer, which I would qualify as abuse of authority, to say the least.

This brings us to yesterday's meeting, on September 24 at 1.30 p.m. The timing was supposed to allow for both official

versions to be distributed simultaneously. They were not, however, which greatly inconvenienced those who received them too late, including myself. That is why we had so little time to prepare for a vote on a text we had never seen before.

Although some opposition members mentioned their ability to read so many pages per minute, we could hardly be expected to absorb all this information in just one hour, even if someone endowed with superior intelligence is able to read and absorb and understand a text, compare summaries of the testimony with the original proceedings and compare the transcript. God knows it isn't easy, since even Senator Frith had trouble producing an acceptable translation of the original text of the motion he proposed yesterday afternoon.

That is why we feel we were misled about how the committee would proceed. I would like to get back to this later on, and ask the Speaker to give this some consideration. The important thing is to have proper legislation, to make decisions on the basis of all the competence and skills we can muster so that we can introduce legislation commensurate with our obligations.

I therefore feel bound to support what was said by Senator Ottenheimer and insist that on all committees, procedures be such that our credibility as senators, as the Senate of Canada, is enhanced and recognized by all Canadians. In this way, legislators, whoever they happen to be, will be respected to a greater degree and our laws will also command greater respect.

● (1500)

[*English*]

Hon. Brenda M. Robertson: Honourable senators, I rise on a question of privilege, pertaining particularly to a question of privilege regarding the breaking of confidentiality. I could have risen on many other questions of privilege after yesterday's committee meeting. However, I will leave that to others.

As most honourable senators know, this summer was a busy one. Those of us who participated in some of the hearings across the country were most anxious, from time to time to ascertain the stage reached in connection with the draft report to see how it was progressing. In asking Senator Poitras, our Deputy Chairman, about this, we found that he did not have the information.

Honourable senators, I want to read a couple of letters into the record. When I say that my privilege has also been violated. I mean to say that the privilege of others has been violated, as well. Relative to the problem of getting information from the Chairman on the progress of the draft report, I can only tell senators that it was extremely difficult for Senator Poitras. He wrote to the chairman of the committee on September 19 as follows:

> Dear Colleague:
>
> This is to recall to your attention the telephone conversation which you initiated with me last Monday, September 17, during which you indicated over my objections that you were, on your own initiative, construing our conversation to be a meeting of the steering committee. You also indicated that you had not been able to reach Senator Kirby, the third member of the steering committee.
>
> You informed me that because of "delays in translation" it would not be possible for the committee to have before it the draft report which the committee staff had prepared. You will recall that I requested a copy of the document in its present text, without translation. You refused to provide this to me. In addition, over my objection, you informed me that you were cancelling the meeting scheduled for today, September 19. How a decision to cancel the meeting could be made by you, unilaterally, over my objection, I am unable to understand. You know that I have tried to assist you in every way possible during the committee's work. I am very disappointed and hurt by your action.
>
> I ask you again to forward to me a copy of the material on the draft report which has been prepared by the staff of the committee for Bill C-62. I am certain you will agree that courtesy and fair play necessitates the sharing of the committee's property and staff resources with those committee members who request access to this material.

On September 19 Senator Buckwold responded to the Deputy Chairman, and I shall read his letter or parts thereof to honourable senators:

> Dear Senator Poitras:
>
> I have your letter which was transmitted by Fax to me in Saskatoon.
>
> I would like to clarify the following points:
>
> 1. The reason for the delay was the inability of the Committee to have the report translated in time for the Wednesday meeting.
>
> 2. The Clerk of the Committee, Mr. Wilson, advised me on Monday, September 17th that the first draft could not be translated in time for the meeting on the 19th. According to the Official Languages policy of the Senate, both languages have equal status. This is a policy which you have drawn to the attention of the Committee all through the hearings.

Honourable senators, I will not read the rest of that letter. These letters were exchanged on September 19. Can you imagine my interest when, reading in the *Toronto Star* of September 22, I noticed such things as this:

> In a report to be released Tuesday, the Senate banking committee will recommend the tax bill be delayed until all provinces agree to merge their sales tax with the 7 per cent federal levy, Senate sources say.

The article went on to state:

> Other recommendations in the report that may also delay the government bill include:
>
> Giving non-profit organizations more generous rebates from the goods and services tax.
>
> Simplifying the sales-tax credit accounting system for families earning less than $30,000 a year.

Exempting psychologists' health-care services to put them on the same basis as doctors.

Streamlining and simplifying some of the complex accounting procedures for small- and medium-sized businesses.

The press report continues. Well, on reading it, honourable senators, I thought "that really cannot be". Senator Buckwold would not divulge information on the report of the committee before it was given to the committee and to the Senate. Honourable senators, can you imagine my surprise when, on receiving this report late yesterday morning—approximately 300 pages that we were supposed to have read before 1:30 in the afternoon—I saw that it was marked "confidential until presented in the Senate".

I did not have time to read it. I am not a fast reader.

Senator Perrault: You sure aren't!

Senator Robertson: No, I am not a fast reader.

Senator Perrault: That's what you said yesterday. You should have had this read by now.

Senator Robertson: Oh, no, some of us do other things as well, senator.

• (1510)

Honourable senators, what is going on? It seems to me the discourtesy manifested by this press account is only a continuation of the partisanship which the chairman has exhibited during our hearings. But, more importantly, the chairman has breached the privileges of honourable senators on the committee and in the Senate as a whole. I find this action very offensive. I believe it is a *prima facia* case of abuse of my privileges and of the privileges of other members of the Senate.

Mr. Speaker, I shall await your decision in this matter.

[*Translation*]

Hon. Maurice Simard: Honourable senators, I also wish to rise on a question of privilege and a point of order, especially under Standing Order 80 which deals with these issues. If I understand correctly, the committee appointed by this House and presided by Senator Buckwold had the mandate to make a thourough examination of this Bill, to hear testimony and to make the necessary expenses to afford the members from both sides of this House, and not only the senators on the committee an opportunity to peruse the briefs, summaries, testimonies and other documents.

That is what we devoted ourselves to, on this side, for five or six weeks starting in July, at a cost of nearly one million dollars, aside from the sittings held in June. That is to say that serious work was done. The Liberal majority, their president and leader have told us so.

I think those who testified or otherwise took part in the proceedings, even the press, who have been in contact with the senators on the committe throughout this Pan-Canadian journey, soon realized that is was pandamonium, and they would probably have come to the same conclusion as Senator Buckwold did.

I will not be chauvinistic to the point of listing all that was said, all the blunders and all the partisanship shown by the Chairman of the Banking Committee. For the time being, there are three points I should like to make.

First of all, the French version of the document which was given to us on the 24th and which had been promised for September 10th, as evidenced by the stenographic, yet understandable, notes of the Clerk of the Committee, Mr. Timothy Wilson, which mention a meeting which was held on August 27th by the Steering Committee and which was attended by Senators Buckwold, Kirby and Poitras.

I suggest that this explains in part the deadlock which should be broken over the next few days. All Canadians are wondering how we could come to that. On September the 25th, a few hours before the tabling of a report based on a study which was made by the committee members on the 24th on two-hours notice and during a meeting which lasted 5 or 6 hours. My first point is this: the French and English versions which were promised to us for the 10th, according to Mr. Wilson's notes arrived on the 24th: the English version at 10.45 a.m. and the French version at 11.45 a.m., after a sitting of a committee had been announced and notices of convocation had been sent out for September 24 at 1.30 p.m. I suggest this is going a little bit too far. The particular point I want to make is that, as a Francophone senator, I did not have two hours and a half, as my Anglophone colleagues did, to look through this report diagonally, let alone digest and analyze it, and to draw my own conclusions. I suggest that, as a Francophone senator, and according to tradition and convention, the so-called parliamentary customs and usage, my privileges as a Francophone senator were infringed upon.

Also on this point, I give notice that I am prepared to move—I would not want my honourable colleagues opposite to die of curiosity—a motion calling for my question of privilege to be heard by the Committee on Privileges and Election. This will come at the proper time.

Secondly, my colleagues based their case on what they considered to be a question of privilege. I will follow in their footsteps. A question of privilege is a personal matter. I do want to raise it and I intend to move a motion, which will include the three points that I intended to mention.

We have documents signed by the Chairman, Senator Buckwold, in response to a letter that was sent to him by Senator Poitras, vice-chairman of the committee representing the minority in the Senate. These documents state that the clerk was not allowed to give any information or document to anybody from then on, that is from mid-August, not even to Senator Poitras, our only member on the steering committee. I have great confidence in the professionalism of the clerk and his assistants. I thought that, as is customary in order to protect the privileges of all senators, we would be the first, as member of the committee, to get a copy of the draft or the report.

You can imagine my surprise when I read in the *Toronto Star* dated September 22 long excerpts detailing several

options as well as several possible amendments to Bill C-62. So if the clerk did not provide them with these exerpts, and if no one else got copies, who is the culprit? I have to believe chairman Buckwold when he says he directed the drafting process himself and had a copy of the document at the time. I remind you that, contrary to what was promised, we did not receive copies neither on the 10th, the 17th nor the 19th.

And since we found on Monday, September 24, excerpts in the *Toronto Star* and the *Citizen* stating possible amendments, for all these cosiderations, I think chairman Buckwold did reveal, undoubtedly by mistake or by accident, the excepts of the report, and that is why I rise today on a point of privilege. I will ask Senator Buckwold to explain his behaviour in due course.

Citation 647, on page 203 of the fifth edition of the *Beauchesne*, that deals with the premature divulgation of a report reads as follows:

> No act done at any committee should be divulged before it has been reported to the House.

Honourable senators, one could claim that the rules I just referred to, or the citation I just quoted, apply to committees of the House, of this House where we sit today, but let me remind you that, according to citation 75, on page 23, of the same book:

> Many of the privileges of the House extend also to its committees.

So I think these same rules should also apply to committees. Yesterday, Senator Frith gave us his interpretation of the legal opinions we received. I for one still prefer the interpretations of our own legal advisors, who are paid to give us their opinions. Also yesterday, in committee, it was only after half an hour, 45 minutes, if not two hours of discussion that we were allowed to hear from Mr. Duplessis's assistant, who came to explain some aspects of the question. But even then, he had to fight to make himself heard, because Senator Frith has got into the habit of providing Senator Buckwold with his own interpretation.

Finally, after one hour or one hour and a half, we were given some explanations by Mr. DuPlessis' assistant, but as far as I am concerned, they were insufficient. So, I count on the officers of this House to clarify the matter for the Speaker of our House. I understand that the Members of the Standing Committee on Privileges and Elections will have to decide on the substance of the matter. Honorable senators, I want to take the first opportunity to register my intention to raise that question of privilege and to enquire about all the aspects of the work of the committee.

Of course, there will be other points to raise. Suffice for me to express my support to the statements of honorable senators Ottenheimer and Poitras. It may very well be that the exact words said then will never be known because the liberal majority on the committee decided that there would be report on the 24th of September. They made sure that there would be no record of the dirty work of the liberal majority for future generations. Nonetheless, we heard enough evidence this afternoon to establish that the chairman never gave the floor to the honourable senators every time they wanted to express their views.

I repeat that I will be in a position to move a motion when The Speaker gives us his ruling on my question of privilege. I am in no hurry. In fact, I think that the matter is serious enough (the bill itself and all the questions of privilege raised this afternoon) for the Speaker to take all the time needed to ensure that we are on the right track, that is to say that we respect the Standing Orders, so that Bill C-62 is adopted and comes into effect on January 1st 1991. Thank you honourable senators.

Hon. Paul David: Mr. Speaker, honourable senators, I support the comments made by other senators before me. I think that yesterday afternoon was a very dark moment in the history of the Senate, at least in the five years I have been here.

Honourable senators, there was a breach of privilege, a limitation of freedom, and a serious attack against democracy. I am a member of the Committee of Banking, Trade and Commerce. I have had the honour of hearing many witnesses since June. I have had the pleasure and honour to visit a few more places in some Canadian cities, including hotels in Montreal, Toronto, Edmonton and Yellowknife. I have had the pleasure of coming back to Ottawa for one week of hearings in August.

The fact that there were so many witnesses and briefs—I think there were 280 witnesses, led me to believe the report of the committee would be voluminous.

It was indeed voluminous, since it had, from a quick check, about 318 pages. Short of spontaneously transforming himself into a computer, how could a human being, the best educated senator you could find, analyze, understand and reflect upon such an enormous document of which the French version became available yesterday around noon?

A senator opposite said that an average person reads 80 pages in an hour. I am a slow reader. He forgot to make the calculation because if that figure is correct, even at that speed, it would take four hours to read such a thick document. The report was all the more important considering the first part, 198 pages long, I believe, was a summary of all the evidence heard, divided in various categories. Having heard much of that evidence, I would have liked to see how our research assistants had summarized it. We did not get that opportunity.

The rest of the report was divided into four options. Those that did not entail amendments were relatively short and easy to understand for those who had the patience and the privilege of having read the bill.

The second option called for an amended bill. We still had to read each of the amendments proposed or likely to be proposed, I do not really know which, to check whether they were acceptable to us personally and consult with our colleages and particularly our party caucus to see if they would be acceptable to them.

The third option was to defer consideration of the bill for one year. There were supportive arguments that still had to be examined.

Finally, the fourth option was to refuse to pass this bill.

There was in my opinion another serious breach to our rights. While the committee meeting was scheduled for 1.30 p.m., it was delayed till 2 or 2.15 and we had to make a final determination about the entire document by 7 p.m. the same day. Thus, from the beginning, without even having had a chance to consider the document, to read it or discuss it, we had an inescapable deadline. We had to act within six hours.

This is something that I have never witnessed before in a committee, particularly when we had to deal with such an important report that was submitted to us in such an off-handed manner. This is surely contrary to the principles of wisdom, of reasonableness and of maturity that I was told were typical of this Chamber.

I would not say that they are not, honourable senators. However, if these senatorial principles do exist. I can assure you they were totally violated and trampled upon yesterday.

Mr. Speaker, it is from that point of view, I believe, that the issue you must consider is very serious. It is a matter of determining if the way the Committee acted yesterday is compatible with the sensible tradition of the Upper House, in a supposedly democratic country.

Moreover, the motion which had been submitted by senator Frith between two and two-fifteen o'clock had suddenly been replaced around six, but the ultimatum was maintained: everything had to be ready within an hour. This second motion was to the effect that our house totally reject the bill in question.

I think that this provided us a very sad and very unfortunate example, which affected me a lot and which is still troubling me today. That is why I will allow myself, for once, to be brief while sharing, with my soul and my reason, the profound deception I felt in the course of this afternoon, which has been, I repeat, the worse, the least digestible and the least honorable that I have had to live in this house.

Some Hon. Members: Hear, hear.

● (1530)

[*English*]

Hon. Efstathios Barootes: Honourable senators, I must bring to your attention my complaint of an infringement of privilege in the Senate and its committee by referring first to Beauchesne's *Parliamentary Rules and Forms*, Fifth Edition, which has been read to you, concerning our responsibility to give due and sufficient consideration to matters that are brought before us as committee members and as senators.

Secondly, in looking at another famous authority, namely *Beauchesne*—and I quote his epistle—

Hon. Earl A. Hastings: Who?

Senator Barootes: Beauchesne, which you people quoted at some length. The great authority stands here. He is a Beauchesne expert.

In paragraph 16, page 11, he states that:

[Senator David.]

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament,—

And this is the important part. He goes on to say:

> —and by Members of each House individually, without which they could not discharge their functions—

He goes on to say:

> They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of services of its Members—-

I searched through this portion of "Extensions of Privilege" and found other quotations in the section. Concerning "extensions of privilege" to the committee, paragraph 75 on page 23, says: "Many of the privileges of the House extend also to its committees."

My observation in rising on a question of privilege is that as a senator of this chamber, and as a member of the committee who attended many of its meetings and heard much of its testimony, I feel that my privileges have been violated, abused and abrogated.

Senator Perrault: Oh!

Senator Olson: That is pretty serious!

Senator Barootes: Do I hear approbation or assent from the other side?

Senator Frith: Laughter is what you heard, sir!

Senator Barootes: I feel that I have been denied adequate and sufficient time to consider and study a report upon which limitations have been placed upon my consideration of it by arbitrary decisions, actions, fiats or orders of our chairman. This has been verified to you, as senators, by several quotations of letters exchanged between Senator Poitras and Senator Buckwold; by the responses to other letters from members of the staff of the committee, the research workers and the clerk; and from conversations which Senator Poitras has revealed he had with our esteemed chairman.

It appears to me—and I think that it has been documented—that this report came to our attention in physical form at 10.30 a.m. yesterday and we gathered together to try to draw some conclusions on what was before us.

Senator Hastings: Are you a member of this committee, or were you a member of the committee?

Senator Barootes: For many, many days and many, many meetings.

Senator Hastings: But yesterday?

Senator Barootes: I was there yesterday.

Senator Hastings: Were you a member of the committee yesterday?

Senator Barootes: Are you trying to suggest, senator, that I had no right to attend the committee meeting yesterday?

Senator Hastings: I am suggesting that you were not a member of the committee yesterday—all day yesterday!

Senator Barootes: I sat on that committee and I have every right to be there. I should like to ask you how many meetings of the committee you attended. I will tell you how many—

Senator Hastings: I attended 39!

Senator Barootes: —two!

Senator Olson: Every one!

Senator Barootes: Nonsense! I even had to help him on the airplane to get him up to Yellowknife.

Senator Perrault: You can tell your filibusters!

(1540)

Senator Frith: Dr. David, a stethoscope might be in order.

Senator Barootes: Honourable senators, with your permission, I should like to carry on.

We received the French translation at approximately 12 noon. Many members of the committee who have attended meetings are from Quebec, and their first language is French. An average senator can barely carry this document to the office, much less read it in that time frame.

Senator Perrault: You have not even read it yet.

Senator Barootes: I have read a great deal of it. What I have read has given me nothing but nausea, I might add.

Senator Perrault: There is not even a crease in the pages. It is a brand new document.

Senator Barootes: I needed help to carry this over here. I am expected to read this in one hour, while I have my lunch, and return with an opinion. It is not enough to look at the 300 pages and attempt to read them. When one reads the material that appears here—and I believe my learned friend from British Columbia has not bothered to read it—one finds that there are no annotated credits and no references as to where the evidence was given. One has to go back to the thousands of pages of transcript in order to check the first 193 pages, and some of the alternatives, to ensure that this was indeed the testimony which the senators heard, and to determine if any portion of the interrogation of the witnesses who appeared before us appears in here. Indeed, it does not.

I give credit to our chairman and the people who prepared this monumental report, because a lot of work has gone into it. Much work has been put into this report to find the selective portions of quotations that meet the needs of the chairman.

Senator Perrault: That is not fair, and you know it.

Senator Barootes: It may be unfair, but it is also true. May I proceed?

Senator Perrault: You are distorting the facts. I do not give you permission to proceed.

Senator Barootes: I do not see any of the testimony given under questioning from those people, only selected pieces of information which suited the people who performed this task. I wanted to do a comparison with the thousands of pages of testimony, but there is not much time in one hour and a half hours to do that.

Senator Olson: You had more time than that.

Senator Barootes: All of this could have been ameliorated, or at least forgiven or understood, if, as is usual in other committees of the Senate, the senators who are members of the committee, particularly the minority members on this side, had had an opportunity to participate in the preparation of this tome. However, we did not. We had not one bit of input. When we asked to have participation, it was denied; it was denied in an arbitrary and autocratic manner by a very fine gentleman friend of mine. That has disappointed me greatly.

Whether it is a matter of legislation or of a study, we have sat hour after hour going over these reports to ensure that what we are producing at least represents a consensus of what we believe from our studies. We have listened to 347 witnesses. Surely we should have had an opportunity to see which little synopses had been extracted and put in here.

Senator Perrault: They are all there.

Senator Barootes: This is a custom that we have enjoyed in all committees in the past. If we disagree at the end, under the customs of this chamber we are not allowed to put in a dissenting report. We are allowed to say that some senators disagreed or the majority or minority disagreed. That is all we are allowed to do. We cannot bring in an opposing position. We did not even have time to read the report, much less prepare an alternative position before we came to this chamber today.

Senator Olson: What were you doing since the end of August?

Senator Barootes: As a committee, we did not see this report; the steering committee did not see this report. None of us in the committee can ascribe parenthood to this report. This is not a report of the committee, honourable senators. This is the Buckwold brief. That is what it really is. It is his last act of condemnation upon this house to present this tome to us and not give us an opportunity to discuss it either before, during or after. We still have not discussed this report in committee. I cannot think of an abuse of parliamentary procedure and parliamentary prerogative of this nature in this chamber in the past. If any of you can, please stand up and correct me.

Even the Czar of Russia gave an opportunity to the Duma to discuss some aspects of matters before them.

Senator Perrault: Get off it!

Senator Barootes: In British parliamentary history, the last person that denied this kind of opportunity was Charles I. Perhaps some of you remember what happened to him.

Senator Frith: That was before my time, I am afraid.

Senator Barootes: This is the kind of despotic and autocratic behaviour of the chairman that has upset me. I have known him for many years and have found him in the past to be such a gracious and helpful friend.

I am particularly grieved that this has been done in this manner. As I watched the committee meeting yesterday, it reminded me of the metaphor of watching trained seals per-

form, especially when their trainer comes out. The trainer did appear yesterday, and he put them through their hoops. He made sure that the chairman understood what was to be done and ensured that it was done forthwith. These are the things that have troubled me after spending so many hundreds of hours attending meetings, studying reports of this committee and finding this to be the result.

Erskine-May says that a question of privilege can only be decided by this chamber. However, in line with the suggestions made by other speakers, and in view of the various implications, I too should like to have my question of privilege brought to the attention of the Chair. If the speaker finds that the facts that have been supplied here today form a *prima facie* case of privilege, then I shall ask that the matter be referred to the Rules and Orders Committee of this hallowed chamber. I thank honourable senators for their kind attention and for their response.

• (1550)

Some Hon. Senators: Hear, hear!

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, having signified that I would like to participate, however briefly, in this debate, I will take advantage of the opportunity to say a few words on the privileges of the Senate and of the members and on the way in which those privileges were, I feel, abridged yesterday. Senator Ottenheimer pointed out, quite properly, that very often when the privileges of one senator are violated, then the privileges of many who are in the same situation are also affected. In this particular case, that is especially true since all of us who attended the meeting yesterday found it to be an outstanding example of the tyranny of the majority.

Senator Cools: Oh boy!

Senator Doody: We were given no opportunity to participate in the preparation of that report. There were opportunities to participate in the deliberations of the committee as it arrived at its conclusion five hours after the meeting began, but they were limited from the beginning.

Honourable senators, there are a number of clear violations, which I hope His Honour will consider in due time and report upon, not the least of which is the conduct of the chairman with regard to the operation of the committee itself. To my knowledge, this is the first time, at least since I have been here, that a committee chairman has directed exclusively the operations of the committee staff. It has been pointed out by many of my colleagues over the past little while that access to the staff, access to the information that was being garnered, and access to the compilation of the report itself was denied by direct orders of the chairman. That is in complete violation of the traditions and history of this place. All of us who have participated in committee work as chairmen—and I had the honour to do so for a little while—or as deputy chairmen or as members will know that the steering committee—and, indeed, the committee itself—participates to a very large degree in the formulation and final production of the report—that the staff works for the committee. The Senate votes the budget of the committee and the committee directs the staff. The Senate does not supply funds to the chairman to go off on his personal hobbyhorse to do his own thing in his own way in his own time and at his own direction.

However much we might honour, respect and delight in the company of the honourable gentleman—and I am one of those who has—we cannot help but call to the attention of the Senate this flagrant abuse of the position of chairman as demonstrated by my friend. The absolute refusal, in writing, to allow the deputy chairman access to the staff, or the staff access to him, is unbelievable but for the fact that it is documented.

I submit that this situation has to be reviewed and ruled upon for the future direction of the committees of this place. If it is going to be a series of one-man operations, then so be it. We will save the taxpayers money if we assign a study, bill, motion, inquiry or whatever to a particular senator, give him some money and tell him to hire staff and to report back at his leisure. If we are going in that direction, then obviously a change to the rules is required and a reference to that effect should be made to the rules committee. However, to my knowledge, that is not the case at the present time. Right now the rules refer clearly to the committee, to which the subject matter, bill or whatever has been referred, reporting back to the Senate, and so on. That is not what has happened in this case.

In this case the document to be reported to the Senate is the sole vehicle of the chairman of the committee. As has been pointed out by other colleagues present, at around 10.30 a.m. yesterday morning the anglophone members of the committee received copies of the report. Our francophone colleagues received their copies several hours later. The report, as I saw it at the time, contained 172 pages of preamble which, I was told, contained a description and analysis by the staff to justify the recommendations in the report.

The recommendations in the report consisted of four sections, each offering a different alternative. The first section suggested that we should pass the bill without amendment but with recommendations and suggestions—and they were written in—on how the committee chairman felt the government could improve the bill. The second section consisted of a series of amendments which the chairman thought we could present to the Senate to be attached to the bill, which would be sent to the House of Commons. The third section of the report consisted of a justification for a one year's delay in implementing the bill. The fourth section consisted of a recommendation to reject the bill.

The first thing I did upon receiving this report was to look at the recommendations at the back. There was only one recommendation, namely, to reject the bill. I had no idea that there were four sections. It was not pointed out to us, and we had no way of knowing it as we were not privy to the report prior to its delivery. Several hours laterI was fortunate enough to have pointed out to me by a colleague from the other side that there was not just one alternative but four, and that the committee would eventually decide which of the four it would accept. So

the committee met yesterday afternoon, about two hours after we had been given the report.

The first indication of what was ahead of us came with the introduction of a motion by my friend opposite, the Deputy Leader of the Opposition, who proposed a time allocation and suggested that it was imperative that the report be presented to the Senate by September 25, today, and that in order to facilitate that goal we would be forced to complete the bill by 7 o'clock that evening. That occurred at about 2 o'clock in the afternoon, and we were to finish at 7 o'clock. The mechanical parts—the printing, translation, distribution and so on—was to be done in time for the sitting today. So we were placed in a rather, I will not say unusual but unique position of devoting more time to the printing and distribution or the mechanics of the report than to analyzing, considering and weighing the four proposed alternatives. In point of fact, we never did get around to looking at any of the alternatives, because as the afternoon progressed, or should I say deteriorated, violation after violation of the rights and privileges of the members of the committee was committed. The rules of the Senate were discarded and thrown out the window. We were asked to operate on the principle that the Senate committee is the master of its own rules and that we would make up our rules and procedures as we went along.

Senator Perrault: That is ridiculous!

Senator Doody: As a result, in my estimation a whole series of violations occurred, and I would ask honourable senators to consider them. The chairman refused point blank on many occasions to entertain legitimate points of order. He indicated that he had enough points of order and that he was not interested in raising any more. He point blank refused to hear senators who were members of the committee in all but voting privileges.

● (1600)

Senator Perrault: Garbage.

Senator Doody: If it would help, I could mention the names of the senators who were denied the right to speak, but I do not think that would help at this point. I think we have done enough damage.

There was also the chairman's unilateral alteration of the question before the committee by accepting a withdrawal of a motion without the consent of the committee. Honourable senators, this is unheard of. As I said at the outset, the deputy leader presented a motion for time allocation—in effect, a deadline for presentation. Later on in the afternoon he calmly announced that he was going to withdraw that motion and substitute a second motion which, in effect, was for the adoption of the fourth alternative which we had not opened up to that point. He indicated it was the wish of the majority of the members of the committee that section four be the alternative that should be presented to the Senate today, and it was carried by the seven members opposite. Points of order were raised pointing out to the chairman that this was completely out of order—that there was no way that a senator could withdraw a motion he had already presented and substitute another without the unanimous consent of the committee. That is an accepted axiom.

I would refer honourable senators to Rule No. 443 of *Beauchesne's*, Fifth Edition, which says:

> (1) The Member who has proposed a motion may withdraw it only with the unanimous consent of the House.
>
> (2) An amendment may be withdrawn with the unanimous consent of the House, but neither a motion nor an amendment can be withdrawn in the absence of the Member who moved it.

Honourable senators will note that I was stressing the word "House." Honourable senators, Rule 77(7) of our standing orders quite explicitly states:

> Except as provided in these rules, a select committee shall not, without the approval of the Senate, adopt any special procedure or practice that is inconsistent with the practices and usages of the Senate itself.

Nothing could be clearer, honourable senators. The practices and usages of the House are set forth very clearly in *Beauchesne* and an honourable member may not withdraw a motion without unanimous consent. Our own standing rules state quite emphatically that a select committee shall not, without the approval of the Senate, adopt any special procedure or practice without the consent of the House. It is as clear as it could possibly be.

Honourable senators, this was pointed out in committee to the chairman. He completely ignored it and carried on as though the situation was an accepted and ordinary one.

The deputy leader once again pointed out that the majority wanted it this way, that the majority ruled the committee, and that the committee was master of its own procedures. If that is not an invitation for tyranny and disaster in the committee system of this place, then I do not know what possibly could be.

I submit, honourable senators, that this is a subject that has to be looked at not only in this context in this particular instance but for future reference, because if that procedure is to be followed in committees in future, then, as I said earlier, the committee system is useless and we should appoint individual senators to do their own thing with public funds in terms of reporting bills and so on.

Honourable senators, there were a number of other unbelievable occurrences in the committee yesterday. We were absolutely refused the right to compare the English and French versions. Earlier I described the timeframe within which these things arrived. Many members of the committee said that it was an impossible situation in that they had not had an opportunity to compare the texts. They did not know whether they were completely accurate or whether they coincided exactly. Honourable senators, we are talking about a 300-page document. We were assured that that was incidental, that we should not worry about that, that it would all be looked after.

The irony of it all was that while this discussion was going on Senator Frith was trying to have his motion translated from English to French and it took the combined efforts of the committee a full ten minutes to prepare this five- or six-line motion in both official languages. There was an unbelievable exhibition of autocracy at its worst.

Honourable senators, there was also the failure of the chairman to put questions to the committee after motions had been moved, including the motion that the draft report be read. Requests were absolutely refused. When it was stated that we wanted to examine the report, we were told "No."

Honourable senators, I directly asked that the committee turn its attention to a clause-by-clause examination of the bill. Is that an unreasonable request of a committee charged with examining an important piece of government legislation? On page 230 of *Beauchesne's* Fifth Edition it says:

> The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable.

This is not only a quotation from *Beauchesne*, honourable senators, this is a quotation by the chairman of the Standing Senate Committee on Banking, Trade and Commerce on May 15, 1990 when, in response to a question by Senator Simard about the timeframe of the reporting of this bill, Senator Buckwold very properly pointed out that it was the function of the committee to examine the bill clause by clause and, if necessary, word by word. I raised that point in committee yesterday, honourable senators, and the answer I received was "No." When I asked why, I was told that sometimes the committee does it and sometimes the committee does not do it. Apparently yesterday was one of the days when the committee does not do it, even though this is one of the most complicated and far-reaching pieces of legislation that this august chamber has been asked to deal with since my appointment to this chamber.

Honourable senators, the list of grievances, of violations, and of infringements on the rights and privileges of senators yesterday constituted an unbelievable exhibition. On one occasion we were asked to rule on the previous question, which was a debatable motion and accepted as such. The honourable chairman ruled that it was not a debatable motion and refused to allow debate.

Senator Simard: On the instruction of Senator Frith, of course.

Senator Doody: We asked the law clerk for an opinion. There was no need for an opinion because we all knew what the answer would be. It is a debatable motion. The same question was raised later on and the same ruling was made. The ruling was that there would be no debate, that it was not a debatable motion. This time the law clerk's opinion was not allowed to be received.

Honourable senators, I have never seen an exhibition quite like the one I saw yesterday. The absence of order and decorum in the place, as Senator Ottenheimer has stated, has never before been seen to such a degree in the 11 years I have been here. Decorum is one thing—the chairman cannot be expected to be accountable for the decorum of honourable senators—but the order of the committee is something else. Respect for parliamentary procedures rules, rights and privileges of the Senate and of the senators is the responsibility of the chairman. If the minority group in a committee, or the individual senators on the committee, cannot look to the chairman for protection in a situation like that, then I submit that their privileges are indeed breached.

Some Hon. Senators: Hear, hear!

• (1610)

It appears the day has come when, autocratically, unilaterally and without consultation or consideration, a chairman can say, "We are right; you, I will not listen to. We have made up our minds. This is the end product of this thing. You have until 7 o'clock to do it. You might as well do it gracefully because we are going to do it anyway." That is exactly what happened.

Some Hon. Senators: Shame!

Senator Doody: Honourable senators, this was a flawed process.

Senator Lucier: This sounds like Meech Lake.

Senator Doody: This is a process that is a shame and a disgrace to the Senate. It is an exhibition that I would not want to see repeated, if we could possibly avoid it. I submit that His Honour will have to examine this very carefully to ensure that recommendations are brought forward to avoid its happening again.

Honourable senators, I wish to say that, in the event that a *prima facie* case is made on a breach of privilege of honourable senators, I will be prepared to bring forward the appropriate motion at the appropriate time. I do not know how we can ignore this particular set of occurrences. I do not know how we can tolerate the kind of conduct that we saw yesterday. I submit that, if we ignore it and let it slide, then this place will be the worse for it and honourable senators will never be honoured the protection of the Chair which they really, truthfully and honestly deserve. Thank you, honourable senators.

Senator Frith: Your Honour and honourable senators, I do not believe that Your Honour should have much difficulty with these points of privilege for the following reasons. Each of the honourable senators dealt with the proceedings in the committee, said that their privileges had been breached in the committee, and raised their points of privilege here in the house on events that took place in the committee.

Senator Ottenheimer did that; Senator Poitras referred to proceedings in the committee; Senator Robertson referred to proceedings in the committee—each of them complaining about the proceedings in the committee and saying that they had a point of privilege to raise in the house. Senator Simard, the same, talking about the committee proceedings; Senator David, the same; Senator Barootes, the same; Senator Doody, the same—all discussing events that took place in the commit-

tee hearings that they felt gave rise to a point of privilege here in the chamber.

It seems to me very clear that there is no point of privilege to be raised on such matters in the chamber, *prima facie* or otherwise.

Bourinot, Fourth Edition, page 474, states:

> Until a committee report, it is irregular to refer to its proceedings in debate in the house.

Beauchesne, Fifth Edition, page 196, citation 607, says:

> (1) All decisions of the Chairman may be appealed to the committee.

Which is what happened.

> (2) There is no appeal to the House from the Chairman's ruling except by way of a report from the committee.

The report is not yet before the house.

Senator Barootes: Do you want us to repeat it then?

Senator Frith: Citation 608:

> Procedural difficulties which arise in committees ought to be settled in the committee and not in the House.

And there is a reference to *Debates* from April 6, 1976, page 12507. Standing committees are and must remain the masters of their own procedure.

For many years in this house, the Chair—Your Honour—has refrained from sitting in appeal on procedural decisions taken by standing committees. Those are the principles that apply and the principles that clearly justify Your Honour in finding that there is no *prima facie* case of privilege here in the chamber on proceedings that took place in the committee.

Of course, there is a reason for that, which is that, if we can raise points of privilege here on proceedings in the committee before getting to the Orders of the Day, then we could conceivably never get to Orders of the Day—as, for example, today. It is a quarter past five and we have not got to the Orders of the Day because these points of procedure were raised on questions that took place in a committee. That is totally irregular. There is no point of privilege whatever. Those points are raised in the committee and settled in the committee.

When, however, the report is made, there is, of course, no reason why honourable senators cannot say, "I am going to vote against the adoption of this report because I was against what took place in the committee." That is perfectly relevant. It is not relevant on a point of privilege, but it is a reason for voting against a report if senators feel so inclined because of the proceedings in the committee. If ever any legislature anywhere wants to constipate totally its possibility of doing anything, it should allow points of privilege to be raised on committee proceedings in the main chamber—and wait a long time to get to the Orders of the Day.

That is the reason, Your Honour, for these rules. They are not just arbitrary rules. They are there because a chamber says to a committee, "We refer this matter to you, and you have to deal with it. You deal with your procedures. You are the masters of your proceedings." If there are questions to be raised, they are raised, ruled on, dealt with and completed there. Then, when the report comes in, people can complain and not want to vote in support of the motion for the adoption of the report, or make comments about its consideration, not on points of privilege but as reasons for voting against the motion. Otherwise, there would be chaos and total anarchy in the main chamber.

Some Hon. Senators: Hear, hear!

Hon. H. A. Olson: Honourable senators, I will try to be brief, but I want to point out that there is no question of privilege that ought to be brought here on the matters that have been raised. There is no *prima facie* case of privilege either, because, honourable senators—or Mr. Speaker, since you are being asked to take this into account—the fact of the matter is that what happened in the committee yesterday was that, immediately that the Chair called the committee to order, the Conservative members, members supporting the government or whatever you want to call them, tried to prevent the committee from addressing the issue before them, namely the report on Bill C-62. It was clear that they were embarking on a filibuster, for whatever reasons they have to delay that consideration. We went on for six hours.

Senator Perrault: Six and a half hours!

Senator Olson: Honourable senators, not once did any of them refer to the substantive matter that was before the committee—

Senator Perrault: That's right! Never! Not a word!

Senator Olson: —namely Bill C-62 and the report that we were going to send to the Senate.

Senator Simard: We had to read the report first.

Senator Olson: It was completely clear, honourable senators, that they were not prepared to deal with it. I do not know what their motives might have been, but I have some suspicions. I am suspicious that they want some time for the Prime Minister to arrange to swamp the place with some more senators—an action that has never been taken before. I just say that that is my suspicion. I do not know that for sure.

Another thing that has to be taken into account, honourable senators and Mr. Speaker, is that the members on the government side made a complete change of course, 180 degrees. I think it is called a flip-flop or somersault in some cases. All summer long—and the evidence is there—the members, every one who spoke here today, had been urging the members on this side of the house to get the committee report ready at the earliest opportunity, and the earliest opportunity was September 25 because we adjourned until that date. We acquiesced.

• (1620)

Senator Barootes: Did you say not to allow us to consider it?

Senator Olson: We were doing the best we could to accommodate those people who were trying to get the report ready for presentation on September 25.

Some Hon. Senators: Hear, hear!

Some Hon. Senators: Oh, oh!

Senator Olson: But let us get into the committee and the first thing the Conservatives say is "We are not ready to deal with it today."

Senator Barootes: Take a drink of water, would you?

Senator Olson: You took one look at the report and said you could not absorb all of it.

Senator Perrault: They said they were slow readers.

Senator Olson: Whether they read it or not—

Senator Cools: They are slow thinkers.

Senator Olson: —every single one of them who attended the meetings knew what was in the evidence and they could have prepared a minority report.

Senator Barootes: When?

Senator Olson: The last meeting involving public witnesses was in August. That was a long time ago. Surely you could have analyzed the evidence in that length of time. Anyway, this is the kind of farce that these questions of privilege are trying to create. The senators opposite did not want that. After we said we were going to have the committee report ready for September 25, they put their foot in the door to stop progress. They asked the support staff how much time they needed to actually print the report that would be presented on September 25. We were told that if the report was received in the early evening, a copy could be printed for each senator, because each senator is entitled to a copy. But, no, the Conservative senators believed that we wanted to delay it for whatever reason.

Senator Poitras: You did, you did!

Senator Olson: Honourable senators, as Senator Frith has pointed out, we have seen an impressive display of how questions of privilege or procedure arising in committee are dealt with in committee.

Senator Doody: We were refused!

Senator Olson: No, you were not refused.

Senator Doody: Absolutely denied! No opinions were accepted!

Senator Olson: Honourable senators, that statement is simply not true. The chairman of the committee listened to several senators opposite pour out their hearts, and whatever else they had, for hours and then made a decision.

Senator Poitras: Oh, oh!

Senator Olson: Senator Simard was grieving about everything, all the while delaying the committee from getting to the substance of its work. Senator Ottenheimer and Senator Robertson said that they had the right to have access to work done by people who are paid by the public treasury.

An Hon. Senator: The flunkies!

[Senator Olson.]

Senator Olson: The flunkies. When I was in Halifax I saw at least six people who are paid by the public treasury—not only their salaries, but their transportation, meals, hotel bills and everything else—running around; but their services were not available to all senators.

Senator Perrault: No, sir!

Senator Olson: They were available to Conservative members only.

Senator Perrault: Only!

Senator Olson: So you have done a complete flip-flop on that too!

Senator Barootes: Are you from Senator Kirby's staff?

Senator Olson: I asked for access to the services provided by these people who are paid by the public treasury—those from the offices of the Minister of Finance and the Leader of the Government—who were doing a great job arranging interviews for television crews. I thought that was nice and that we should have equal access to those services. They never offered to help me—not once!

I am saying that it is hypocritical for Conservative senators to complain that they did not have access to a public service when there were public servants being paid out of the treasury who were not offering their services to members on both sides of the committee.

Senator Barootes: You had the "Canada First" committee helping you. Is that not enough?

Senator Olson: I am talking about people who are paid out of the public treasury. So let us stop the hypocrisy that is going on today.

Some Hon. Senators: Hear, hear!

Senator Olson: Honourable senators, it is hard to keep up with senators who are constantly doing 180 degree turns. When we try to be helpful they change directions.

Senator Nurgitz: Helpful?

Senator Olson: That is tough to follow. Mr. Speaker, I want to be serious for a few minutes.

Some Hon. Senators: Hear, hear!

Senator Olson: I know I have been serious to this point, but when you describe the hypocrisy of members opposite you have to take it with a bit of levity.

Senator Barootes: How do you spell that?

Senator Olson: I will show you how to spell it. It would be extremely dangerous for us to accept everything that has been raised by members opposite today as a *prima facie* case of privilege on the floor of this house.

Senator Barootes: We will raise it again tomorrow and then the next day.

Senator Olson: As was pointed out by Senator Frith, if we are going to deal with questions of privilege that arise in committee in this chamber, we will to throw this place into

chaos. Everything will come to a stop, because we will never get to the Orders of the Day.

I had approximately 15 years of experience in the House of Commons before I came to this place, and there I saw repeated occasions of members of the House of Commons complaining about some procedure that occurred in the committees. They were turned down every single time. What has occurred here this afternoon is why we cannot allow that to happen. We will get nothing done.

With respect to the unfair, unkind, disparaging remarks about the chairman, I would like to remind those opposite that he listened when someone raised a question of privilege. He gave those matters priority and listened to what the member of the committee had to say. He did not acquiesce to frivolous cases of privilege every time, but he listened and made a ruling in committee, which is the proper place to do so.

Honourable senators, Mr. Speaker, I hope we will use common sense and not transfer dealing with questions of privilege from the committee into this chamber, because we would be setting a dangerous precedent. Senator Frith made reference to various passages in which questions of privilege were dealt with in the committee, and I am sure there are dozens more if one wants to do the research. The committee is in charge of its procedures and what occurs in its meetings. That is something that has evolved over the years.

Senator Thériault: Ask Blenkarn!

Senator Olson: If you senators opposite want to do that kind of character assassination, go ahead. I do not want to do it, but I think it is unfair and ridiculous to make those kind of statements about a chairman who did a tremendous job—

Some Hon. Senators: Hear, hear!

Senator Olson: —of trying to be fair in every situation, I might say under severe provocation from time to time by some of the senators opposite.

I would therefore like you, Mr. Speaker, and honourable senators to take those things into account. I am not going to try to anticipate that senators will take into account the arguments that have been made here today. Perhaps they can look at the transcript and make up their own minds.

Senator Barootes: There is no transcript!

Senator Olson: There is a transcript—it is the *Hansard* of today. I hope senators will look at the precedents. If they do, they will find that no speaker in the other place, or in any other Commonwealth Parliament in recent history, has allowed questions of privilege that have arisen as a result of procedure in a committee to be brought to the floor of a chamber such as this. In the other place the Speaker would be on his feet—they have different rules—saying that if someone has a question of privilege in a committee, it should be dealt with in committee and not in the chamber. That has been the ruling for years and years. I hope that we shall not destroy the Senate of Canada by upsetting that precedent.

Some Hon. Senators: Hear, hear!

Hon. Douglas D. Everett: Honourable senators, I wonder whether we will hear from the Chairman of the committee on this matter.

Hon. Sidney L. Buckwold: No, honourable senators.

Senator Everett: I should tell honourable senators that I do not know whether, in the end, we will be dealing with a point of privilege or, as Senator Frith has said, a matter with which we can deal when the report comes to a vote before this body. Either way, however, serious allegations have been made here respecting the performance of the committee and, most especially, its chairman.

Honourable senators, I served as chairman for better than a dozen years of the Standing Senate Committee on Finance. In that position I, for one, would be somewhat concerned about the allegations that have been raised here today. I must say that if those allegations are not refuted it would have some considerable effect on how I would view the situation—indeed, whether it is a matter of privilege and a *prima facie* case has been made, or whether, in fact, as Senator Frith has said, we can reject the report of the committee because we did not like what went on in the committee.

But listen, honourable senators, to the allegations as I have heard them here today: access to information and staff was denied to members of the committee; there was a denial of access of the deputy chairman to the staff of the committee and to information; there was a time allocation in respect of dealing with the committee report. The committee report was, as I understand it, fashioned by the chairman and not discussed with the steering committee, nor with the committee, as it was being formulated.

According to the allegations that have been made, points of order were refused; members could not be heard; there was a withdrawal of a motion without the consent of the committee and a motion substituted therefor; the reading of the draft report was refused; and a clause-by-clause study of the report was refused. There was no debate allowed on the motion to put the previous question.

I am not sure whether these allegations can be substantiated. Perhaps they can be knocked down, but the rebuttal I have heard here today is not to knock down the allegations but, rather, to say that the point of privilege has not been raised in the right place at the right time and that therefore a *prima facie* case cannot be established.

What I am interested in is the committee system, the delicate balance that exists in a successful committee system. I would therefore like to hear from the chairman of the committee against whom these allegations have been made. The manner in which he would look at the allegations and the manner in which he would refute them would influence my thinking and my actions in respect of this report. I think it is an important matter to be undertaken at this time, before it moves forward any further.

Some Hon. Senators: Hear, hear!

Senator Buckwold: Honourable senators, I am not sure whether, in the history of the Senate, the chairman of a

committee has ever been chastised as this one has this afternoon, and with less reason.

I had not intended to try to explain, react or comment. Many of the things that have been said are just a version of the same problem, it seems to me, that I really did not think it was necessary to lower myself even to comment on what has been going on.

Let me start from the beginning. From the very first day our friends on the side of the government, as the committee travelled around the country, had a plan. That plan was to discredit the committee and to discredit the chairman of the committee. It started from the very first day. The advisors of the group across the way, sitting there so benignly, were meeting several times a day, digging up everything they could and making sure that the media would concentrate on the committee, on the uproar surrounding the chairman, and all of the things that went on in a way that was almost impossible to take. It was so bad that in Halifax, which was in the first few days that the committee travelled, Senator Simard said, "The committee chairman is the worst chairman that this committee has ever had," and Senator Robertson said, "Amen!"

Senator Perrault: That was a really intelligent remark!

Senator Buckwold: We went through this. Let me tell honourable senators that I was followed, as committee chairman, by representatives of the staff wherever I went in the hotel in which we were meeting. Whenever I was in front of a TV camera, there was one of those government gremlins listening to what I was going to say—government gremlins waiting, sitting there, waiting to hear what I was going to say, making little notes.

I remember saying on different occasions, "Come over here—you can hear me better." If I went to the men's room, somebody was following me.

Some Hon. Senators: Oh, oh!

Senator Buckwold: Literally, absolutely, as a matter of fact, I said to the fellow who was following me, "Come on in—at my age I could use a little help!"

Everywhere we went this happened. Really, honourable senators would have found it an amazing exercise, because the strategy was, as it is to this very day: discredit the committee, don't give too much publicity to the bill or to the representations made by those who appeared in great numbers to seriously criticize the government.

Honourable senators, this was absolutely the most difficult experience I have ever had, dealing with uproars, points of privilege and so on. Every morning that we sat there was another one, and honourable senators know it. I am sure they concocted it the night before, and we would sit and wonder what they were going to raise that day.

Senators should have been in Edmonton if they really wanted to see a show. In Edmonton they insisted that the vice-chairman of a House of Commons committee be heard because he had applied well after the deadline and had been refused. We said, "Okay, bring him in. Everybody has half an hour or an hour." This man's name was Murray Dorin, an M.P.

• (1640)

If he ever gets elected in Edmonton again, believe me, I will be elected the Mayor of Beirut.

Some Hon. Senators: Oh, oh!

Senator Buckwold: I do not know how he got away with his life, how an MP could take the abuse from the audience and the near-riot, and then be hustled out to the television cameras by the same gremlins to make sure his messages were broadcast. My friends, you would not believe what was going on. Again, it is the same plan, the same thing today, knock the chairman, keep at him. It is not going to worry me. I do not care. I am a little guy and I am not going to get any smaller; it is no problem.

Every word of the debate was transmitted by telephone to the Department of Finance, or whatever department or leader's office. Every few minutes I would see someone on the 'phone because some witness had said something or a certain question was asked. Obviously, it was of great interest to those on the government side involved in this legislation. Every move was carefully assessed and scrutinized. I am sure the evidence of every witness was discussed in detail by our friends on the other side.

After putting up with this situation for the whole period, we got down to writing a report. We said that we were going to have a scheduled date of September 15. I was advised that it was absolutely impossible to have a translation by that date. I received a letter from the clerk, who had spoken to Senator Poitras. Since Senator Poitras and other senators had insisted that every document, and the evidence of almost every witness, be in two languages, and because we did not have the translation, I said that the committee would be cancelled until we had the translation. Senator Poitras has objected to this. However, I do not know how many times he would be critical of a witness who did not give a brief in two languages. Senator Simard was no better.

As chairman, I stated that if senators were going to be raising the devil about not having the report in two languages, then certainly we cannot do this on September 19, which was a Wednesday. Speaking now as the Mayor of Beirut, on Thursday and Friday it was the Jewish New Year. I stayed home during the Jewish New Year, so it was impossible for me to be present on Thursday and Friday, by which time we possibly would have translation. Therefore, the earliest day we could meet was Monday, and on Monday we met.

The committee and our friends indicate that they were not given the material. I have to admit that I made a decision, to which some people may object. There was so much insistent demand on the part of our friends across the way to be able to transmit every word that was being said that I wanted to keep it under my control. This is a very sensitive piece of legislation for the government and I took my responsibilities very seriously. I said to myself—and it was to myself—that "I am going to keep this to myself because every word will be leaked within

two seconds the minute anybody looks at it." I see that my friend, Senator Kirby, who is a member of the steering committee, is present. He was not in the picture either.

It was leaked yesterday by the same fellows who are complaining. The minute it was in their hands I had reporters calling. No wonder they could not read it. They gave it to the press; that is why they could not read it.

I was not outside with the press, but at the end of the day everyone was running outside, wearing out the carpets, and saying how terrible the report is.

We were promised the report at 9 o'clock in the morning by the committee clerk. Of course, the French and English copy should both have gone out at exactly the same time. I cannot control how the clerk distributed it, or how the messengers work. I received mine at approximately 9.30 a.m. Some members of the committee stated that they received it at 10 a.m. or 10.15 a.m. Our French-speaking friends received it around 11.00 a.m. As chairman, my instructions were to send every member of the committee a copy of the report at 9 o'clock in the morning to enable them to have the full day to go through the report, read it and analyze it.

Perhaps I am responsible for the fact that it is a very heavy document. However, senators did receive transcripts of the meetings and the printed reports. Every witness has been reported, even to the last day. Senators should have been doing their homework and reading what people said. I gave no instructions to the authors on the first 190 pages. I advised the researchers to read the evidence and write an assessment. If senators look at it very carefully, which none of you have done, you will find advantages and disadvantages of what somebody said. Quite frankly, some of the assessments I did not like myself and was internally furious that the researchers would say that this case was not quite as good as it sounded. However, that is the way the independent researchers from the Library of Parliament wrote their case.

Senator Simard: You have to allow other members to read it.

Senator Buckwold: All I am saying is that I was keeping it under wraps. If you do not like that, then go back to what I was telling you. I do not know whether I was being shadowed as I walked down the streets of Edmonton. It seemed to me that one of the gremlins was behind me even out on the street. Therefore, I decided to try to keep it to myself. I did not show the report to the leader, I did not show it to Senator Frith. I did not show it to anyone.

Senator Simard: Just the *Toronto Star*.

Senator Buckwold: That is the type of nonsense that one hears. Some reporter 'phoned me and stated that the Prime Minister, or perhaps it was someone from the office of the Minister of Finance, was prepared to accept some amendments. It is public knowledge, and we all recall that Conservative senators promised some of the witnesses that there would be some amendments. The reporter asked what type of amendments, and I said that we could have amendments.

If you say I leaked the report, you must show me those amendments. They are not in the report at all. Again, you have not read the report, but you have read the *Toronto Star*. Over four months I have never given one iota of a lead to any reporter, from the *Toronto Star* or anywhere else, as to what was in that committee report. I said each time that we had four alternatives: We will hold our noses and pass it, and tell them that we do not like it; we will bring in a series of amendments to try to make it more palatable, if that were possible; we will delay it, which many people asked us to do; or we could axe the tax, which so many people requested of the Senate. That is all the information that was ever given to the press. If you want to read the *Toronto Star* article, check for that day and you will find that it was on that day, or the day earlier, that the Prime Minister or a minister stated that they were ready to accept some amendments. I am sure that was as a result of discussions with Conservative senators who stated that there should be a few amendments, because some of the provisions were so bad that there had to be a few amendments. Even our Tory friends could not stand the stench of some of the clauses in that bill.

• (1650)

We get down to blaming me. We met as soon as we could. Quite frankly, I wanted to keep everything under wraps. The report was not leaked, at least not until it got into the hands of Conservatives yesterday morning when it started to pour out, not to leak out. My secretary had several calls about it.

With respect to the meeting itself, the same thing happened as happened today.

Senator Simard: When did we get the report in French and in English?

Senator Buckwold: I ask honourable senators to keep in mind the so-called great event of September 15 when we did not get the translations. With my not being available on September 16 and 17, we met on the Monday. I also ask honourable senators to keep in mind that it was the commitment of your chairman and the objective of the steering committee to have that report the day the Senate returned.

According to Senator Simard, we travelled the country at a cost of one million dollars, although in fact we are well under our budget of $500,000. That is the kind of line we have been getting all the time—-

Senator Simard: Mr. Speaker, I rise on a point of order.

Some Hon. Senators: Sit down.

Senator Simard: Let me make my point of order. I was on the committee. Of course I cannot substantiate it, because they made sure that no record was kept. However, 15 seconds ago Senator Buckwold said that I lied to the committee. I am asking him to withdraw. We all heard him say it. Our guests in the gallery heard him say it.

Senator Perrault: Tell the truth, that is all.

Senator Buckwold: Having been rudely interrupted by Senator Simard—-

Senator Simard: I believe it is unparliamentary to say—-

Some Hon. Senators: Order.

Senator Simard: I would ask you, Mr. Speaker, to ask him to withdraw; otherwise I will make a motion.

Senator Buckwold: Here we go again. I am glad that honourable senators have seen this type of display, since it is what we had to put up with for two months.

Some Hon. Senators: Hear, hear.

Senator Buckwold: There were absolutely disruptive and destructive character assassinations. Anything would go just so long as the public did not know what was in the rotten bill.

We heard Mr. Jelinek in Toronto. As Senator Cools reminded us yesterday in committee, Mr. Jelinek came to our committee, at his own invitation, probably being pushed by reports he had heard that things were not going so well. He rushed down to ask whether or not he could be heard. Naturally, we heard him. When he got up, I tell you, honourable senators, I thought he was Billy Graham. He prayed that senators pass the bill right away, because if we did not the whole country would go into ruin.

Senator Frith: It was not to pass the bill, but to have the report ready.

Senator Buckwold: That is right, to have the report ready.

Senator Poitras, Senator Kirby and myself agreed that we would have the report ready on September 25. I am very proud to say that the report was ready on September 25.

Some Hon. Senators: Hear, hear.

Senator Buckwold: Let us get down to yesterday when this horrible chairman, this ogre who ran the meeting like Frankenstein would run a nunnery—-

Senator Frith: As Senator Robertson would say, "Amen!"

Senator Buckwold: It started out with the same kind of filibuster that is happening today. It is all a bunch of nonsense, and you know it. Some may not like the way the chairman handled a few matters. Perhaps I should not have listened to Senator Frith when on occasion he gave me some advice. However, I honour his wisdom. He is the most knowledgeable man I know concerning the rules of this chamber.

Some Hon. Senators: Hear, hear!

Senator Buckwold: He does, of course, next to Senator MacEachen who knows even more. Senators across the way will find that out.

I am sure that the group gathered with some of its new people to plan its strategy as to how it could delay this bill in order to give Mr. Mulroney a chance to appoint his next eight—-

Senator Frith: Or ask the Queen to do that.

Senator Buckwold: That is right, he cannot do it. But he can do a little pushing. I am sure they sat around and said, "What can we do?" The logical thing would be to wreck the committee since the report was delivered late. Believe me, you would want to read the important parts of that report. The first 197 pages are strictly narrative concerning what happened. There are probably 40 pages that should be read, which is not very difficult. Yet they sat with us from nearly 1.30 p.m. until 8 p.m. with not a break. I think we had two five-minute breaks, since I am getting older and need to make use of the facilities. We did not have supper. We just went on with no mention of the contents of the report. There was no discussion of the recommendations. There was not a thing that happened.

The first thing they brought in was a motion requesting one week's delay. We know what the week's delay was for. It was to give Mr. Mulroney a chance to write in big print that he needs more senators. That is all that it was. We knew that. It was just a ruse. Every trick in the book was thrown at us.

The first discussion was with respect to whether or not the committee should delay its meeting to consider its report until October 2. I made a commitment to table the report on September 25. Is there anything wrong with living up to one's word? If anyone told you they did not have time to read that document, do not believe them. These guys could read that document in ten minutes, as they sat in the bathroom, if they wanted to. That is how they could do it. They had their own plan then, and they have their own plan today.

I was supposed to table the report shortly after the new senators were sworn in this afternoon. Thus far I have not tabled it. I do not know what will happen. Senators opposite have now been able to delay this report for half a day. Who knows what will happen in the next day or two, or even what will happen tonight. I am sure that the gremlins are giving all kinds of advice in order to keep this thing alive before we can get to a vote to try to kill a bill which is probably the worst piece of legislation in the history of this country. Not only is it the worst piece of legislation in my memory, but it is the worst piece of legislation in the memory of people even older than me, if that is possible. Never has there been such public opposition, such public disdain, such public disrespect for any legislation that has come before us.

Senator MacEachen: Not to mention the anger.

Senator Buckwold: Not to mention the anger and the civil disobedience. All I am telling Senator Everett, who wanted to know some of the background, is that I thought the procedure was in order.

Senator Frith: In the circumstances of the filibuster.

Senator Buckwold: Yes, in the circumstances.

It was not an easy meeting to control. I am being criticized because I could not control the meeting. Did you ever try to control Senator Simard when he gets going?

Some Hon. Senators: Hear, hear!

Senator Buckwold: I will not put the finger on others. I have to say that Senator Doody is a gentleman. At least he does not raise his voice and snarl. Some of the others do. However, I will not mention their names. I may have left out some of the accusations brought against your honourable chairman. I may not have covered all of the points. However, I want honourable senators to see what the chairman of the Standing Senate

Committee on Banking, Trade and Commerce has been going through for the last many months under a plan to discredit him and the committee, while making sure that the great Canadian public knows nothing, or as little as possible, of this piece of legislation which is being foisted upon it.

● (1700)

So, honourable senators, I am trying not to excuse myself. I am not trying to answer question by question. I hope that in what I had to say you will feel the kind of frustration that, as chairman, I have had to go through; the kind of tricks that have been played on me.

Senator Perrault: Dirty tricks!

Senator Buckwold: I did not say "dirty" because I know that all their tricks are dirty. The fact is that we had a piece of legislation that was extremely sensitive. As I said earlier, every line was being carefully scrutinized concerning what people said or wrote. The two researchers did the writing under my direction and I kept it close to the belt. Believe me, there was no leak at all until yesterday morning.

Before I sit down, I remember saying last night to my friends across the way, in my innocence, as the meeting was coming to a raucous close, "Do not forget that this is a confidential document and is not to be released to the press." I did not finish the sentence before the hilarity on the other side began—

Hon. Royce Frith (Deputy Leader of the Opposition): As they went out to give it to the press!

Senator Buckwold: —as they went out to talk to the reporters outside, led by the gremlins that always take care of them.

Honourable senators, that is a brief explanation of your chairman's actions. I was not trying to be unfair. I was honestly trying to be as fair as I could, under circumstances of provocation that not many other chairmen would have endured without getting up and punching someone right in the nose.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, according to rule 12 of the *Rules of the Senate*, at six o'clock I must leave the Chair and come back at eight o'clock.

The Senate adjourned until 8 p.m.

At 8:00 p.m. the sitting was resumed.

BANKING, TRADE AND COMMERCE

PROCEEDINGS OF COMMITTEE—QUESTION OF PRIVILEGE

Hon. Patricia Carney: Honourable senators, I, too, would like to speak to the questions of privilege that have been raised and, particularly the points raised by Senator Everett. Senators will recall that this afternoon Senator Everett raised certain questions which he directed to the chairman of the Standing Senate Committee on Banking, Trade and Commerce, Senator Buckwold. I noted some of the questions that he asked. He asked if access to information and staff by members of the committee was denied; whether there had been a denial of access of information to the deputy chairman; if it was true, as government senators had indicated, that time allocation was suggested. He also asked if it was true that the report was not discussed with the steering committee; if it was true—this is a government senator—that points of order were refused.

Some Hon. Senators: A government senator?

Senator Carney: An opposition senator.

Some Hon. Senators: He is an independent Liberal.

Senator Carney: He is an independent Liberal, he just acts like a member of the government.

Hon. Douglas D. Everett: On a point of personal privilege, I do sit among Liberal senators, but I sit as an independent Liberal.

I might also say, to be precise, that I did not ask any questions; I merely stated that allegations had been made on the other side and I asked whether the chairman of the committee would be willing to rise and deal with those allegations.

An Hon. Senator: Which he did.

Senator Carney: I accept the clarification of the independent Liberal senator. We will see if he votes as an independent.

To use his language, he asked the chairman of the committee to deal with the allegation that points of order were refused. He asked the chairman to deal with the allegation that members were not recognized. He asked the honourable senator to deal with the allegation that a motion was withdrawn without consent and a substitute made. He dealt with the allegation of whether it was true that time to consider a draft report was refused. This independent Liberal senator asked the Chairman to deal with the allegation that clause-by-clause reading had been refused, and he raised other points.

I should now like to note the honourable senator's answers. I had to write these answers down as the honourable senator spoke, and, in that regard, I am sure honourable senators can check *Hansard*. I think I captured the spirit of his answers.

To the allegation of whether access to information and to the staff were denied, the chairman said that, yes, access was denied. To the allegation that access was denied to the deputy chairman of the committee, the chairman said that, yes, that was true, he did deny access to the deputy chairman. He said that in this chamber. He did not deal with the question of time allocation. If honourable senators check the record, they will see that he did not refer to the allegation of time allocation which, of course, honourable senators on the government side raised.

On the allegation of whether or not the report was discussed with the steering committee, the chairman, agreed that it was not discussed with the steering committee. He said in this chamber that it was not discussed with his fellow member of the steering committee, Senator Kirby. On the allegation of

whether points of order were refused, the chairman agreed that maybe he had not been too perfect about points of order. I was present in the committee and at one point—it is difficult to deny my allegation because, of course, there are no transcripts—I heard the chairman say that he did not care about the points of order, that he did not want to listen to points of order, and that he did not care who made them. There is no transcript on the issue of whether members were refused permission to speak, but I can speak to that because I was one of the senators who were refused permission to speak.

Senator Olson: You mean a second or third time.

Senator Carney: To the allegation that a motion was withdrawn without consent and another substituted, no reply was made. On the issue of whether or not there had been time to consider the draft report, which is crucial to the questions of privilege raised by honourable senators on the government side, the chairman said that we could have read it in ten minutes as we sat in the bathroom. That was what he considered proper time to consider this report. He said that anybody could have read it in ten minutes as they sat in the bathroom.

Hon. Gildas L. Molgat: Honourable senators, I rise on a point of order. I do not know on what basis the Honourable Senator Carney is complaining about matters which occurred yesterday in a committee of which she was not a member, and not even a senator.

Senator Cools: Precisely.

Senator Molgat: Exactly on what basis does the senator speak about not having the right to do something in a committee at which she does not even have the right to be present?

Some Hon. Senators: Oh, oh! She does.

Senator Molgat: As a private person, yes, but surely not as a senator. We all sat here this afternoon and heard her being sworn in.

My second point is: On what basis is the now "honourable senator" speaking? She gave no notice of a point of privilege.

Senator Doody: She is speaking to the point of privilege.

Senator Molgat: It is normal, should a senator wish to speak on a point of privilege, that notice be given as was given by honourable senators opposite earlier today.

I submit, honourable senators, that the present speaker is out of order.

Hon. C. William Doody (Deputy Leader of the Government): On that point of order, the simple truth of the matter is that Senator Carney was a senator from the minute the Order in Council was issued, and it was on that basis that she was admitted to the committee.

Some Hon. Senators: Hear, hear!

Senator Doody: She sat in the committee as a senator. If she was not a senator she should not have been in the committee. Once again, the chairman must have been derelict, because it was an *in camera* meeting and he should not have allowed it to be open to the public.

Honourable senators, I asked for transcription and I even asked that a tape recorder be present, but both requests were refused. Senator Carney's presence was never questioned; ergo, she was a senator recognized by the committee.

As for her right to speak to the point of order, every senator in this place has the right to speak to a point of privilege and a point of order.

Senator Molgat: You cannot be serious!

Senator Doody: You are interrupting me.

Senator Phillips: Only one speaker!

• (2010)

Senator Doody: As the deputy speaker of this place, please show some respect for the rules.

Some Hon. Senators: Oh, oh!

Senator Molgat: Senator Doody, we now have a new rule whereby one becomes a senator without ever having taken the oath of office! That really is a new rule. Senator Doody, you cannot be serious.

Senator Doody: Absolutely.

Senator Molgat: You cannot be serious. You have spent too much time in parliamentary practice to pretend that you believe that. Come on! Be reasonable! That is not practical. Furthermore, the honourable senator has not given any notice of a point of order. You did, and you spoke properly. However, there is no point of order. Come on! You complain about abuse of the rules and you are proceeding to do exactly that.

Hon. Orville H. Phillips: Honourable senators, on the second point raised by the Honourable Senator Molgat, I will remind him that on many occasions he himself has risen in this chamber on a point of privilege without any notice. I also advise him that later on I intend to take part in the questions of privilege.

Some Hon. Senators: Oh, no!

Senator Phillips: And I have not given any notice. I would further remind the honourable senator that it is impossible for those of us who have not given written notice to know what the subject is. Therefore, a question of privilege would be limited to the one individual, the one senator, who has provided written notice. I am sure that, as chairman of the Rules Committee, he really does not believe that. He is a master at attempting to raise false points of order, and I find that rather reprehensible. As the chairman of the Rules Committee, he should know better.

Hon. Finlay MacDonald: Honourable senators, on the first point made by Senator Molgat, I simply wish to remind honourable senators that the chairman was very gracious yesterday in welcoming Senator Carney and other new senators, who admittedly had not taken the oath. He welcomed them to the committee and invited them to take part in the deliberations. He could have raised objections at that particu-

lar time, but he did not. He was very gracious in welcoming the new senators to his committee.

Senator Olson: They were senators designate.

Senator Petten: A good chairman!

Hon. Raymond J. Perrault: Honourable senators, if Honourable Senator Carney has completed her remarks, I would like to contribute to the discussion on the point of privilege. Have you concluded your remarks, senator?

Senator Carney: No. Honourable senators will be aware that I could hardly have completed my remarks, because an honourable senator opposite interrupted on a point of order. I do believe that it is not customary to terminate a speech on a point of order.

Senator Guay: You are already out of order.

Senator Carney: We were discussing the allegations made against the honourable senator.

Senator Frith: No, we were not.

Senator Perrault: No.

Senator Carney: We have been discussing the allegations all afternoon, Senator Perrault.

Senator Perrault: Yes, but they are out of order. Your intervention is just as much out of order as the earlier ones.

Hon. Royce Frith (Deputy Leader of the Opposition): We have not even reached Orders of the Day. There is no motion before the house. There is no question before the house. There is nothing for the house to decide on. We are simply witnessing a series of points of privilege as part of a filibuster.

Senator Olson: Exactly.

Senator Perrault: That's all it is.—

Senator Frith: If Senator Carney wants to get involved in this filibuster, as she clearly wishes to do, then she should at least do it with some semblance of a point of privilege and not talk about a debate on some point that is not before the Senate. The only matter before the Senate is a group of individual points of privilege that have been raised, which, as we pointed out for Your Honour's ruling, are absolutely not points of privilege because they deal with proceedings in a committee. Now we are carrying on with it. Senator Carney says that we were discussing some questions raised by Senator Everett. We were not. He made it clear that he was not asking questions. I ask Your Honour to rule on what basis Senator Carney is on her feet? Will she be raising a point of privilege after this is over?

Hon. Heath Macquarrie: Honourable senators, I am somewhat intrigued by the intervention of my long-time friend, Senator Molgat, in which he suggests that a question of privilege should not be entertained because notice was not given. I have spent many years hearing speakers admonish members of legislative assemblies for not raising points of privilege at the proper time. Propinquity seemed to be the thing. I find it strange to hear the suggestion that privilege has to be stored up and notice given. In fact, I was amazed that so many of my colleagues gave notice this afternoon. It was very courteous of them but, in my judgment, procedurally it was a matter of supererogation. There is nothing wrong with that, but I think it is a very weak argument to propound that not giving notice suggests that questions of privilege cannot be raised.

Senator Frith: In my respectful submission, Your Honour has a duty to decide when you have heard enough on this point of privilege to make up your mind as to whether a *prima facie* case is made. You are not being asked to decide on the question of privilege, but simply whether a *prima facie* case has been made for a point of privilege. Your Honour should decide when you have heard enough. Do I take it that Your Honour is going to let this thing go on forever?

The Hon. the Speaker: Not necessarily.

Senator Frith: Are you going to intervene at some point and say, "I have enough to decide whether or not there is a *prima facie* point of privilege"? In my respectful view, Your Honour, that is your duty.

The Hon. the Speaker: In my respectful view, Senator Frith, I think it has been a tradition in this house, so long as members are within the rules, to let them speak and give their opinions.

Senator Guay: Forever?

The Hon. the Speaker: As long as they are within the rules.

Senator Frith: That is the question.

The Hon. the Speaker: I think we are still debating the points of privilege.

Senator Frith: It is not a debate, Your Honour. There is nothing before the house.

The Hon. the Speaker: We are still talking about the points of privilege. I agree with you that I will not necessarily let this go on forever, but I think that the few senators who wish to speak should do so.

Senator Frith: Your Honour is saying that it is fine so long as it is within the rules. The rules or traditions to which Your Honour has referred require, as Senator Ottenheimer said, only that Your Honour make the decision as to whether or not you have heard enough to determine whether there is a *prima facie* case. That is all. I submit that you have heard sufficient to decide whether or not there is a *prima facie* case.

Senator Barootes: Why don't you change seats with him?

Senator Frith: I suggest, Your Honour, that it is quite possible that they will think of some other reason for the filibuster, but, on this point, I think Your Honour has heard enough to decide whether or not there is a *prima facie* case.

Some Hon. Senators: Agreed!

Senator Carney: Honourable senators, I started—

Senator Frith: Order!

Senator Carney: —my introduction by saying that I wished to speak to the privilege of others, and I believe that that is the practice of this house.

Some Hon. Senators: Hear, hear!

Senator Carney: I also point out that the points I am speaking to were raised in this discussion. Honourable senators may not like this word "discussion", but these allegations were raised specifically by the independent Liberal senator opposite who specifically asked the chairman of the committee to deal with them.

Senator Olson: He did not!

Senator Carney: He did say that these were the allegations raised. He said that these allegations had been raised, and he asked the honourable senator, the chairman of the committee, to deal with them. I am simply referring to the questions or the allegations raised and the answers that were given by the chairman. As I point out, the chairman agrees. He told us all that he kept this report close to his chest. That is what he told us all, and he is nodding his head in agreement. He said he kept it close to his chest. He has agreed that he did not share it with the committee. He agreed that he did not share it with the vice chairman, and that he did not even share it with the steering committee, which I am told is a very unusual practice in this house.

Honourable senators, I have raised the point that the chairman feels that this document of approximately 300 pages, which encompasses nearly $1 million—although there is some debate about that—could, in his opinion, be read in the bathroom in 10 minutes. He is more interested in his bladder than his brains!

● (2020)

I wish to speak to the important question of privilege with respect to the translation, which is fundamental to Parliament, both in this chamber and in the other place. The honourable senator pointed out his concern with respect to the translation. He told us how he delayed this report for at least a week due to translation. I thought he spoke passionately about the need to honour the issue of translation, but he also agreed that he released this report in the French translation to members of the committee—the francophone members of the committee—at 11:45 p.m., giving them—

Some Hon. Senators: No! No!

Senator Carney: I might have to alter my statement.

An Hon. Senator: Withdraw it! Withdraw it!

Senator Carney: Listen to me, because he said he gave orders for the report was to be released to everyone at the same time. That is what he said. Those were his orders. All members of the committee were to receive it at the same time. My notes show that he said that members of the Opposition received the report at 9 or 9:30. That is what he said. In fact, in committee Senator Perrault said that he received it at 10:30 a.m. and that the members of the government side—

Senator Olson: Wrong!

[Senator Frith.]

Senator Carney: You can check the transcript, Senator Olson.

An. Hon. Senator: You are dreaming again.

Senator Carney: You will have your chance, Senator Olson. We received the transcript in English at 11 o'clock and the transcript in French at 11:45. That is what the chairman thinks is equal time.

Some Hon. Senators: Shame! Shame!

Senator Carney: Of course, we know that the clause-by-clause issue of this vital bill was never considered. It was rejected, and there is no transcript of that meeting. We have to rely on memory. The chairman was given every opportunity in this chamber to deal with these allegations by the honourable senator the independent Liberal; and after saying that he kept the report close to his chest, that he did not allow the vice-chairman access to it, and that he did not allow others to get this—

Hon. Philippe Deane Gigantès: On a point of order, Senator Everett did not make that allegation. You did.

Senator Doody: You are wasting time, senator.

Senator Gigantès: That is lovely, coming from you. I enjoy that!

Senator Phillips: You are filibustering!

Senator Carney: Honourable senators, you may be interested to hear what the honourable chairman said. He said that this committee tried to discredit him. He said that he was followed too closely in Edmonton, that he was shadowed in Edmonton. He said that people stuck mikes so close to him that he should have been in a media scrum. He said that was the reason he kept the report close to his chest. The reason he kept it close to his chest, honourable senators, was because he felt he had been shadowed in Edmonton. I am not from Edmonton, but I could think of worse fates.

Senator Gigantès: You should be so lucky!

Senator Carney: In answer to these allegations he told this chamber that he planned to have the draft ready by September 15. He then said the translation had to be completed, that there were some Jewish holidays that had to be honoured, and so he could not meet the date he had given the committee. He also told us that he planned to release the report at 9 in the morning. That is consistent with what he told the committee. Instead he released it at close to 12. If he honoured the time for the French translation and for the Jewish holidays, and he tried to release the report at 9 o'clock in the morning, why does he question our suggestion that the committee members be given a week—the very same week that he proposed—to consider this important document in both official languages?

He also made a strange admission—and I think we should check the transcript, because I am sure this will deal with the issue of privilege—and admitted that he had discussed the four alternatives with the *Toronto Star*. Reflect on that! He told this chamber that he had discussed the four alternatives—the

ones he would not discuss in committee and which we never had a chance to see—

Senator Olson: Oh, you had a chance!

Senator Carney: The *Toronto Star* had many more opportunities.

Senator Barootes: Three days earlier!

Senator Carney: He never discussed them with his colleagues on the committee, he never discussed them with the steering committee, yet he admits that he discussed them with the *Toronto Star*. That is what he told this chamber.

Senator Neiman: That is totally wrong!

Senator Carney: On this question, he also told us that he knew that the government had said it would consider amendments. This was not strange to him. He said he knew this. He said he knew that the government would consider amendments, and he said he thought this was unreasonable. Instead he has brought in a process that rejects any opportunity to consider amendments or the views of the 350 people who appeared before this committee, along with the 159 suggestions they made.

I am wondering whether or not the honourable senator understands what he has done in this process, because it is not what we consider to be a parliamentary process. I wonder what harm he may have done to the Senate itself in this close-to-the-chest reporting system—

Senator Cools: He cannot match you!

Senator Carney: —and this exclusion of steering committees and committees. I wonder how he would feel if people felt betrayed by this process where, by his own admittance, a chairman and two staffers produced a report of such vital importance to Canadians. I believe that is the central issue in these questions of privilege that have been raised.

In closing, I feel that we have to understand the central issue.

Senator Cools: What is it?

Senator Carney: Some honourable senators on the other side are arguing that we are all members of Parliament. It is the government's view that the power to deal with this kind of bill really resides in the elected House of Commons, that it does not reside in a chairman who keeps a report close to his chest, shared only with two staffers. People should consider what damage this would do to this institution.

I have always been proud to be a parliamentarian and proud of the rules of both houses of Parliament. As we proceed with this discussion we should deal with the issue of how best to uphold the institution itself. People will remember what we do in this place today long after this particular bill is dealt with. Long after we have left this chamber they will remember what honourable senators in this chamber have done to the institution of Parliament. That is the central issue before us today.

Senator Guay: They will remember what you said, too!

Senator Perrault: Mr. Chairman, as a fellow British Columbian, I welcome Senator Carney to this chamber. I would have hoped for a more promising debut, but I welcome her intervention on a non-point of order.

Senator Carney: What is yours?

Senator Perrault: The fact is that I regret profoundly that she was unable to attend any of the hearings in British Columbia, as do thousands of other British Columbians. She was so consumed with concern about the GST that she did not appear at any of the hearings. Had she appeared at the hearings, honourable senators, she might have been appalled, as were other British Columbians, at the conduct of the Conservative Party during those hearings. The members of the Conservative Party were not interested whatsoever in any kind of intelligent dialogue with respect to the GST. They were under instructions, obviously, to destroy the hearings, to destroy democracy, and to destroy everything constructive that was being attempted there.

• (2030)

I regret also that Miss Carney was apparently so occupied with her other duties and responsibilities that she attended none of the committee hearings anywhere else in Canada. Now she has developed a special interest in the matter of the GST, and I welcome that.

I want to point out to honourable senators, however, that these pseudo points of order and points of privilege are totally out of order. This was the observation made earlier by the Liberal House Leader. All of these alleged points were debated in committee yesterday, and the chairman at that time did his very best to accommodate all of those who wished to speak. That is of real significance. to the admissibility of these so-called points of privilege.

What we are seeing here, honourable senators, is an obvious filibuster. The strategy started at 1:30 yesterday afternoon. it really understood, honourable senators, that this report of 300-plus pages is made up, for the most part, of a synopsis of the presentations that were made? Not one Conservative has argued against the accuracy of those transcripts? There is approximately another hour and a half's reading involved in reviewing relevant sections involving the proposed recommendations of the committee. Do senators or the Canadian people really understand that in the six hours of debate yesterday, and in the debate today, which amounts to approximately seven hours, there has been no discussion with respect to the substantive proposals contained in the goods and services tax bill? Not a word. For example, there has been nothing about whether it is going to hurt westerners.

Senator Carney should be aware of the fact that it is going to have a dreadful impact upon the people of British Columbia, Alberta and the Yukon. But she seems so concerned with pseudo procedural points that she is ignoring the welfare of the people of western Canada. She will have her chance to speak many times—

Senator Carney: The honourable senator keeps indicating that I do not know what is in this bill or I do not know about

the GST. I was a member of the cabinet that brought it forward. I know more about it than the honourable senator opposite!

Some Hon. Senators: Shame, shame!

Senator Perrault: Then apparently Miss Carney is aware of the fact that Remembrance wreaths to be laid on the Cenotaph of Vancouver will be taxable while caviar will be tax exempt. I hope she is pleased with that aspect of the proposal before us!

I wonder why it is impossible for one Conservative to muster one argument with respect to the facts and figures contained in the GST proposal. Why are they so silent? Are they frightened to debate it? Is it because the Conservative party has 8 per cent support in the province of British Columbia at the present time?

Senator Austin: That much?

Senator Perrault: Yes, 8 per cent.

Senator Finlay MacDonald: Would the honourable senator permit a question?

Senator Perrault: Yes.

Senator MacDonald: At what time, Senator Perrault, did you receive the report?

Senator Perrault: I received the report at 12:00 noon yesterday and I had a witness to that effect.

Senator Carney: On a point of order, honourable senators, the Honourable Senator Perrault in committee said 10:30 a.m.

Senator Perrault: I received the report at 12:00 noon and I had it read by the time the committee was about to discuss the relevant portions of it. Why was it so impossible for you to do the same? You claim to be a slow reader. For heaven's sake, somebody else here must have taken a speed reading course at some point here.

Senator MacDonald: But, Senator Perrault, you said you received the report at 12:00 noon.

Senator Perrault: Yes.

Senator MacDonald: Did you not have a meeting of your fellow colleagues at that time?

Senator Perrault: No, I did not. We had a caucus meeting, of course, as you did.

Senator MacDonald: Yes, but you have read it?

Senator Perrault: I have now read thoroughly the main recommendations twice, and I hope that you have done the same.

Senator MacDonald: You were at a meeting for an hour or an hour and a half.

Senator Perrault: I had an excellent meeting, yes. Honourable senators, this is part of the filibuster. The honourable senator opposite used to be in show business. This is show business. There is no business like show business, senator, but there is also a GST report here that we should be considering.

[Senator Carney.]

Senator MacDonald: Answer the question, senator. You received the report around noon, which is after the time we received it.

Senator Perrault: Yes, after you received it.

Senator MacDonald: And you had a meeting that lasted an hour and a half?

Senator Perrault: Yes. What is the relevance of that?

Senator MacDonald: When did you have a chance to read it? Your time in the bathroom was really quality time.

Senator Perrault: In the other chamber, senator, the speaker would have stood up and said that Senator MacDonald was becoming tedious and repetitious. He would have ordered the Conservatives to cease their filibuster. I am not going to go into details of the phoney charges that are being marshalled here, because they are not even in order. Why should I do that? But I do plead with the honourable Conservative senators, for the sake of the welfare of this nation, to come to the point at which we can debate this issue.

Honourable senators, the impression is being created here, or the attempt is being made, to say that somehow free speech is being muzzled. You are muzzling free speech yourselves. We should be in a debate now on the substance of the GST proposals. You will at least be given a chance to debate at length, to speak as long as you wish. Yet you are trying to suggest that we are somehow restricting your freedom to speak.

Come on! Be serious about it. People are watching this chamber tonight and you are not making a very good impression.

Senator Phillips: Honourable senators—and I would ask you to note that I have followed the rule and addressed the chamber, not His Honour the Speaker, as has been the custom tonight on the other side. For some reason, honourable senators opposite have again decided to contravene the rules and address His Honour the Speaker.

Senator Perrault: I included the senators!

Senator Phillips: I am also aware that I am addressing the chamber after a reception. I have been around here for awhile and I know that that is not the best time to address the chamber; but I am going to take a few moments of senators' time anyway. I hope that most senators will forget the reception and will pay me some attention.

Senator Guay: And save some money!

Senator Phillips: Definitely, Joe—you were always for saving money, especially in the Internal Economy Committee. I always appreciated that.

Honourable senators, I hesitate to take part in the discussion on this question of privilege because for years I have had great respect for the Honourable Senator Buckwold. He is of a different party, and holds a different view from mine. We have often discussed in a very friendly manner our differences and I would like to count him among my friends.

Senator Guay: Hear, hear!

Senator Buckwold: It's coming!

Senator Phillips: I hope that when I am through with my brief remarks I will still be able to count him among my friends.

I was disappointed with his performance as committee chairman. Someone said to me that he made Senator Sinclair look good. I cannot give any better description than that. But I was particularly disappointed in his remarks this afternoon. Senator Everett directed a number of questions to him and asked him to reply to them.

● (2040)

I do not need to remind honourable senators that Senator Buckwold began way off in the distance. He began in Halifax, and worked his way through complaining about various things. He complained about gremlins. I thought of my younger days in the air force when gremlins were blamed when an aircraft did not work. Honourable senators, this committee did not work. It must have been the gremlins.

He then went on to complain about allegations of government supporters mentioning the cost of the committee. I did that to my honourable friend Senator Bonnell on Bill C-22. He did not become paranoid. He attempted to be reasonable throughout the committee hearings. He did not become as paranoid as Senator Buckwold.

My honourable friend, Senator Buckwold, then went on to complain that he had to stay in the same hotel as the rest of us. That is a pity. Senator Buckwold had a suite, while the rest of us had a room. I will not complain about that. Surely, Senator Buckwold could stay in the same hotel. However, if he did not want to, since he completely controlled the staff we would have stayed in another hotel to oblige him.

He complained that he had to eat in the same restaurant as we did. What a pity. I am sorry if we annoyed Senator Buckwold. I am sure that even Senator Cools would have gone to a different restaurant, had been asked. She is very obliging and very sweet; I am sure she would have co-operated.

Senator Buckwold then went on, in his paranoid way, and said that he walked down the streets of Edmonton, looked over his shoulder, and was sure that someone was following him. Honourable senators, in the last ten years has anyone walked down the streets of Edmonton who could not look back and see someone following him? The Mayor of Edmonton walks the streets. He does not look around and complain that the streets are not cleared. The Premier of Alberta walks the same streets. Does he complain about it? No. However, Senator Buckwold complains that the people of Edmonton were on the streets at the same time he was.

He then went on, in his paranoia, to show us the ultimate. He did not have a bathroom to himself and had to use a public bathroom. What a pity. If he had let us know, we could have had the bathroom cleared and electronically sweeped, in case he leaked. We could have put a guard outside the door because the chairman of the GST committee was in there. Is Senator Buckwold so paranoid that he complains that he does not have the bathroom to himself?

Senator Buckwold: I am enjoying every minute of it.

Senator Phillips: I enjoyed your remarks, too, Senator Buckwold.

After all the complaints that he did not have the bathroom to himself, what does he do? He takes the reporter from the *Toronto Star* with him into the bathroom and there he leaks the whole story. Honourable senators, when you read the report that Senator Buckwold dictated, you will realize that Senator Buckwold dictated it in the bathroom, composed it in the bathroom, and that is where it should stay.

Senator Buckwold's name will go down in history. This report will be known as the "Buckwold Bathroom Bonanza" for the Liberal Party. We have to give a little more consideration to the committee's report than Senator Buckwold wanted it to receive. If he had his way, the committee would have met in the bathroom and, in a very chummy fashion, have approved the report in 10 or 15 minutes. Honourable senators, this country deserves better than Buckwold's bathroom report.

I wish to turn to Senator Buckwold's conduct as chairman of the committee. I have served on a good many committees. I have received courteous treatment and seen other committee members receive courteous consideration from chairmen. Unfortunately, that was not the case yesterday. It was a despicable performance, one that the honourable senator did not enjoy. He kept watching Senator Frith, and I never saw such terror in anyone's face or eyes as when he looked at Senator Frith. He is absolutely afraid of him.

I have received fair treatment from committee chairmen before who were Liberals—Grits, which is the term I prefer. It is much more appropriate, because they were not too liberal yesterday. I cannot believe the performance I saw in the committee yesterday. I cannot believe that a member of the committee, the Deputy Leader of the Opposition, would state that the *Rules of the Senate* do not apply in committee, that a committee makes up its own rules. Senator Buckwold knew differently, but he did not dare to disagree with the honourable senator, and I very much regret that. I wish he had had the backbone and the courage to state his convictions to the committee, instead of giving in to the directions of Senator Frith.

I wish to be fair to my honourable friend. I did request a ruling from the Assistant Law Clerk. Honourable Senator Buckwold, as chairman, agreed that the Assistant Law Clerk could give us advice. He was very reluctant to do that, but I thought that he had made a concession to me. He has told us today that he just wanted to go again to the bathroom. That is what I mean by saying that he has lost a great deal of respect.

The Assistant Law Clerk gave us advice to the effect that the *Rules of the Senate* apply in committee. My honourable friend listened to them, ignored them, and continued on the same pattern with the same arrogant decisions and the same rejection of minority rights. I am very concerned about that point. The Senate is known and repeated for its committee work. We do not get a great deal of respect for our legislation, but we do receive respect for our committee work. If we follow

the pattern established yesterday by the Honourable Senator Buckwold, a pattern established at the direction of the Honourable Senator Frith, we will have destroyed the Senate's reputation.

● (2050)

In closing, I wish to remind you that under the British parliamentary system the rights of the minority are respected and protected. Unfortunately, in Senator Buckwold's zeal to pass the Buckwold bathroom bonanza he forgot his responsibility. He forgot the rights of the minority. I hope that before this debate on the GST legislation is finished he will come to his senses and will correct his actions of yesterday. I invite him to do that at a very early date.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, after these serious allegations, I believe, to quote Senator Everett, that I will take these questions of privilege under advisement. I think they reflect on the whole House. I shall study *Hansard*, do some research and come back to the House with a ruling as soon as I possibly can.

[*Translation*]

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS CONCERNING BILL C-62

Hon. Jacques Hébert: Honourable senators, I will take up exactly two minutes of your time to present the humble petitions of more than 5,000 Canadian citizens.

Honourable senators, I have the honour to present a petition signed by 120 residents of Kapuskasing, Ontario, who ask the Senate to reject the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 1,417 residents of Alma, Quebec, who ask the Senate to reject the Goods and Services Tax bill.

Honourable senators, I have the honour to present a petition signed by 3,595 residents of Sudbury, Ontario, who ask the Senate to reject the Goods and Services Tax bill.

● (2100)

[*English*]

PRESENTATION OF PETITION ON BILL C-62

Hon. Joyce Fairbairn: Honourable senators, I have the honour to present a petition signed by 175 students of the University of Lethbridge, who note that the Government of Canada has seen fit, since Confederation, to apply a zero rate of tax to magazines, books and newspapers, and now proposes to include them in the GST. The signatories of this petition urge the Senate to reaffirm the historic principles embodied in tax-free status for the printed word.

Some Hon. Senators: Hear, hear!

[*Translation*]

POINT OF ORDER

Hon. Jean-Maurice Poitras: Mr. Speaker, at this stage, I would like to raise a point of order regarding a very specific question.

[Senator Phillips.]

Today we discussed at length yesterday's meeting of the Senate Committee on Banking, Trade and Commerce. The committee received a motion from Senator Frith which read as follows:

> That in order to have time to prepare the above-mentioned report, the committee decide today, before 7 p.m., that it will examine the four options proposed in the draft report, each one separately, during a period to be determined by the Chairman of the Committee, and that each option be put to a vote.

This proposal, honourable senators . . .

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, if I am not mistaken, the Speaker of the Senate has already said he would consider the points of order and questions of privilege raised in committee. There are none before us at this time. The next item on the agenda comes under "Committee Reports", which has not yet been called by the Speaker.

The point of order raised here also concerns committee procedures. It is identical to the point of order on which the Sepaker has reserved judgment.

I would ask the Speaker to make it clear that these questions have been taken under advisement by the Chair and that raising questions on which the Speaker has reserved judgment is out of order.

I would ask Your Honour to call this Chamber to order. We have patiently endured this long filibuster, but I think, Mr. Speaker, the time has come to say: Order, please. We can now start on today's agenda, and we shall continue. I am seeking a decision from the Chair.

[*English*]

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—POINT OF ORDER—SPEAKER'S RULING RESERVED

Hon. Sidney L. Buckwold: Honourable senators—

Hon. Gerald R. Ottenheimer: Honourable senators—

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, Senator Ottenheimer is not in order to bring in a report of a committee. He has no point of order. The question called by the Chair was "Reports of Committees." For Senator Ottenheimer to stand up under "Reports of Committees" and attempt to raise a point of order is out of order.

Senator Ottenheimer: The honourable senator—

An Hon. Senator: No point of order!

Senator Simard: You do not know that!

Senator Frith: Again I ask the Chair to restore some order and ask Senator Ottenheimer to sit down. He is not a chairman of the committee and he is not offering a report. I ask the chairman to make—

Senator Ottenheimer: Hopefully, I will do it!

Senator Frith: —the impartial decision that he sits in the Chair to make.

Senator Ottenheimer: The order is still reserved by me. I did rise on a point of order.

An Hon. Senator: Let him give his report!

Senator Frith: A point of order!

Senator Petten: Order.

Senator Frith: Honourable senators—

Senator Ottenheimer: I am not—

Senator Perrault: Sit down!

Senator Frith: Mr. Speaker, the question is that there is no proceeding for the house on which a point of order can be raised.

Senator Ottenheimer: We will take our seats together!

Senator Lefebvre: Be quiet!

Senator Buckwold: Honourable senators, I have the honour to present—

The Hon. the Speaker: Honourable senators, I should like to know what is the point of order before being able to judge whether it is receivable.

Senator Frith: There is no proceeding before us. There is nothing on which to have a point of order.

Hon. C. William Doody (Deputy Leader of the Government): Let us hear the point of order!

Senator Buckwold: Honourable senators, I have the honour to present the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce respecting its examination of Bill C-62.

Senator Phillips: Point of order!

Senator Doody: Point of order!

Senator Ottenheimer: Point of order!

Senator Buckwold: —an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act—

Senator Ottenheimer: I am speaking on a point of order.

Hon. D.G. Steuart: You are not in Saint John's, here. Sit down! This is the Senate of Canada! Stop it!

The Hon. the Speaker: Order! Order, please!

• (2110)

Senator Ottenheimer: I understand I have been recognized on a point of order and that is why I am continuing.

Some Hon. Senators: Point of order.

Senator Ottenheimer: I have been recognized on a point of order. The honourable Senator Buckwold has not been recognized. We can speak only one at a time. However, if we have to speak together, I presume that we can. It will be a duet.

I do not intend to cede, because I have been recognized by the Chair. Therefore, I will continue to speak until I have an opportunity to make my point of order unless I am directed by the Chair to resume my seat. I will not take directions to resume my seat from anyone else but the Chair.

It is my understanding that I have been recognized by the Chair on a point of order. If the Honourable Speaker orders me to sit down, I will do so. I am a long distance off and there is a fair bit of noise, but am I right in saying that I have been recognized by the Chair to make a point of order?

Hon. Gildas L. Molgat: All senators must sit down until the Chair—not you, Senator Ottenheimer—decides who is recognized.

Senator Ottenheimer: And not you, Senator Molgat.

Senator Molgat: The Speaker decides.

Hon. Earl A. Hastings: The Speaker is standing.

The Hon. the Speaker: What is your point of order? We are now dealing with Reports of Committees. Does your point of order have anything to do with Reports of Committees?

Senator Ottenheimer: It is a point of order, which I shall explain briefly. I certainly do not enjoy endeavouring to outshout anyone—either Senator Frith or Senator Buckwold. I thought that I had been recognized by the Chair, and that is the reason I did so. I do not enjoy doing it, and it is not my habit to so do.

An Hon. Senator: What is your point?

Senator Buckwold: Honourable senators, I was asked to give a report of the committee.

Senator Ottenheimer: We cannot both be speaking at the same time. The point of order that I wish to make is this. May I have a swallow of water before the next sentence?

Senator Denis: No water.

Senator Ottenheimer: I will do it without your concurrence.

I will make my point of order very briefly, if I am allowed to. I do not have to be allowed to, do I? I am doing it as a right. Where are my glasses? I will muddle through without them.

My point of order is this, and I will be brief. I will not attempt to outshout anyone again. The point of privilege is before the Senate and before the Chair. The Chair will give the opinion that either there is a *prima facie* case or there is not a *prima facie* case. That is the end of it. If there is a *prima facie* case, then the person who moved it has the right to propose a relevant motion, which obviously is voted on.

The essence of my point of order is this: The point of privilege on which a decision has not yet been made—whether or not there is a *prima facie* case—is pending. I have no idea what the ruling will be, but if the ruling is that there is a

prima facie case and, therefore, a motion can be made, the whole thrust of the point of privilege is that the report which Senator Buckwold wishes to table, its presentation and deliberation by the committee and everything surrounding it in the committee—its getting to this place in this manner and in this way—is tainted, null and void or vitiated *ab initio*. I do not intend to try to characterize it any further. If it were tabled now, there would be no remedy, because a document resulting from contempt of Parliament or breach of privilege would have received the authorization or sanction of being considered by this body.

However, if there is no *prima facie* case, obviously the document can be presented. If the document is presented now and the ruling is that there is a *prima facie* case, depending on the outcome of any motion subsequent to that, there would be no remedy to put the Senate in a position whereby it had not sanctioned a document which could be ruled in contempt of Parliament. The point of order that I am making is that irreparable harm could be done with no remedy by the tabling of this document now. We need to have the ruling on the *prima facie* nature of the point of privilege before such a decision is made. If the report is tabled now and there is a ruling that there is a *prima facie* case, there can be no remedy. If the report is not tabled now and there is a ruling that there is no *prima facie* case, obviously there is a remedy, and that is the tabling of it. In essence, that is the point of order.

Again, I should like to say that I did not enjoy trying to outshout any honourable senators opposite, but I was under the assumption that I had been recognized on a point of order and did not wish that right to be usurped.

Senator Doody: Mr. Speaker, there is a point of order before the chamber. We need a ruling.

The Hon. the Speaker: I would prefer to take this under advisement.

Senator Barootes: Next order of business!

Senator Doody: The point of order deals with the tabling of the document. If the point of order is acceptable, then the document will not be tabled until His Honour makes his ruling. If, for all the reasons that were pointed out by various senators here today, the process by which this document reached us is a flawed one, then it could be contended that the document is not receivable. Obviously it cannot be tabled here this evening until His Honour decides whether or not the point of order is indeed a legitimate one. I support Senator Ottenheimer's position. I contend that His Honour has to make a decision as to whether or not the document can indeed be tabled here this evening.

Senator Frith: Honourable senators, I should like to speak on the point of order. I do not understand why Your Honour would have any difficulty making a ruling. Absolutely no precedents have been cited to support the position that Your Honour should refuse to accept the presentation of the report after Your Honour has called for Reports of Committees.

• (2120)

Senator Lefebvre: Exactly!

[Senator Ottenheimer.]

Senator Frith: There is no precedent at all. The only senators that Your Honour is asking to stand up are those who have committee reports to present.

Senator Lefebvre: Right on!

Senator Frith: The report itself is not before the Senate at the time it is tabled. The next thing Your Honour does, having asked for Reports of Committees, is to ask when the report shall be taken into consideration. Obviously, the implication there is that it is not at that moment being taken into consideration. So the report is not before the Senate when it is tabled; it is simply tabled, and that is what Your Honour has asked for.

How Your Honour could find that a point of order, raised by a senator who is not presenting a report for tabling, should be reserved, in order to understand whether there is a point of order, is beyond me. It is so obvious that it is not a point of order.

Hon. M. Lorne Bonnell: There is nothing before the house.

Senator Frith: There is nothing at all before the house. That point of order might well be raised when the question of taking the report into consideration is put; but that question is not yet before the Senate. Your Honour has called for the tabling of reports of committees. A chairman of a committee has stood up. I do not understand why Your Honour wants to delay. I do not know how widespread is the support for this filibuster.

Some Hon. Senators: Oh, oh!

Senator Barootes: Withdraw!

Senator Phillips: Come on! We don't have to make comments that reflect on the speaker!

The Hon. the Speaker: Senator Frith, I must say that I did not appreciate that remark. I am trying to be as fair as I can. Senator Ottenheimer has raised a point of order, and, since I am not sure whether or not he has a point of order, I would like to study it. That is my privilege, and I do not think I should be impugned for taking that privilege.

Senator Phillips: Withdraw!

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I would like to make a few comments about the point of order. I think that Senator Ottenheimer is attempting to relate the progress of a piece of legislation—namely, Bill C-62—to a separate question, a question of privilege alleging that the privileges of a member of the Senate were somehow abridged during a committee meeting. Certainly it has been alleged many times, both in the House of Commons and here, that privileges of individual members have been abridged. Usually the Speaker adjudicates as to whether there is a *prima facie* case. If it is found that there is a *prima facie* case, it is open to the individual member or senator to put a motion. Ultimately the Senate or the House of Commons must decide whether, in fact, a breach of privilege has occurred. That is the procedure. It relates to a possible deprivation of rights or privileges of members of Parliament, and that procedure is now in process.

However, it has never been argued that the progress of a piece of legislation should be stopped or arrested until that question of privilege has been settled. The progress of legislation and the privileges of a member are separate questions. The legislation stands on its own feet and there is a procedure by which we deal with legislation. I have never heard of a member of the House of Commons or the Senate suggest, after his or her privileges were violated at, for example, second reading, that until such time as the Speaker has considered the question of privilege the legislation should not advance.

Senator Guay: Right on!

Senator MacEachen: That is a recipe for chaos, apart from the fact that it brings together two elements which logically and procedurally are separate. It is a separate procedure that deals with privilege and a separate procedure that deals with legislation. You cannot stop legislation simply by arguing that a member's privilege was affected as the legislation went through its various stages. That has never happened. To say tonight that we must stop the normal legislative process of Bill C-62 because a question of privilege has been raised by a member during the course of that legislative process is ludicrous. If that were the case, every bill could be arrested at every stage. You cannot have members rising and claiming that privileges have been abused and that the legislation cannot advance until the questions of privilege have been settled. They are two separate questions.

I would also like to urge another point. In my understanding of the rules, a point of order can only be raised when it is alleged that a proceeding that has taken place was improperly advanced. You cannot raise a point of order in a vacuum or pull one out of the atmosphere. You have to base it upon a proceeding that has been called, is before the House and upon which the member alleges an irregularity. At this point there is nothing irregular procedurally in the way Senator Buckwold has presented his report. It has been called by the Speaker from the Orders of the Day, and that is how legislation advances. How can we arrest that advancement and put it in the freezer while the Speaker contemplates whether or not the privileges of an individual senator have been abused? It seems to me that it is impossible even to adjudicate the question of privilege. How does one adjudicate upon a question of privilege before a committee when there is no transcript of what happened?

We have before us at least two separate versions of the events. It is a question of the credibility of those who have spoken, rather than an examination of the procedural sequence in the committee. However, that is a separate argument. My argument is that it would be quite unusual to attempt to link the normal progress of a bill—a bill that has received second reading, been referred to committee and the committee is about to present its report—to the suggestion that the process be stopped cold and frozen while a separate issue—namely, whether the privileges of a senator have been abridged—is examined. They are two separate procedures, both logically and procedurally, and cannot be linked.

I suggest that it would be very difficult to find that we have here a valid point of order. I think that it is very difficult to ask the Speaker to stop the process of legislation, which is conducted by fiat as laid down in the order paper, or to say that the Speaker can now say,if a question of privilege is raised during, for example, second reading, whether that legislation will advance before the question of privilege is settled. That is what is implied here, and that is the reason why I have risen on this occasion. It is an important point that is before us.

• (2130)

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I shall take just a moment of your time. This afternoon three questions of order arose, statements that have been made by honourable senators on this side without challenge by any other honourable senator as to whether or not they were factual. Whether those three matters of order should have been raised this afternoon, now or later, in my humble opinion, casts serious doubt on the validity of the process by which this report is coming to us from the Honourable Senator Buckwold. There are at least three such questions of order.

Senator MacEachen: May I ask: Is it not a fact that the points raised this afternoon were not points of order but points of privilege? They were not points of order. I did not hear anyone say there was a point of order; it was a point of privilege raised in a series of speeches.

Senator Ottenheimer is now raising a point of order which is a separate question, and the Leader of the Government is now asserting that what we had this afternoon were questions of order. I took them to be questions of privilege and so defined by the launcher who has described the process by which questions of privilege are dealt with, namely, culminating in a motion if a *prima facie* case is established. A question of order is not dealt with in that way. A question of order is settled either on the spot or somewhat later by the Speaker. It does not require a motion from the House.

I come back to the point that when the question of privilege was raised there was no proceeding before the House upon which an irregularity could be founded. This goes back to my point that you cannot pull a question of privilege out of the atmosphere; it has to be founded on a proceeding that develops in the House.

I apologize for making that point in the form of a statement, I really wanted to ask whether the honourable gentleman is now saying that we have questions of order and not questions of privilege.? We ought to know, because the solution will be different.

Senator Murray: I appreciate the point made by the Honourable Leader of the Opposition. I should, however, say two things en passant. First, not ten minutes ago we heard the Deputy Leader of the Opposition say that the questions of privilege and points of order raised this afternoon had been taken under advisement by the Chair. He mentioned points of order.

Senator Frith: I was quite wrong if I said that.

Senator Murray: The record will show that.

Senator Frith: They were not points of order, they were all points of privilege.

Senator Murray: My honourable friend just ten minutes ago took a different position.

Senator Frith: I did not take a different position.

Senator Murray: My honourable friend said that the Chair had taken under advisement the questions of privilege and the points of order that were made.

Senator Frith: I am flattered that that makes it so. Thank you for the compliment.

Senator Murray: Secondly, my friends and colleagues who rose on questions of privilege immediately this afternoon did so in conformity with the rule that states that questions of privilege should be raised at the first opportunity. Arguably they could have waited until an item was called on Orders of the Day, but they felt it necessary to conform with the rule that requires that questions of privilege be raised right off the top. Senator Macquarrie made reference to this rule in an earlier intervention.

As I have said, three matters of order came up this afternoon. Whether they should have come up this afternoon, or they should be on the floor now or later, I think it is useful for me to identify them. There were at least three points of order that I want to identify.

Senator Frith: Points of order?

Senator Murray: As I say, they cast serious doubt on the validity of the process by which a report may come to us from the chairman, Senator Buckwold, and the Standing Senate Committee on Banking, Trade and Commerce. Quite frankly, what they recount from the committee—and honourable senators who have recounted them have done so without challenge from the opposition—are three serious errors.

Hon. H.A. Olson: That is not right.

Senator Murray: My friends have not heard me identify them.

Hon. Raymond J. Perrault: You said, "without challenge."

Senator Molgat: There have been lots of challenges.

Senator Murray: Hear me out, senators. The statement was made this afternoon, not once but several times, that in the course of yesterday afternoon's committee an honourable senator, having put a motion, was permitted by the Chair to simply withdraw that motion and substitute another motion without the consent of the committee.

Senator Frith: Without unanimous consent. There was consent of the committee.

Senator Murray: There are rules. The honourable senator is still speaking for the majority of the committee, but the honourable senator knows what the rule is and he knows what the tradition is on matters of that kind.

Senator Frith: Not in committee.

[Senator Frith.]

Senator Murray: "Not in committee" my honourable friend says. Has my friend read the rule?

Senator Frith: Have you read the rule? The committee is master of its own proceedings.

Senator Murray: The committee cannot make rules that run counter to the *Rules of the Senate*.

Senator Frith: Yes it can. It can make decisions.

Senator Murray: My friend is speaking from a guilty conscience.

Some Hon. Senators: Hear, hear!

Senator Murray: My friend is a great stickler for the rules, but he knows perfectly well what the rule is in respect of withdrawing motions and substituting other motions.

Senator Frith: The only thing that I know perfectly well is that you are wrong.

Senator Murray: My friend knows perfectly well that the chairman of the committee was in error in allowing that to happen.

Senator Frith: No, you are wrong.

Senator Murray: In any case, honourable senators, there has been no contesting of the fact that this happened—that Senator Frith was permitted by the Chair, and without leave of the committee, to withdraw a motion that he had already proposed, and to substitute another motion.

Senator Olson: Wrong.

Senator Murray: No one has contested it.

Senator Perrault: What do you mean?

Senator Murray: The second matter which came up was a question of whether, when a senator—again in this case, Senator Frith—moved the previous question, the Chairman decreed "the motion is not debatable." There again, I respectfully submit, and I think the rules will bear me out, that this was an error on the part of the chairman. He insisted that the motion was not debatable and we know that such a motion is debatable.

Senator Frith: Wrong. In the Senate, yes.

Senator Murray: We know that the motion is debatable and that it would definitely require leave in the committee to allow this to happen.

Senator Frith: The rule is that we settle these things in committee, not in the Senate.

Senator Murray: My honourable friend is agreeing that it is a question of order, that it is a matter of order that we are now discussing.

Senator Frith: Not here. It is out of order here. It is clear from the citations that it is out of order.

Senator Murray: Thirdly—and this is the most serious matter of order—we were told several times this afternoon about the refusal of the chairman to allow the bill to be

considered clause by clause. The authorities are very clear on that. The authorities are very clear as to what is the function of the committee. The function of the committee is precisely to go through a bill clause by clause. I have been chairman of a committee. I was once chairman of the Standing Senate Committee on Banking, Trade and Commerce, and many pieces of legislation came before us. The only time that we made an exception to the rule that the committee must go through the bill clause by clause was when there was unanimous agreement of the committee to dispense with that requirement.

Hon. Senators: Hear, hear!

Senator Murray: I again say to the honourable chairman of the committee that it was a grievous error on his part to refuse the legitimate request of any one senator, let alone a group of senators, that the committee proceed to its proper function, that it carry out the responsibility that the rules entrust to a committee studying legislation, and that it go through the bill clause by clause.

So, honourable senators, those are the three points. I draw your attention, and particularly the attention of His Honour, to the third point, namely, the refusal to consider the bill clause by clause. This, it seems to me, along with the other points I have raised, casts into serious question the validity of the process by which a report may be coming to us from the Standing Senate Committee on Banking, Trade and Commerce. I hear what the honourable the Leader of the Opposition has said about the proper time to make these arguments here, but, as I say, whether it was this afternoon, or now or later, these are valid questions of order.

Senator Frith: They are not.

Senator Murray: And they throw into question the validity of the process that honourable Senator Buckwold and his colleagues were engaged in yesterday.

Senator Buckwold: Honourable senators, I have the honour to present the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commerce with respect to its examination of Bill C-62.

Senator Barootes: We must have a ruling!

The Hon. the Speaker: I think I made it clear to the house that I would like to take this under advisement. I am getting all kinds of arguments which I would like to study early tomorrow morning and give a ruling tomorrow.

Senator Frith: Why not tonight?

Senator MacEachen: Your Honour, I would take it, if I may understand the situation here, that Senator Ottenheimer, supported by Senator Murray, has raised a point of order alleging that the committee report cannot be advanced, and that if you accepted that point of order you would not permit the report to be received. Are we also expecting that the point of order, if settled affirmatively from Senator Ottenheimer's point of view, also carries with it a judgment on the question of privilege? I think that would be an unfortunate linking. I take it that you are asking for some time to deal with the point of order and that you will provide a solution, if you find in Senator Ottenheimer's favour. I have made my argument against the point of order. I do not think we should wait until tomorrow to receive the ruling on the point of order.

Senator Perrault: Hear, hear!

Senator MacEachen: We are quite prepared to give you an opportunity to rule tonight, and we would be considerate in an adjournment period, because I think it is important to settle, and for the country to know, whether the report of the Standing Senate Committee on Banking, Trade and Commerce is not now to be received, at the insistence of the government.

The Hon. the Speaker: Do I take it, then, that honourable senators would like to recess?

Some Hon. Senators: Agreed!

Some Hon. Senators: No, no!

Senator Guay: Fifteen minutes!

Senator Cools: Fifteen minutes!

Senator Frith: Your Honour does not need a vote on that. You decide. We are asking you to have a recess to make the ruling. You make the decision.

Some Hon. Senators: Agreed.

Senator Murray: Well, I will take 60 seconds, if I may. There are questions of privilege before the Chair. He has already heard the questions of order that I have identified. I presume that more than one ruling will be forthcoming on these matters.

Senator Molgat: Not necessarily.

Senator Murray: If they are not, then we still have the points of order that I have identified, and on which the Leader of the Opposition and other senators have not commented.

Senator Phillips: Honourable senators, I was rather amazed to hear the Deputy Leader of the Opposition say to the Chair, "You can have a 15-minute recess."

Senator Frith: I did not say that. I did not say that.

Senator Phillips: I hope the Chair is not influenced by that.

Senator Frith: I am amazed to hear you say that, because I did not say that. I did not say "15 minutes". You are wrong, absolutely wrong.

Senator Perrault: Totally wrong.

Senator Phillips: Read the "blues" and see what you said.

Senator Frith: I said it was up to the Speaker to decide to have a recess and how long it would be.

Senator Phillips: Read the "blues", senator.

Senator Frith: There are no "blues" involved in it. I did not say it.

Senator Phillips: I hope the Chair will not be influenced by any direction from the Senate. The Chair is supposed to make the decision, and I hope the Chair will take the time—

Senator Frith: That is what I said, exactly. That is right.

Senator Phillips: —required to do it. It does not have to be today. It does not even have to be tomorrow. With great respect, I say to Your Honour, do not be influenced by directions from the other side.

Senator Frith: Or from that side.

Senator Phillips: Or from this side; I will agree with you on that. You should make the decision, Your Honour, and forget all the direction.

Senator MacEachen: Honourable senators, just one further word so that we will understand what is now before the Senate and before His Honour. I understood that this afternoon there was a series of questions of privilege raised originally by Senator Ottenheimer. In the course of his several remarks he outlined the resolution of questions of privilege, if a *prima facie* case were established or found in the Speaker's mind. That is one subject. Next we have a question of privilege from Senator Ottenheimer, which is very finely based, namely that Bill C-62 cannot be advanced further from the point of order and that the report cannot be received until a separate question of privilege is not only established by the *prima facie* case but also a subsequent debate settled by the house. In other words, all of that emerges from his point of order. I have argued that point. Senator Murray raises a separate point of order, a third case, referring to alleged improper rulings made by the Chair in the Standing Committee on Banking, Trade and Commerce.

Senator Murray: And appeals refused.

● (2150)

Senator MacEachen: He has asked Your Honour to adjudicate upon proceedings in the committee.

Senator Frith: The precedents say he cannot.

Senator MacEachen: It is on that point that I want to repeat what Senator Frith has said: It is not open to the Speaker of the main chamber to adjudicate events in committees. Speakers of the House of Commons have consistently said that the committees are the masters of their own proceedings. If there are mistakes made in the committees, so be it. That is up to the committee. I draw that to your attention in your consideration of the points of order and privilege. My understanding was that you would deal with the point of order raised by Senator Ottenheimer with respect to whether the resolution of the question of privilege was necessary before Bill C-62 could be advanced. That is all I would ask you to rule upon tonight. I would prefer it be done tonight. If Your Honour feels uncomfortable about that, we certainly would not press.

The Hon. the Speaker: As I said earlier, honourable senators, I would feel more comfortable if I could study this issue and rule on it tomorrow.

Senator Molgat: Honourable senators, before we leave this point, I must say that I disagree. I think that the matter of the point of order—strictly the point of order—raised by Senator Ottenheimer is a simple one and can be settled tonight. I can understand Your Honour wanting to spend some time on the points of privilege that were raised this afternoon, when you would have an opportunity to read the transcripts; but the point of order raised by Senator Ottenheimer is a direct, simple point of order: Can you prevent the forward movement of a piece of legislation by raising a point of order or a point of privilege? That is a simple question, not an involved one, and I do not believe it requires 24 hours' consideration.

Senator Ottenheimer: Honourable senators, with respect to the point made by Honourable Senator Molgat, while I realize that he is the Speaker *pro tempore*, the senator in the Chair is the presiding Speaker. Although I do not have his exact words, His Honour has said something to the effect that he would feel more comfortable, or that it would be more appropriate for him to give his decision on that point of order tomorrow. It appears to me to be most inappropriate for any honourable senator, certainly the Speaker *pro tempore*, to criticize his decision. Surely, as a presiding officer of the Senate, he has stated that he wishes to give his decision tomorrow, and that should be that.

[*Translation*]

NATIONAL FINANCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE THE SUBJECT MATTER OF AN ACT TO AMEND THE INCOME TAX ACT AND RELATED ACTS

Hon. Fernand-E. Leblanc (Saurel): Honourable senators, I give notice that on Wedneday next, September 26, 1990, I will move:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the subject matter of *An Act to amend the Income Tax Act and related Acts*, S.C. 1990, c. 35, and the regulations made pursuant thereto.

[*English*]

QUESTION PERIOD

THE HONOURABLE PAT CARNEY

REQUEST FOR APOLOGY FOR ALLEGED INSULT TO ITALIAN COMMUNITY—GOVERNMENT POSITION

Hon. Peter Bosa: Honourable senators, I have a question for the Leader of the Government in the Senate. A CTV news reporter had asked Senator Carney at her Vancouver home why she did not attend the swearing in ceremony of newly appointed Tory senators in Ottawa. She responded:

> (I) wasn't going to drop everything to stand around with people from the Italian community while they learn where the Parliamentary bathroom is.

This uncalled for and undignified comment has outraged the Italian community. I am asking the Leader if he would ask Senator Carney to make a formal apology to Senator Con Di Nino, his mother, his wife and a couple of relatives who were

present—a handful of people altogether. If she does not agree to do that, I wonder if the Leader himself would make such a formal apology to Senator Con Di Nino and to the Italian community to show that the Conservative Party is not tainted with the same type of racial prejudice.

Hon. Patricia Carney: Honourable senators, the allegation is completely unfounded, without truth, and should not have been raised in this house in this manner without any basis of support.

An. Hon. Senator: It is in the paper!

Senator Bosa: Honourable senators, I do not see why Senator Carney is allowed to respond to this question when she is not the chairman of a committee. Questions posed during Question Period can only by answered by the Leader or by committee chairmen. I am again asking the Leader this question. The reporter who interviewed Senator Carney stated that the report, as it appeared in the media, is correct, and he stands by the notes he took when he posed that question to Senator Carney. I again ask the Leader! Will he ask Senator Carney to apologize to Senator Con Di Nino and his relatives, and will he apologize to the Italian community, for this undignified and outrageous comment?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I do not know who this reporter is, or was, or what he said about his report. I just heard our colleague, Senator Carney, advise my honourable friend and others that there is no basis whatsoever for the allegation. Whatever Senator Bosa may think of the reporter, our rules and traditions require that he accept the word of his colleague Senator Carney. I am surprised, having heard her make a statement as an honourable senator, that he would persist in his questioning of me on the matter. She made her statement about the matter and there it rests.

Senator Bosa: The reporter in question is Mark Shneider, and he attests that this quotation is correct and was reported precisely as Senator Carney stated it. So I am again asking the Leader: Will he apologize to Senator Con Di Nino and his relatives, and to the Italian community as a whole, before the Conservative Party is tainted with the same type of racial prejudice?

Senator Roblin: It is based on a lie!

Senator Murray: My honourable friend is not usually so unreasonable. His obligation, I remind him as a member of this place, is to accept the word of our colleague—not to accept the word of Mark Shneider, or some other journalist. His obligation is to accept the word of our colleague.

● (2200)

I did not rise immediately because I saw that Senator Carney wished to rise in order to make a personal statement in response to the allegation which has now been placed on the record by Senator Bosa and repeated twice. But however many times he repeats this quotation, this article, or whatever it is, the fact remains that Senator Carney has told him and her colleagues, from her place in the Senate, that there is no basis whatever to this allegation. The matter, therefore, is closed.

Senator Bosa: Perhaps the Leader would ask Senator Carney to explain her version of this case so that he can report to us how these things happened. She mentioned the name of the Italian community and the bathroom. The Italian community does not need anyone to show them where the bathrooms are. The Italians discovered this continent!

Senator Carney: Honourable senators, on a point of privilege, because the honourable senator has impugned my honesty on this matter, senators might be interested to know that the television station that employs Mr. Shneider's lawyers advised them that they could not use that information because there was no basis for it. The item was killed by the lawyers because there was no transcript and the television station's lawyers felt that there was insufficient evidence to run it. The allegation ran only because a Liberal colleague repeated the allegation in a public way, which gave the media an excuse to run it. However, the television lawyers felt that there was no basis for the allegation and therefore it could not proceed at that point. I think that helps reinforce my point that this allegation is in itself very damaging. The allegation alleged by the honourable senator has no basis in fact, and continuing to recycle this allegation is harmful.

Hon. Raymond J. Perrault: Honourable senators, I rise on a point of privilege. References were made to some Liberal colleague who incited the press to carry this story. It is unfair to Liberal colleagues, but, without naming names, no Liberal colleague was associated with any such story.

Senator Carney: If Senator Perrault read the paper, he would identify a colleague not in this house but in the other house. He repeated the allegation in a public way and therefore it was repeated in the media. I think I will not permit the matter to end there. People should not be able to make these kinds of allegations without being able to show that there was validity for them, and in this case legal council decided that there was no validity for the accusation.

Hon. Royce Frith (Deputy Leader of the Opposition): Did you make a statement or not? We have to accept it if you tell us that you made a statement, but you have not made a statement.

Senator Carney: Yes, I did make a statement.

MONETARY POLICY

EFFECT OF CONFISCATORY INTEREST RATES ON ALBERTA

Hon. H.A. Olson: Honourable senators, I realize the hour is late and I will be as brief as I can. I gave an undertaking to a lot of concerned Canadians in my region that I would ask this question of the Leader of the Government at the very first opportunity, and that is now.

I can tell him that there have been many difficulties since we last met in May involving many important things such as armed forces commitments and so on. But I want to tell him

this, too: Government policy is causing the greatest hardship and the greatest distress to the Canadians in my part of the country, I refer to the monetary policy and the consequent interest rates that are being compounded as a result of this. Interest rates may have started to come down. The prime rate has come down 1 per cent from 14.75 to 13.75 per cent. The difference between the Canadian prime rate and the American prime rate is still about 500 basis points.

I would simply like to ask the Leader of the Government this question: Now that the policy initiated by the government has initiated a recession across this country, can the minister tell us what they are going to do to give us some relief from these interest rates?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, without engaging in a debate, I think I should point out that the slower rate of economic growth in the country that was foreseen—indeed it was predicted by Finance Minister Wilson in his last budget—meant that we could not have sustained for long the unprecedented period of expansion that the Canadian economy had undergone. Secondly, I think I should remind the honourable senator that the economic and fiscal policies of the government are working.

Senator Olson: You wanted a recession.

Senator Murray: No, no; the objective of those policies was to contain inflation. My honourable friend is wrong about that. He should at least wait until the statistics from the present quarter have come in.

It is true that the economy has slowed down. That is to be expected. It was foreseen; it was predicted. But the important thing is that the goal of containing inflation is being achieved. The rate of inflation is heading down to 4 per cent annually.

I would have thought that that would be good news to my honourable friend and all of his friends in western Canada.

The third point I wanted to emphasize to my honourable friend is that the bank rate, in consequence, has been coming down week by week for 10 or 12 weeks. My honourable friend is concerned that it is gradual, but the trend is in the right direction. I would have thought that the honourable senator would have had some satisfaction with the trend and some contrition for the wild and irresponsible statements that he made in this place last spring about the direction the Canadian economy was taking.

Senator Olson: Honourable senators, I will respect the hour; it is late, but I can tell the honourable senators that I am going to order a couple of thousand copies of today's *Hansard* and distribute them to the people whom the minister has said have deliberately caused this kind of hardship. I will pursue this question another day.

[Senator Olson.]

GULF CRISIS

REQUEST FOR TABLING OF ORDER IN COUNCIL DEPLOYING CANADIAN TROOPS IN RESPONSE TO IRAQI AGGRESSION

Hon. Jerahmiel S. Grafstein: Honourable senators, I would ask the Leader of the Government in the Senate, since we are all concerned with parliamentary tradition and parliamentary practice, why he has failed to follow parliamentary practice today by not tabling the order in council dated September 15 that was tabled in the House of Commons yesterday.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): To what does the order in council refer?

Senator Grafstein: I am referring to the *Hansard* of the other place at page 13218.

• (2210)

It is a statement by the Honourable Bill McKnight, Minister of National Defence, which states:

> Mr. Speaker, it gives me pleasure to table PC 1990-1995 dated September 15, 1990, an Order in Council, deploying Canadian troops in response to Iraqi aggression.

Senator Murray: Honourable senators, I thought that document might have been among the many tabled earlier tonight by my friend the Deputy Leader of the Government.

Senator Grafstein: I have examined that and it is not there.

Senator Murray: If it is not there, there is no difficulty in obtaining a copy and tabling it tomorrow.

Hon. H.A. Olson: Is there going to be a discussion in this chamber about that?

Senator Murray: Honourable senators, as a matter of fact there have been some preliminary discussions in the usual channels, if I may put it that way.

Senator Grafstein: On traditional practice? The parliamentary practice?

Senator Murray: Will my honourable friend resume his seat. He asked a question and I am attempting to reply. There was also a second question from his colleague, Senator Olson, as to whether we were going to have a discussion in this chamber about the dispatch of troops and the response of the Government of Canada to the Gulf crisis.

In answer to Senator Olson's question, there have been some preliminary discussions through the usual channels concerning the possibility of such a debate. We would welcome one. Before long I would be happy to bring in a resolution, or have one of my colleagues do so, to provide the opportunity for such a debate.

Senator Grafstein: I say to the Leader of the Government in the Senate that we have been lectured today about parliamentary tradition and democratic practice. This democratic practice is as intense as any practice in the parliamentary world. When a parliament of a democratic country deals with issues of war and peace it is incumbent upon the government to

convene Parliament, which includes the Senate, at the earliest possible opportunity and bring the order in council forward and make a statement in order that the Senate, as well as the House of Commons, can deal with this issue. The government has not done that tonight. That is a breach of parliamentary tradition, and it is not satisfactory. Aside from what internal discussions take place, I hope that tomorrow the minister will table that order in council so that members on all sides may have an opportunity to deal with this sacred parliamentary tradition.

Senator Murray: The honourable senator talks about sacred parliamentary tradition. At the appropriate time we can debate the response of the Canadian government to the Gulf crisis, what the decisions were, when they were taken, when the order in council was passed, when Parliament was convened, and how the whole process was in complete conformity with the spirit and letter of the law and of our parliamentary traditions. We can and will have a debate on that.

I am sorry that the document to which my friend refers was not included in the documents that the Deputy Leader of the Government tabled earlier. However, as I told him, we will obtain it and bring it in tomorrow. Very soon we will give notice of a motion to provide an opportunity to debate the whole question. We will invite all of our honourable friends opposite to state the position of the Liberal Party on this matter.

Senator Grafstein: I would like to bring to the attention of the Leader of the Government the tradition of recalling Parliament at the earliest opportunity when war or war-like actions take place that might involve the nation and requires the Government of Canada to deal with the matter at the earliest possible moment. It is not a matter for debate, or of delay. It is a matter of primary importance. There are Canadians who are now approaching a war zone, and this chamber has not had an opportunity to deal with that particular issue in any way, shape or form. While we deal with issues of taxation, which are important, surely the lives of Canadians and the issues of war and peace are more important.

THE ECONOMY

EFFECT OF FREE TRADE AGREEMENT ON CANADIAN EMPLOYMENT—REQUEST FOR UPDATE

Hon. Raymond J. Perrault: Honourable senators, the Leader of the Government stated that the government's economic game plan is working. That is more than can be said for the 160,000 industrial workers who have lost their jobs since the inception of the Free Trade Agreement with the United States. Those were 160,000 well paying industrial jobs, and the source of that information is Statistics Canada. There have been 50 per cent more bankruptcies last month than one year ago. There have been 30,000 bankruptcies.

Senator Haidasz: 78 per cent in Ontario.

Senator Perrault: Is this the economic game plan which is working? I am sure the Leader of the Government might have described the sinking of the Titanic as a navigational triumph. The fact is that you guys have hit the iceberg and you are completely out of touch with what is going on in this country. We are waiting for some good news from the Free Trade Agreement which was supported by so many of the senators in this chamber. Bring us some good news. Tell us why that parts manufacturing company in Toronto is going down south, along with the other companies that have left in the past 12 months. We want a report. We do not want some vague statement that the game plan is working.

A simple question: Do you think the trend is going to continue, or can we see some light at the end of the tunnel?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, my friend and I had an exchange of this kind during the spring on this very matter. I invited him at that time, and I invite him again, to put down a Notice of Inquiry so that we can have a properly organized and coherent debate on the whole subject of job creation, investment in Canada, and the Free Trade Agreement. He may also wish to discuss our intention of joining tri-lateral discussions between the United States, Mexico and Canada on the question of free trade among the three countries.

Senator Perrault: Those companies will keep on going down to Mexico.

Senator Murray: My honourable friend will have an opportunity to debate that, as I say, in a more coherent manner than is possible during the Oral Question Period.

However, I should point out to the honourable senator that if he looks at the unemployment rate in this country he will find that it is below the unemployment rate that existed during much of the 1980s when his own government was in power.

The last time that my friend made those statements about free trade, the jobs it was costing and the companies that had left, I came in here with a whole list of companies, many of them in his own province of British Columbia. On the authority of the people who are making the investments, they would not have been made without the Canada-U.S. Free Trade Agreement. The documentation that I brought to this place was so impressive that it struck the honourable senator dumb.

Senator Perrault: I am sure that the information he gathered together from his various sources may have impressed the Leader of the Government in the Senate. As I recall, the list was shockingly and pitifully short. I will be pleased to place an inquiry on the order paper, because we are going to find out whether it is working for the good of Canadian men and women in the industrial sector.

GULF CRISIS

EMBARGO ON SHIPMENT TO IRAQ—EFFECT ON CANADIAN WHEAT SALES—GOVERNMENT POSITION

Hon. Gildas L. Molgat: My question is to the Leader of the Government in the Senate and it is also on the Gulf crisis; but it is of a slightly different order. I do not expect an answer

tonight, but I hope the government leader can get it for us soon. As I am sure the minister is aware, the embargo on shipments to Iraq has a very particular regional impact in Canada.

Iraq was the fourth largest purchaser of Canadian wheat, the sixth largest purchaser of Canadian barley. With this cut-off it has an adverse impact on western Canada in particular. I do not quarrel with the decision. However, it is a Canadian decision in conjunction with other countries which has an adverse regional impact. Has the government any plans to correct that impact or arrange for some measure of aid to the particular region affected because of the national decision which affects western Canada?

• (2220)

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I think I will take my friend's advice and accept that question as notice.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR RESOLUTION OF IMPASSE IN SENATE ON THIRD READING OF BILL C-21

Hon. Jean-Maurice Simard: Honourable senators, I have a question for the Leader of the Government in the Senate. I would like to put my question directly to my colleagues opposite but it is customary to direct this kind of question to the Leader of the Government in the Senate.

Can the Leader of the Government in the Senate advise us, confirm or tell us whether there have been exchanges between his government team in the Senate and the leaders on the other side with a view to putting an end to and resolving the deadlock concerning bill C-21 on the unemployment insurance reform?

I have no problem accepting and listening to the type of questions dealing with the Persian gulf crisis. Honourable senators, I can tell you that in the Maritime Provinces and in New Brunswick in particular there is a crisis, a real crisis due to the refusal of the Liberal majority in the Senate to pass bill C-21. The Premier of New Brunswick has raised the issue on several occasions and his Cabinet colleagues did the same thing—

Senator Lefebvre: Is that your question, Senator Simard?

Senator Simard: Yes, that is my question, Senator Lefebvre, you would rather talk about the crisis elsewhere, but I prefer talking about the crisis back home. Honourable senator, could you give us some indications which might lead us to believe there might be an understanding and a solution concerning this problem, just so we might tell the people who have no money and worse still those whose number of weeks is not enough for them to be entitled to benefits that there may be so hope? That is my question.

I think that to put an end to all this the Liberal majority told us today that September 25 is a magic date to pass a bill here in the Senate, to refuse or accept the report on an urgent bill which we want to be in force by January 1.

[Senator Molgat.]

For a year now we have had in this chamber a bill which will have a considerable impact on the current situation and which would enable us to provide better training for our workers, and also a bill which is very important in terms of our economic and fiscal agenda and the economic recovery of Canada.

Hon. Lowell Murray (Leader of the Government in the Senate and Minister of State (Federal-Provincial Relations)): Honourable senators, I fully share the views of my friend, Senator Simard, that the deadlock concerning Bill C-21 should not last for ever. After all, the stakes are considerable for the unemployed, for pregnant women, and for the men and women who want to take advantage of the training programs provided under the bill.

I must say that in recent days I did have discussions about this with one of the premiers. Of course he wants us to pass Bill C-21 at the earliest opportunity.

As to the discussions between the government and members of the opposition, I know there have been unofficial contacts but I remain confident that before long it will be possible to proceed with the debate and, I hope, have the bill approved by this chamber.

VARIABLE ELIGIBILITY REQUIREMENTS

POSSIBILITY OF INTRODUCING A BILL IN THE HOUSE OF COMMONS

Hon. L. Norbert Thériault: Honourable senators, I have a question for the leader of the government in the Senate regarding Bill C-21.

Is the government planning to introduce in the House of Commons a bill to give back to the unemployment program the generosity it was always intended to have?

Hon. Lowell Murray (Leader of the Government and Minister of State (Federal-Provincial Relations)): Honourable senators, my friend is referring, if I am not mistaken, to the variable eligibility requirements.

There are other elements of Bill C-21 which are of considerable importance, not only to the unemployed but also to all workers who wish to benefit from maternity leave, retraining programs and education programs.

That piece of legislation contains many provisions of great importance for all workers in this country. The best would be for the bill to be passed by this House as soon as possible so that it can receive royal assent.

Senator Thériault: Honourable senators, I agree with the leader of the government that Bill C-21 has some merits.

I cannot speak for the Liberal Party, but, for my part, I would gladly support a bill in which the government would restore the eligibility requirements as they were before Bill C-21 was introduced.

[*English*]

ENERGY

SCOTIA SYNFUELS PROJECT

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I would like to put a question to the Leader of the Government which I first asked on May 17 and to which an answer was given on June 19. It had to do with a decision of the government on the tax credit requested for the development of the Scotia Synfuels Project.

The Leader of the Government said that he would look into the matter. Subsequently Senator Doody replied saying that the government house leader had been advised that the review process is ongoing, namely, a review of the tax and fiscal implications to be conducted in the Department of Finance and other departments. That is what was said on June 19.

I wonder if it is now possible for the Leader of the Government to tell me whether that review process has been completed and whether a favourable decision with respect to the tax credit for the Scotia Synfuels Project has been reached.

Hon. Lowell Murray (Leader of the Government and Minister of State (Federal-Provincial Relations)): Honourable senators, I am not as up to date on the matter as I should be. I shall inform myself shortly and report to the Senate.

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): I would venture to risk asking permission of the Senate to have all remaining orders, motions and inquiries stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, September 26, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received a certificate from the Registrar General of Canada showing that John Trevor Eyton has been summoned to the Senate.

INTRODUCTION

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and was seated:

Hon. John Trevor Eyton, of Caledon, Ontario, introduced between Hon. Lowell Murray, P.C., and Hon. Norman K. Atkins.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867 in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

THE LATE RIGHT HONOURABLE LESTER B. PEARSON

TRIBUTES ON UNVEILING OF STATUE ON PARLIAMENT HILL

Hon. Heath Macquarrie: Honourable senators, I am honoured to have been asked by my party to draw the attention of this chamber to an auspicious event today, namely, the unveiling of a statue on Parliament Hill in memory of a great statesman and Prime Minister, the late Right Honourable Lester B. Pearson. The event will take place at about 3.30 this afternoon. I believe discussions are taking place between the heads of our parties in reference to a recess by means of which we may pay tribute to this great man.

I could have prepared an elaborate and flowery statement for this occasion, but having known Mr. Pearson. and recalling how he disliked cant and the grand eloquent disquisition, I decided that I would make one of my unvarnished utterances as we regard a man who was clearly our greatest internationalist and, indeed, our first international Prime Minister, winner of the Nobel Peace Prize, and one who honoured Canada as he honoured peace and supported negotiation and conciliation. I did not get to the United Nations until 1957, when I had the honour to represent my country. Everywhere in that assembly, when I was introduced as a Canadian, the name of Lester Pearson came up. In later years as I travelled abroad leaders of lands which I visited would ask me to convey greetings to Mike Pearson.

We have not been long as a nation in the field of international affairs, because for quite awhile our international affairs were conducted by the mother country. Sir Robert Borden, I believe, was the first one to move us into concerns for the world beyond our borders, but in his successor, Mr. Pearson, we illumined and illuminated the international scene.

I, however, think of Mr. Pearson, not so much for the great achievements, but for the man he was. I have always thought that the best that can be said about a person is that, "they take their duties seriously, but not themselves too seriously", and that again is the kind of man he was. Mr. Pearson was self-effacing and capable of turning a joke upon himself. When I think of him—and I think of him often—I recall to mind my own favourite leader, Robert Stanfield, who had the same qualities. I remember an incident when these two were leading their respective parties in the House of Commons. Mr. Pearson, with his usual grace, had invited Robert Stanfield to 24 Sussex Drive for a luncheon. Mr. Stanfield, who was a very good gardener, wanted to see the lawn and gardens. At one stage he looked at a shrub and he asked the Prime Minister, "Well, now, when it reaches this stage, do you transplant or cut back?" Mr. Pearson, who was not a great gardener said, "At that stage I phone the National Capital Commission." That is the kind of man I recall, a person of great personal kindnesses. Had he lived longer, he would have been the great elder statesman of the country, but he was taken from us too soon.

However, his legacy will be with us forever, and I am honoured that I had the opportunity of representing the Senate in the arrangements made to honour his memory by erecting a statue in recognition of his services. Even the statue, which was chosen by his family, reflects a man of greatness and a man of modesty; a man of whom it might be said, in the words of Kipling, that he was one of those who walked with kings but did not lose the common touch.

I am proud to be part of celebrating a great Canadian and a highly regarded internationalist, our own Lester B. Pearson.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I would like to express my appreciation to Senator Macquarrie for beginning this set of tributes to the late Right Honourable L. B. Pearson and to thank him for the generous description he has given of Mr. Pearson's contribution to Canadian public life.

His name, as Senator Macquarrie has stated, is linked very closely—indeed, almost inseparably—to Canadian foreign policy to the extent that Pearsonian diplomacy, as it has been called, still continues as the integral style of Canadian foreign policy and diplomacy despite reviews of foreign policy and sporadic efforts to find a new and more original approach. I believe Senator Macquarrie would agree that his insistence on a unique role for a middle power, his reliance upon multilateral institutions particularly to attain Canadian objectives, is still a cornerstone of Canadian foreign policy.

Mr. Pearson was more than a diplomat; he was a politician and a parliamentarian. We all know the Honourable Paul Martin, who was a close colleague of Mr. Pearson in cabinet, at university and in private life. Mr. Martin used to say, "Everybody thinks Mike is the scholar and I am the politician; but the fact is that I am the scholar and Mike is the real politician." He proved to be an excellent politician in the management of his party and in surviving what must have been the most tumultuous period in Canadian parliamentary history. It was his duty to preside over two minority governments. He never had a majority—a majority eluded him. But it is still a truism that despite his minority status he achieved considerable legislative success and when one takes away the undoubted acrimony that prevailed between Mr. Pearson and Mr. Diefenbaker in those years, there is still a solid record of accomplishment, including, in addition to foreign policy, some new probes into domestic policy.

Certainly Mr. Pearson was alive to the changing scene in Quebec and in those years he was advised very closely on constitutional questions by a person who later became a member of the Senate, the Honourable Maurice Lamontagne. He was, in a sense, Mr. Pearson's Quebec constitutional advisor. In that period, the question of regional development as a major thrust of public policy was in its infancy and he spoke quite frequently in those years about the necessity of new regional development policies.

• (1410)

In any event, I will not go any further in reviewing his career except to say that, in addition to his status as a Prime Minister and a statesman, I could call him a close personal friend. I knew him very well indeed and spent hours in his company on various occasions. When he was Leader of the Opposition, he had, as we all know, a summer home in the Gatineau and he used to play at the Larrimac course. I used to play with him, and only an observer could know who was least qualified to be on the golf course. I made one mistake: At one time I had a better score on that course than he did; and I certainly never permitted it to happen again, because his irritation was evident.

He was a gentleman full of humour and wisdom, and, as Senator Macquarrie has said, not at all pompous; he was friendly to everyone. He had, in a sense, a disarming style with every individual he met. So it is a glimpse into the past to be reminded today that we are unveiling a memorial to his memory.

As we gather to have the unveiling conducted, flying over the Parliament building will be the Canadian flag, for which Mr. Pearson fought so courageously at a time when not everyone in Canada felt it was appropriate to have a distinctive Canadian flag. Now it is accepted everywhere and we are proud to have it. I think that he would be proud to see that the flag is now a source of unity for all Canadians.

Hon. Senators: Hear, hear!

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—POINT OF ORDER—SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, last night I was asked by Senator Ottenheimer to rule on a point of order respecting the relationship between the questions of privilege which had been raised earlier in the day and the presentation of the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commerce.

[*Translation*]

Senator Ottenheimer described his Point of Order as follows:

> ". . . if the ruling is that there is a prima facie case and therefore a motion can be made, the whole thrust of the Point of Privilege is that the report which Senator Buckwold wishes to table, its presentation and deliberation by the Committee and everything surrounding it in the Committee (it getting to this place in this manner and in this way) is tainted, nul and void or vitiated ab initio. I do not intend to try to characterize it. If it were tabled now, there is no remedy because a document resulting from contempt of Parliament or breach of privilege has received the authorization or sanction of resumption in this body."

[*English*]

The Chair does not intend to rule today on the numerous questions of privilege raised earlier in yesterday's sitting. It appears, however, that many of the points raised touched on allegations of possible contempt of the Senate and disregard of its rules by the chairman of the Banking Committee or the committee itself. Since the Chair has not had time to review the printed copy of yesterday's *Hansard*, I will reserve my ruling on these questions of privilege.

If a contempt of the Senate has occurred, the Senate is free to take certain actions to deal with it. However, it does not appear feasible to the Chair that we can turn back the clock and prevent the presentation of a committee report on the grounds that a question of privilege regarding the breaking of the rules in a committee is pending.

For this reason, I must rule that Senator Ottenheimer does not have a valid point of order.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Jacques Hébert: Honourable senators, I have the honour to present a petition signed by 250 residents of the Noelville region, Ontario, who object to the Goods and Services Tax bill.

[*Translation*]

Honourable senators, I have the honour to present a petition signed by 623 residents of the Province of Quebec who object to the Goods and Services Tax Bill.

[*English*]

Honourable senators, I have the honour to present a petition signed by 225 residents of the province of Ontario who object to the Goods and Services Tax bill.

[*Translation*]

Honourable senators, I have the honour to present a petition signed by 180 residents of L'Ascension region, Quebec, who are asking the Senate to reject the Goods and Services Tax Bill.

[*English*]

Honourable senators, I have the honour to present a petition signed by 225 residents of the province of Ontario who object to the Goods and Services Tax bill.

[*Translation*]

Honourable senators, I have the honour to present a petition signed by 689 residents of the Montreal region who are asking the Senate to reject the Goods and Services Tax Bill.

[*English*]

Hon. Jean-Maurice Simard: Order! Order! You made your point!

[*Translation*]

I know that some senators, Senators Simard in particular, feel somewhat ill at ease when ordinary and under privileges people make their voices heard through petitions. It seems to be bothering them a lot but it shows how little respect they have for the basic purpose of our democratic institution which is to let ordinary people be heard. Thank you, honorable senators.

[The Hon. the Speaker.]

[*English*]

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE PRESENTED

Hon. Sidney L. Buckwold: Honourable senators, I have the honour to present the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce respecting its examination of Bill C-62, to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act.

● (1420)

POINT OF ORDER

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Before His Honour puts the question as to when the said report shall be taken into consideration, I have a brief point of order that I should like to leave with honourable senators. It is really the continuation of a dialogue in which the Leader of the Opposition and I engaged last evening.

I am aware that yesterday, in the course of discussion, a number of matters of order came up arising from proceedings of the committee. His Honour has just ruled that neither these nor the questions of privilege would be sufficient to stop the tabling of the report.

The tabling of the report has just taken place. The Leader of the Opposition and the Deputy Leader of the Opposition both argued yesterday and last night that these matters, including these matters of order, are procedural matters internal to the committee and that they must be resolved within the committee and not brought to the floor of the house. However that may be, there was and is at least one matter of order which is not internal to the committee. It is a matter which has to do with the relationship of the committee to this house and with the failure of the committee to carry out its mandate from the house. Therefore, it is for the Senate to deal with it.

It is a matter of fact, stated and repeated several times by honourable senators, and not contested by other members of the committee, that the Chairman, supported, I acknowledge, by a majority of the committee, had refused to proceed through a clause-by-clause consideration of the bill. Consequently a vital step in the legislative process was omitted.

Please permit me, again briefly, to place on the record the relative citation from *Beauchene*. It is found in *Beauchene's* Fifth Edition at citation 763:

> The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word

> by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable.

It is no accident that the phrase "making such amendments in it as may seem more likely to render it more generally unacceptable" is contained in the citation that I have just placed on the record.

Once a bill goes to committee, it has already received second reading, approval in principle, in the chamber. In the Twenty-first Edition of *Erskine May*, the foundation of citation 763 is found at page 486. In support of what I have just said, I will read one sentence:

> A committee is bound by the decision of the House, given on second reading, in favour of the principle of the bill, and should not, therefore, amend the bill in a manner destructive of its principle.

I readily acknowledge that there are many options open to a committee, and I will come to that in just a moment; but the fact of the matter is that in refusing to proceed to a clause-by-clause consideration of the bill, the committee has failed in its duty to the Senate, which is the body which created the committee, which committed the bill to the committee and which instructed the committee to examine the bill clause by clause.

This instruction to a committee is implicit in the authorities I have quoted. As I told the Senate last night, from my own experience as a member of committees, and indeed as chairman of the Standing Senate Committee on Banking, Trade and Commerce for several years, it is incumbent upon a chairman to ask the committee if the committee is ready to proceed to a clause-by-clause examination.

Senator Olson: The request was never made.

Senator Murray: That is not the evidence. My honourable friend states that the request was never made. The evidence presented yesterday by honourable senators on this side and never contested—and, as a matter of fact, acknowledged to be accurate by the chairman of the committee yesterday—was that they did ask for clause-by-clause examination. My friend, the Deputy Leader of the Government, states that he asked for clause-by-clause examination, but that the chairman of the committee—and supported, I presume, by the majority there—refused it.

I come back to what I began to say. In my experience as a chairman of that committee, and as a member of other committees, if only one honourable senator asks that the committee proceed with its duty of examining the bill clause by clause, then that must be done. I contend that to dispense with the requirement of proceeding clause by clause takes leave—in other words, it requires unanimous consent.

I said that I would be brief, and I will sit down in a moment. However, let me anticipate one of the arguments that may be raised by my friends opposite on this matter, and perhaps it will save honourable senators the necessity of hearing me a second time on the point of order.

Honourable senators may invoke rule 81 and allege that this rule relieves the committee of the obligation to examine the bill clause by clause. For your convenience, I will read rule 81 into the record. It states:

> 81. When a committee to which a bill has been referred considers that the bill should not be proceeded with further in the Senate, it shall so report to the Senate, stating its reasons. If the motion for the adoption of the report is carried, the bill shall not reappear on the Order Paper.

This demonstrates what I said a few moments ago, that there is an array of options open to the committee, including the option to reach the conclusion that the bill should not be proceeded with further. As I understand it, that option is open to the committee.

Senator Olson: That is what the committee exercises.

Senator Murray: But the committee must consider the bill first. It must consider the bill clause by clause. It is not sufficient for the committee simply to duplicate the debate on second reading, to duplicate the debate on the principle of the bill, and to declare that it has come to a different conclusion than the Senate had reached in its debate on second reading. That course is not open to the committee. If it comes to a conclusion that the bill should not be proceeded with, the committee must have had the opportunity to reach that conclusion on the basis of the way in which the clauses of the bill do or do not fulfil the legislative intent of the decision made by the Senate when it supported the bill in principle at second reading.

• (1430)

So, honourable senators, I must confess that I am not certain as to the remedy for this situation. I suspect the remedy may be to return the bill to committee for the purpose of clause-by-clause examination. There may be some other course open to us, but I do not know what that course might be, nor am I certain at this point whether the remedy lies within the hands of the Chair to decide, or whether it is a matter requiring action by the Speaker. These are matters that I place before honourable senators and before Your Honour. However, I have a valid point of order.

My valid point of order states that the committee has not carried out the instructions of the Senate. That is, it has not carried out its mandate from the Senate. As a first step, I am asking Your Honour to rule as soon as you can on my point of order. Furthermore, I am stating that senators should not be asked to decide when to debate the report, and certainly should not start to debate the report until you have ruled on this matter.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, Senator Murray has argued that the committee has not carried out the mandate given to it by the Senate. I take it that the mandate given to the committee is very general, namely, to study and report. In some cases the order paper states that the bill is "referred" to a standing committee. So the mandate is general indeed. Presumably the committee itself is permitted, in line with the arguments made

yesterday, to determine its own proceedings. That is my general point.

I wish to comment upon the argument made by Senator Murray that a detailed clause-by-clause study of a bill is standard practice and required in the Senate. I am newer to the Senate than Senator Murray, but one of the surprises I received when I arrived here was to discover that bills were adopted in committee without clause-by-clause study. I remember having an argument with our former colleague, Senator Hicks, and with Senator Frith wherein I asked, "Why do you not have a clause-by-clause study of a bill in the Senate?"

Hon. Efstathios William Barootes: You are right!

Senator MacEachen: They replied, "Well, that is not our practice all the time."

Senator Frith: Sometimes we do, sometimes we do not.

Senator Murray: You have the chairman to ask.

Senator MacEachen: Personally I believe that a perfectionist in parliamentary procedure would say that it requires detailed study. I rapidly add that that is not the perfectionist attitude that has prevailed in the Senate. I asked Senator Bonnell if the committee had a detailed clause-by-clause study of the drug bill. He said, "No." The title was carried, as were some amendments. However, no detailed clause-by-clause study was conducted.

I asked Senator Thériault about the UI bill. I asked him if a clause-by-clause study has been conducted. His answer was no.

Senator Phillips: You are not quoting very good authorities.

Senator MacEachen: I believe they are excellent authorities. They were present at the committee. They have stated that the practice is that a clause-by-clause study is not conducted in Senate committees all the time. Presumably, the committee decides whether it should have a clause-by-clause study or not. That is what I understand.

Given the practice, I do not think it is fair to pick out this committee and say, "You have failed in your duties." I do not think that is fair. I would agree if Senator Murray were to take a different tack and say, "In the future, let us insist that the clauses be called." If that is his view, then I agree with it.

Senator Murray: If any honourable senator wants.

Senator MacEachen: Let us not turn the clock back, as the Speaker has admonished us in his ruling.

Hon. Duff Roblin: Honourable senators, what we are engaged in this afternoon—-

Senator Frith: —is a filibuster!

Senator Roblin: —is a continuation of our discussion of the conduct of affairs of the Banking, Trade and Commerce Committee last Monday.

Senator Frith: In spite of the ruling.

Senator Roblin: I am about to make some comments on that, with particular reference to the point raised by my colleague, the Leader of the Government in this House. So far, I have been a bystander in this discussion. However, I do not think it can be safely alleged that the Senate can afford to remain indifferent to the conduct of one of its committees regardless of how strongly some may feel, such as Senator Frith and the Leader of the Opposition—

Senator Frith: And the Speaker.

Senator Roblin: —that the committee is empowered to do what it likes. What goes on in committees is indeed the business of the whole Senate. Some time, sooner or later, we will have to come to grips with the issues that have been raised in respect of the conduct of the committee.

Senator Perrault: You should have come to the meetings.

Senator Roblin: If my honourable friend would restrain himself for a while and allow me to make my argument, I—-

Senator Perrault: You would know a lot more about it if you had attended. I attended the meetings at least.

Senator Roblin: My honourable friend is apparently wise in these matters. I am glad he attended. However, I am compelled to rely on the testimony offered by senators in this house. I regard that as information upon which some argument can be based.

My concern in this matter was aroused by the way in which members of the house were making charges about the conduct of the committee, and as they were crystallized by Senator Everett. I do not have the *Hansard* of yesterday in front of me since it is not available. I will have to rely on my memory as to what those matters were. If the allegations are correct, then it is a matter of concern.

Senator Perrault: You are saying the same thing as Senator Murray said.

Senator Roblin: You will hear it again, then. Just sit and listen to it because it is your duty to listen, as it is my duty to speak.

Some Hon. Members: Hear, hear!

Senator Perrault: The drip, drip, drip of tedium, and the hard rock of ignorance.

Senator Roblin: There is no way that any man opposite, or lady either for that matter, can intimidate me or any other member on this side. We may be the minority, but we have a right to speak, and speak we shall.

Some Hon. Members: Hear, hear!

Senator Frith: Honourable senators, there is one man here who can, I think, and ought to intimidate Senator Roblin. That is His Honour, who has ruled on the very point Senator Roblin is arguing.

Senator Roblin: The Speaker has not ruled on that point. He has ruled on whether or not the proceedings of the committee should be held up on account of points of privilege. He said that they could not be. That is not what I am talking about at all. I am talking about what went on in the committee in terms of rules of order.

Senator Frith: The Speaker ruled on the points of order; he did not rule on the question of privilege.

Senator Roblin: I am going to continue to make this speech regardless of the barracking I get from the other side.

An Hon. Senator: Go right ahead.

Senator Perrault: You are under instructions, and that is why you are going to continue.

Senator Roblin: I am going to repeat the points raised by Senator Everett, which he crystallized in his summation of the matter. I should like to deal with the defence, and I am going to lay out the charges.

First, there is the fact that certain members of the committee ought to have had access to the writing of the report, but were excluded. These include the deputy chairman and members of the steering committee, to say nothing of other members of the committee who apparently had no rights in this matter.

Second, recognized rules of procedure—

• (1440)

Senator Frith: Your Honour, the senator has said he is about to repeat everything that was brought up yesterday by Senator Everett, Senator Robertson and all senators who spoke on the point of privilege. Your Honour has postponed that ruling, but has ruled on the question of order that the clock could not be turned back to what took place in the committee. Senator Roblin said, "Sit there and listen while I turn the clock back." He said he is not going to be intimidated by anyone, including the Speaker, who has just ruled that the clock ought not to be turned back. Is there any order in this place?

Your Honour should enforce his ruling and simply say that this is a matter of order. Let us proceed. Certainly there is nothing to prevent a point of order being raised. However, when a senator boldly tells us, "I am going to go over everything that was mentioned yesterday. I am going to turn the clock back and you sit there and listen to it, in spite of the fact that the Speaker has ruled that I am not to do that," I ask Your Honour to rule this intervention out of order.

Senator Roblin: Honourable senators, I am not talking about the points of privilege that were raised yesterday.

Senator Hastings: Speaker!

Senator Frith: That is exactly what Your Honour has ruled on.

The Hon. the Speaker: Senator Frith, at this point I have yet to agree with you on what Senator Roblin has just said. Let us hear a little more.

Senator Frith: Honourable senators, that is quite satisfactory. The Chair has said that if the case being put forward is a repetition or an attempt to go back into the proceedings of the committee, which was the foundation of the other point of order, and if it is, in fact, to use Your Honour's own metaphor, a turning back of the clock, Your Honour will intervene and say that the intervention is repeating something that you have ruled on and that it is out of order.

Senator Roblin: I must say that I disagree with almost everything my friend has said. His Honour said that you cannot turn the clock back—nor can you. However, that does not prevent an honourable senator from speaking to points of order that have been a subject of debate in this house and which, as my friend will find out before I finish, are related to the point of order raised by my leader. I am going to continue with what I have to say.

I am not going to repeat what was said yesterday regarding the rules. I have an entirely different point to make. If my honourable friend would be patient and hear me out, he will see exactly what I am getting at.

Senator Frith: As long as I know the Speaker is listening on this point, that is quite reasonable. Carry on.

Senator Roblin: If he is listening to you, most of the time he would be making a great mistake.

We have heard it alleged that the ordinary rules of the house with respect to withdrawal of motions and consent related thereto, the debatability of previous questions, and other matters of that kind were not dealt with satisfactorily in the committee. We have also heard that there was a time limitation imposed on what was being said that was not appropriate to the issue in question.

This is where I think I am entitled to make my point. A defence was put forward by the senator who chairs that committee, Senator Buckwold. What I am going to say about him gives me no pleasure. I hope that when these contretemps are over we will still be friends. I do not approve of what he has been doing, and I do not think his defence is adequate.

When you strip away from his speech yesterday what I describe as fustian and rodomontade, if not to say bluster, and if you consign to a decent oblivion his toilet jokes, you find that his main defence is that he was irritated by the conduct of Conservative senators during the course of the hearings.

Senator Olson: Wrong.

Senator Roblin: He was very much irritated by them, and he did not like certain other aspects.

Senator Hastings: The Speaker heard this yesterday.

Senator Frith: Were you here yesterday?

Senator Thériault: He should have been.

Senator Roblin: He was very critical of the way in which these senators occupied their time.

Senator Frith: This is exactly what Your Honour has ruled on.

Senator Roblin: I think it can be said that on Monday the chairman of the committee took some satisfaction in putting that turbulent minority in their place.

Senator Olson: He never said that.

Senator Roblin: That is my interpretation. That is the impression he left with me.

Senator Frith: It is irrelevant what happened in the committee. The Speaker has ruled on it.

Senator Roblin: In the course of his remarks, the chairman did not deny the main charges. He did not deny the charge of exclusion. In fact, he rather rejoiced in it. He was proud of it.

Senator Frith: Order, order! That is exactly what we heard yesterday.

Senator Roblin: I will come to the point, if my honourable friend will be quiet. He can say "order" as often as he likes, but I am on my feet.

Senator Frith: This is complete repetition of what we heard yesterday and on what Your Honour has ruled.

Senator Roblin: My friend will have to sit there and be patient. He will then hear the course of my argument.

Senator Frith: I do not have to sit hear and be patient. Where does it say that? There is nothing in the rules to that effect.

Senator Roblin: As far as the rules are concerned, the chairman made no attempt whatsoever to justify his conduct.

Senator Frith: Your Honour, this is exactly what we heard yesterday. We sat here and listened to this yesterday.

Senator Roblin: When it comes to the time allotted for consideration of the report by the committee, there was no explanation, that I heard, as to why the intention to allow six days, which was provided for early in December, was reduced to six hours. That is something I do not know.

Senator Frith: Are we going to have to go through this all over again tomorrow, Mr. Speaker, and the next day and the next day? Are we going to be able to repeat it over and over again?

Senator Roblin: Can you not take the heat?

Senator Frith: You cannot take the heat.

Senator Roblin: Do you have to act like a circus barker? Sit down!

Senator Frith: The word for what I cannot take is monosyllabic and ends with the same consonant, but it is not "heat".

Senator Roblin: My friend reminds me of a shill man in the circus. No one is going to pay attention to them.

Senator Frith: Order, order! You are out of order. This is exactly what was dealt with yesterday by the Speaker.

Senator Roblin: Just a minute, listen to this. My friend used his majority on the committee to act as if the minority was not there.

Senator Frith: Again, he is talking about what happened in the committee.

Senator Roblin: He used his majority to steamroll the majority. I suggest to this house—and here is where I come to material which my friend should listen to—that this is an event of far-reaching importance.

The explanation offered by the chairman of the committee was not an explanation; it was an incrimination of what went on in that committee.

Senator Frith: There again he is talking about what happened in the committee, which is what Your Honour has ruled on.

Senator Roblin: Let us come to this question of rules, because both the Leader and the Deputy Leader of the Opposition have very firm views about rules in the committee.

They have advanced the argument today—

Senator Frith: Mr. Speaker, the senator himself has said he is dealing with arguments that were presented yesterday regarding rulings that Your Honour was to make. He is now reviewing all the debates of yesterday, even after Your Honour has ruled on the question of whether or not what took place in the committee is to prevent proceedings in this place. That is exactly what Your Honour has ruled on.

Senator Roblin: Honourable senators, the Leader of the Opposition this afternoon raised the question of—

Senator Frith: If, in the future, after having reserved the matter, Your Honour makes a ruling on a question of order, is it conceivable that senators will be allowed to stand up again and go over the whole thing the next day and the next day?

Senator Barootes: You always do.

Senator Frith: Is he going to repeat what was said yesterday about what the chairman did or did not do? We sat through that for hours yesterday, and did not get to the Orders of the Day. Now he is going to start all over again. Your Honour, surely that is out of order.

• (1450)

Senator Roblin: As my friend, the Leader of the Opposition said this afternoon—

Senator Stanbury: Wait for the speaker.

Senator Roblin: —when he discussed the question of rules in committees—

Senator Frith: So the answer to the question is, "Yes, on every ruling Your Honour makes, we are all able to stand up the next day and re-debate it!

The Hon. the Speaker: Senator Frith, I consider this intervention as part of what Senator Murray had to say.

Some Hon. Senators: Oh, oh!

Senator Roblin: I thank my colleague, the Leader of the Opposition, for he has had the courtesy, even though he may not agree with a word I have said, to listen to me in a decent silence. I respect that and I thank him for it. I just wish it were more widespread.

The point I want to make has to do with the question of rules in the committee. The gospel, according to Senator Frith, is that the committee is a free agent and can make any rules it

likes. That means that anything that is done in that committee, no matter how it might appear to others, is within the purview of that committee and can be done. I want to tell my honourable friend that the rules, whether applied in the committee or out of it, are not *ad hoc* inventions of the day. Rules in this house and the committee are the result of many centuries of parliamentary growth and development.

Senator Cools: Then honour them!

Senator Roblin: The rules are there for good reason. Those rules are conducive, not only to the conduct of public business, but to protecting the minority, and my honourable friend should not overlook that fact. When the majority in a committee uses its power to overrule completely the rights of the minority, it is going too far. If the Frith doctrine were widely adopted in democratic, constitutional and parliamentary bodies, including committees, it would be a sad day for democracy. Given the rights and the legalities of the matter, it is obvious that commonsense, prudence, justice and good will would indicate that the rules should be respected in committee, particularly as they affect the rights of minorities. I want to tell you that majorities can change and probably will change.

Senator Olson: You have that right!

Senator Hastings: You have that right, Duff: when the British senators arrive!

Senator Roblin: The idea that precedents of this kind are being established with the consent and, indeed, the enthusiastic endorsement of members opposite is a matter which concerns me greatly, because whether I am in the minority or in the majority I intend to stand for the rights of Parliament.

Some Hon. Senators: Hear, hear!

Senator Hastings: Rule Britannia!

Senator Roblin: If I am a member of a majority group in a committee, I shall certainly do what I can to see that the rights of the minority are protected, and that is the great sin and failure of the chairman of this committee. He did not do that.

Senator Olson: That is not right!

Senator Robertson: It is right!

Senator Roblin: Maybe he feels that he was justified in his actions. Maybe he feels that the minority was so turbulent and intractable that they deserved what they got. That may be his view. However, I put it to this house that there is a higher principle than that and that the chairman and other members of the committee should rise above those personal irritations and inconveniences to respect the grand traditions of this house and of the parliamentary system for which it stands. It seems to me that the good name of the Senate has not been improved by what has occurred, and I go so far as to describe it as a shabby bit of business indeed.

Senator Olson: What is going on now is the shabby part!

Senator Roblin: Do you think so?

Senator Olson: Yes.

Senator Roblin: You are entitled to your opinion. I would now like to deal further with the point raised by the Leader of the Opposition, and that is the question of clause-by-clause study.

One of the important responsibilities of committees is to give due and sufficient attention to the matter that is before them. As the Leader of the Government quoted from the authorities that we rely upon, the fundamental and, indeed, the first rule of conduct of committee's dealing with bills has to do with this question of clause-by-clause study. It is perfectly true that from time to time that rule is not observed, and the Leader of the Opposition is correct on that point. However, I have not heard of an instance where that rule was put aside when some member of the committee requested it. That is the difference.

If a member of the committee has asked for a clause-by-clause study and it has been refused, then that constitutes a dereliction insofar as that committee is concerned because the fundamental purpose of the committee, whether observed or not, is to conduct a clause-by-clause discussion of the bill.

What was the purpose of all these hearings? This committee held meetings beyond number. Many came and had something to say. A great many of them did not like what was in the bill. What is the purpose of having hearings and taking down the testimony if it is not related to the bill itself? Even if the committee decides that it does not want to report the bill or even if the committee decides that it does not want to pass the bill, commonsense indicates to me that you take the evidence and relate it to the clauses of the bill. You then say, "This is bad and the witnesses said so," or, "This is good and the witnesses said so," or, "We don't care what the witnesses said; we're not going to report the bill." So that fundamental task, particularly with a bill of this kind, is important.

This bill is not like most of the bills that come before this house. This one is highly charged, not only with respect to the fisc and budgetary balance—and I shall say something about that with regard to this matter one of these days—but with respect to the extreme interest and importance attached to it by the general public. For this committee to fail to examine the evidence that was before it, to relate it to the bill and to indicate its view of various charges that were made seems to me to be quite inappropriate, particularly when you find that some members of the committee had actually requested that the procedure be followed. So it seems to me that the majority has shown contempt for due process and I, for one, am glad that I had nothing to do with it. I dare say that I have committed some parliamentary improprieties in my time—who of us has not—but this is not one of them, and I am glad that I am not associated with it because it is reprehensible in the extreme.

We have been asked to discuss a report that is incomplete and that is before us because the function of the committee has been abrogated and improperly discharged. Whatever we may think of the principle and the details of the bill, we must have some regard for the right way of doing things. We have not paid attention to the right way of doing things with regard to this bill. No matter how much personal pique, irritation or

dissatisfaction there may be with members of the committee—there is plenty of room for that, and I would be the first to concede it—when it comes time to deal with the bill itself, to fail to discharge the elementary principles of committee management and of dealing with bills in committee seems to me to be very unsatisfactory and highly regrettable. Whether or not the point of order is sustained, this house has a duty to consider the matter to ensure that this kind of activity never occurs again.

Senator Buckwold: Honourable senators, I should like to make only a brief comment, as I gave my speech yesterday. I would comment on the allegation that the chairman acted improperly. I cannot accept that allegation. Senator Frith, as a member of the committee, introduced a motion, which reads as follows:

> It is for all these reasons that the Standing Senate Committee on Banking, Trade and Commerce considers that Bill C-62, An Act to amend the Excise Tax, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, should not be proceeded with further in the Senate.

On the basis of that motion it would have been a complete irregularity to go through a clause-by-clause study, because we had just said that we did not accept the bill. It was not that we were accepting some clauses and not others. That was not the case at all. Given the motion, that would have been ludicrous. I do not think anyone can accuse me, as chairman, of acting improperly given that motion. I followed that particular motion, and if anyone could explain to me what advantage there would have been to discussing each and every clause, rule and regulation—

Senator Simard: That is your opinion!

Senator Buckwold: —I am sure I could reply that it would not have achieved much except to satisfy the opposition.

• (1500)

Senator Frith: You are out of order.

Senator Buckwold: It is indicated to me that I am out of order.

Senator Roblin: I, by contrast, am quite willing to hear my friend.

Senator Buckwold: I am just trying to indicate—forgetting what everyone else has said—the position of the chairman in dealing with the particular item that has been referred to by members of the government.

Senator Frith: Honourable senators, there is to be a proceeding on the hill involving the unveiling of the statue of former Prime Minister Pearson. The proceeding officially starts at 3 p.m. but the actual unveiling will not take place until about 3:30 p.m. and will conclude about 4 p.m. Senator Doody and I have discussed the matter and it has been suggested that we recess, that Your Honour leave the Chair, to return at approximately 4:15 p.m. at the call of the bell. If we adjourn now, then everyone who wishes to participate in the proceeding may do so.

If there is unanimous agreement of the House, I would so move.

Hon. C. William Doody (Deputy Leader of the Government): We agree on this side that it is a reasonable request and we are only too happy to facilitate it.

We do, however, reserve the right to add a word or two to the point that is under consideration when we get back.

Senator Frith: It was not my intention to close this part of the proceeding.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 4.15 p.m. the sitting was resumed.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—POINT OF ORDER

[*Translation*]

Hon. Jean-Marie Poitras: Honourable senators, in response to what was said by Senator Buckwold, I would like to repeat in this House that I was one of those who asked for the bill to be read clause by clause, in English and French. Earlier, the senator explained this was unnecessary since we had a motion before us.

I may remind honourable senators that my request for clause-by-clause reading has no connection with the motion that was before the Senate. My only purpose, and a very important one, was to ensure that each clause was correct, in English and in French, and to make sure the translation of each clause was a faithful rendition of the original. It often happens that the meaning is not the same in both languages. My request was therefore in order, otherwise it would have required the unanimous consent of all members. Thank you, honourable senators.

[*English*]

Hon. Gerald R. Ottenheimer: Honourable senators, I shall be mercifully brief in my presentation.

Senator Frith: I found your brevity yesterday less than merciful, I must say.

Senator Ottenheimer: Well, I am improving with age.

Senator Doody: Don't provoke Senator Ottenheimer. He is a tiger.

Senator Frith: I am taking him up on his promise to be merciful.

Senator Ottenheimer: Since we have had a pause of about an hour, I would like, if for no other reason than my own benefit—although it might also be of interest to others—just to locate where we are. I am speaking on a point of order raised by Senator Murray, and I wish to distinguish between that point of order and one already ruled on. In doing so, I wish to distinguish between the tabling of a report and the reception of a report. One is over and done with. I am not arguing that again. There was a point of order made last night, with respect to the tabling of the report, to the effect that the tabling of the report should not take place until something else had happened, and the Speaker said no, there was nothing to preclude the tabling of the report now. In other words, the Chair reserved its ruling on that point of order until today, and today His Honour ruled that the point of order was not valid, the effect being that there was nothing to impede the tabling of the report.

The report is tabled. I assume that means something to the effect that it is in the possession of the officers of the chamber, that it is on the table and the clerk has possession or responsibility of it, or whatever.

The point of order raised this afternoon by Senator Murray deals with the reception of the report, which, of course, means its consideration by this chamber. I think the essence of the point of order made by Senator Murray is that it would not now be in order for the Chair to put the question: When shall this report be taken into consideration? That is the essence of the point of order of the Honourable Senator Murray. In my opinion, it is almost self-evident that it will be necessary for the Chair to rule on this point of order before putting the question, namely: When shall this report be taken into consideration?

That point of order will have to be decided, obviously, before that question can be put by the Chair. The Chair can decide one way or the other, but there must, in fact, be a decision before that question is put by the Chair.

The arguments have, on the whole, been quite brief. Senator Murray quoted from *Beauchesne* and from *Erskine May,* both to the effect that the function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments to it as may seem likely to render it more generally acceptable. The operative part of his point of order is that it must be gone through clause by clause.

I think two things are quite evident. There might be others, but two things are quite evident. As Senator MacEachen pointed out, there have been times when a bill has gone through a committee without clause-by-clause study.

Senator Cools: Most times.

Senator Ottenheimer: Whether most, many, frequent—

Senator Cools: All.

Senator Ottenheimer: —or average, that we do not know. It certainly is not all and it certainly is not none; I know that. It is not at all times and it is not never; it is sometimes. So, a bill has gone through a committee without clause-by-clause study; that we know.

We also know that Senator Poitras asked the Chair for a clause-by-clause reading in committee, and that Senator Doody also asked for a clause-by-clause reading of the bill in the committee.

So the question boils down to: What is the rule? We are all aware that, by leave, the operation of a rule may be suspended. Any member can speak only once to a motion, but it is not uncommon—and certainly not unheard of—that an honourable member will get up and say, "May I have leave to correct some matter or misunderstanding?" or, "I gave inaccurate information. May I have leave to speak on that?" With leave, that senator may speak more than once.

Another rule is that at 6 o'clock the Speaker leaves the Chair. That is the rule. We are all aware and remember that at times someone will say, "Is there leave to stop the clock?" or, "Is there leave for the speaker to continue, and we will probably finish up in half an hour?" or whatever, and there is leave. That means that there is unanimous consent. There is leave that, in effect, is unanimous consent.

The rule with respect to bills in committee is quite clear. They must be read clause by clause. The fact that leave is sometimes given, or that members do not insist upon the observance of that right, does not change the rule. That is leave, either implied or explicit. It can only be one or the other: explicit or implicit. But the fact that it may be implicit does not make it any the less leave.

I suggest to honourable senators that if, on certain occasions, a member decides not to insist upon the observance of his rights or upon the observance of a rule, that does not extinguish the rule. It merely means that he has not insisted upon its observance. I hope that will be taken into consideration. Naturally the Chair will rule on this point of order before putting the question with respect to the reception of the report, that being: When shall the report be taken into consideration?

• (1630)

[*Translation*]

Hon. Gérald A. Beaudoin: Honourable senators, with respect to the point of order, I should like to add that the Leader of the Government raised an argument which, to my mind, was not mentioned here yesterday, and I am referring to the role of Parliament.

I do not want to rehash the issue of committee debate but we must keep in mind that parliamentary procedure exists to protect the freedom of expression. It exists only to enable minorities to exercise their rights. Parliamentary procedure is not an end in itself. It is there to make it possible for members of the Commons and senators to legislate.

Yesterday I heard someone say that everything must be settled in committee. Assuming this were true, the fact

remains that the Senate and its parliamentary committees must follow parliamentary procedures. Yesterday I heard the argument that it is up to the committee to settle the matter in committee. Of course, but if the committee itself does not respect the rules of procedure, and since the courts—and I suggest everybody agrees on this—do not have any jurisdiction over what goes on in committees, there is no choice but to seek redress here in the Senate chamber.

I think we have to take into account the argument whereby the issue cannot be entirely settled in committee. It is fair to say that the committee is the master of its own procedure and that everything has to be settled in committee. Indeed, but only when acting within the committee's mandate. But if the committee does not make a clause-by-clause study of a tax bill, I wonder when it will do so. If there is a sacred principle in the parliamentary rules of the British system it is that tax measures must be studied, scrutinized, debated and voted on in committee. That is the very basis of the British system.

So I am suggesting that raising this matter in the chamber before the whole Senate is very much in keeping with our parliamentary rules. I think it is always appropriate to remind honourable senators that committees cannot settle everything themselves and that they are certainly not free to decide whether they will follow the rules or not. Honourable senators, I would hope that these principles of parliamentary law—they are much more important than committee mandates—will be taken in consideration, weighed and studied when the Speaker will rule on the point of order raised by the Leader of the Government. To my mind not only do these principles relate to parliamentary procedures but they also relate to our parliamentary system which I, for one, consider sacred. Thank you, honourable senators.

[*English*]

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, as I mentioned in an earlier intervention, the points that are being raised today are based entirely, on the same basis that were raised yesterday. So do we want each day to stand up at each stage and repeat these arguments based on proceedings in the committee? Senator Ottenheimer says that this is a different point of order than was raised yesterday because it is being raised at a different stage. That is partly true. Of course it is being raised at a different stage. Yesterday the question was whether the chairman should even be entitled to stand up, speak and table his report. That was the stage at which the point was raised as to whether or not it is legitimate to raise here a point of order based on proceedings in a committee.

Today the same point is being raised. All of the evidence referred to applied to proceedings in the committee. Not a single point was raised that did not refer to proceedings in the committee. So since we are going to go through this every day, or until the "British senators" arrive, let me again put this on the record:

> Until a committee report, it is irregular to refer to its proceedings in debate in this house.

If that is accepted—and I understood Your Honour accepted this yesterday—everything that has been said by members opposite is irregular because it referred to committee proceedings.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): The report was tabled, senator!

Senator Frith: Of course it was tabled. So what? You are still referring to the proceedings in the committee.

> All decisions of the Chairman may be appealed to the committee.

Everything we heard today was about decisions in the committee. They may be appealed to the chairman of the committee. Continuing with citation 607:

> There is no appeal to the House from the Chairman's ruling except by way of a report from the committee.

Now citation 608.

> Procedural difficulties which arise in committees ought to be settled in the committee and not in the House.

Was there a single point made that was not a reference to procedural difficulties arising in the committee? They were raised yesterday and again today.

We can see what is going to happen. It does not matter who has the minority. It means that we can all go to a committee meeting, raise points of order in the committee meeting and take notes. There might even be a transcript. We may then come into this chamber, raise a point of privilege or a point of order, go through the whole committee proceedings again, talk about the points that were raised, get Your Honour to rule, and then go home and have supper, only to come back the next day to start all over again. Your Honour will not interrupt us. We can keep making the same points over and over again, and I take it Your Honour will rule on the matter or reserve your decision. Nothing will have been accomplished. We will not have dealt with any business. We then go back home, return the next day, raise points perhaps from another committee, and so tie up the main chamber completely and for as long as we want. That is the logical consequence of the interventions made, and would be the logical consequence of His Honour's not imposing and enforcing the ruling that he made today about yesterday's points of order.

Honourable senators, nothing has changed. The filibuster continues. The repetitions continue. I appreciate that the Canadian Senate is probably one of the few assemblies in the world where a full filibuster is possible and there is nothing in the rules against that, but I think that, at least for the sake of variety, our friends opposite could talk about something else. We know that they are on a filibuster, and that is all right. There is no rule against a filibuster. They can talk about almost anything as long as they like, but they should at least change the show. Change the bill of fare somewhat and let us have a filibuster on something else for a change. Don't go over and over the same point.

Honourable senators, I ask that we stop this Act I of the filibuster. I ask that His Honour make the ruling that I think is very simple. He has already ruled that the proceedings of the committee are not the proper basis for a point of order in the Senate. After the ruling, we could at least challenge our friends opposite to come up with something a little more creative.

Senator Murray: Honourable senators, in 60 seconds or less let me say simply that I am sure His Honour and other honourable senators understood the point I made in my point of order, even if Senator Frith did not. The point was not that the point of order is not a matter of internal procedure of the committee but, rather, the fact that the committee has not carried out the responsibility that was entrusted to it by the Senate. That is a matter for the Senate, not for the committee.

• (1640)

Senator Frith: The mandate given to the committee was, very simply, a reference of the bill. If senators were to look it up in the *Minutes*, they will see that it is never anything more than to investigate and report. There is nothing in the mandate that says, "and do the following things while you are at it." There is nothing whatever in the mandate given to the committee telling it how it ought to do its job—nothing. It is a simple reference. I have not heard—and I wonder whether anyone in this chamber has heard—any reference to a definition of the mandate. If the mandate were so special, did the Leader of the Government define it when he maintained that the committee failed to fulfil it? He did not make any reference to the mandate.

Honourable senators, this is an extract from the *Minutes of the Proceedings of the Senate* of Thursday, May 3, 1990:

> Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Kelly, seconded by the Honourable Senator Muir, for the second reading of the Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act.
>
> After debate, and—
>
> The question being put on the motion, it was—
>
> Resolved in the affirmative, on division.
>
> The Bill was then read the second time, on division.

Here is the mandate:

> The Honourable Senator Kelly moved, seconded by the Honourable Senator David, that the Bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Do honourable senators want to hear that again?

> The Honourable Senator Kelly moved, seconded by the Honourable Senator David, that the Bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Does this reference add to that words to the effect that the bill be studied clause by clause? It does not. The committee received no such specific instructions.

How could Your Honour conceivably find that there is anything in the mandate to the committee from the Senate other than what is there? It is clear that His Honour understands the point because that is the ruling he made earlier today.

The Hon. the Speaker: Honourable senators, on the ruling I made earlier today, I stated:

> It does not appear feasible to the Chair that we can turn back the clock and prevent the presentation of the committee report—

I did not say "the consideration" but "the presentation" of the committee report.

I understand the argument made by Senator Frith and other honourable senators, but again I would really like to read the transcript and consult my procedural experts.

Some Hon. Senators: Oh! Oh!

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I understand the desire of the Chair to examine the situation and I hope that we could have a ruling before 6:00 o'clock. I think, Your Honour, that the effect of the delay is evident; that is, that we lost a day on the advance of the report through the procedural arguments yesterday. If we had insisted last evening, it is possible that His Honour would have given us a ruling at 2:00 a.m. and we could have held the debate of the report today.

If there is now a further delay, then senators can see the cumulative effect. I think it puts the Chair in a very difficult position. When can we have the ruling? I do not know whether His Honour expected that he would rule tomorrow, but if he expects to rule later this day, then that would be acceptable, and as soon as possible.

Hon. Pat Carney: I would ask Senator Frith to clarify his remark about the British senators. He used the phrase, "the British senators will arrive". I have a copy of the Constitution Act, 1867 to 1982, in which it states—and the honourable senator knows this section better than I—at section 31(5) the ways in which senators can be disqualified. One of them is if he takes an oath or makes a declaration or acknowledgement of allegiance, obedience or adherence to a foreign power or does an act whereby he becomes a subject or a citizen or entitled to the rights and privileges of a subject or a citizen of a foreign power.

I do not understand the reference to the "British senators", unless, of course, Senator Frith is repudiating the Queen as the Queen of Canada. Perhaps he would like to clarify his reference to the British senators.

Senator Frith: I will do that privately with the senator, I think.

Hon. Douglas D. Everett: Honourable senators, I would certainly hope that the Speaker could find the time to make a

quick ruling on the matter raised by the Leader of the Government in the Senate.

I have some credentials in respect of committee hearings. I have been a senator for 24 years. I have sat for many years on the Standing Senate Committee on Banking, Trade and Commerce when Senator Salter Hayden served as its chairman. He was probably as knowledgeable about the rules of committee hearings as anyone I have ever met, and he certainly ran what we would call a very tight committee.

I was chairman of a committee for many, many years. In respect of the point raised by the honourable senator, I cannot deny that from time to time bills have been studied on a clause-by-clause basis. I cannot deny that *Erskine May, Beauchesne* and *Bourinot* indicate that committees should discuss legislation on a clause-by-clause basis. But I can state categorically that the practice of Senate committees has been largely in the hands of the chairmen. It has been rare, in my experience, that bills, especially highly complicated bills like this one, are reviewed on a clause-by-clause basis. As a general rule they are reviewed on a global basis and, for the most part, clause-by-clause study has taken place in committee of the whole.

Therefore, I do not think that the case of the Leader of the Government in the Senate is well made on the matter of the practice itself. I urge the Chair to make a ruling, and to do so as soon as possible. I say that in the context that I am still unsure about how I will vote on the recommendation of this report. I do not think there is anything to be gained by continuing these procedural arguments. As the Deputy Leader of the Opposition has stated, there is nothing to prevent filibusters. In the interests of at least making the appreciation of this report more enjoyable, I would ask the government to please let the ruling come forward, let the report be brought forward, and let us start to debate it.

● (1650)

Senator Murray: Honourable senators, the government has nothing to say whatsoever as to when Mr. Speaker rules on the point of order.

Senator Cools: Convince us!

Senator Perrault: I hope you are not suggesting that we thought otherwise.

Senator Murray: I think it is rather small minded, to put it mildly, of Senator Perrault, Senator Hastings and Senator Cools, and I do not hesitate to name them, to be casting aspersions on the Chair.

Senator Hastings: Do not wave your finger at me. I never said a word.

Senator Murray: Yes, he did. The government has nothing to say about when the Speaker rules on the point of order that I raised.

Secondly, I would like to place my recollection of past events on the record along with Senator Everett's. I sat for a year or two under Senator Salter Hayden when we went through legislation on the Banking committee. At the end of all of the discussion and evidence of witnesses, I have a vivid recollection of his asking the senators, in camera, "Do you want to go through this clause by clause?"; and we would say, "Yes", or we would say "No", as the case may be. I certainly have a vivid recollection, inspired perhaps by his example as chairman of the committee, of him personally making that presentation to senators who were members of the committee and asking whether they wanted to go through it clause by clause.

I do not deny what the Honourable Senator MacEachen stated about what the general practice is. I simply say that, in my experience, when it is decided to dispense with clause by clause examination, that has been done by agreement of the committee.

Senator Thériault: No.

Senator Murray: Senator Thériault says no. I am stating what my experience is. If he wishes to state what his is, then that is his right.

Hon. L. Norbert Thériault: Honourable senators, I have been here for 12 years. My first committee meeting, following my arrival in the Senate, was under the chairmanship of Senator Everett. I have attended many committee meetings under many chairmen. I am not suggesting that the question raised by the Leader of the Government was never put, but in my recollection I have never heard it.

Hon. C. William Doody (Deputy Leader of the Government): For the record, I should state that in this instance I specifically asked for a clause-by-clause consideration of the bill in the committee that afternoon and it was denied.

Senator Frith: No, it was not. It is irrelevant, anyway.

Senator Doody: It was precisely the case. If Senator Frith did not hear me, I can only offer my sympathies, because he must have some problem. I distinctly remember, and everyone else who was listening should remember, that I requested a clause-by-clause consideration of this bill and it was refused. I asked why. The reply from the Chair was that sometimes we do it and sometimes we do not. That was exactly what was said. No one who was present at that meeting can deny the accuracy of that statement, because it is absolutely correct.

Senator Frith: But it did not matter, because it is irrelevant.

Senator Doody: A few minutes ago my honourable friend opposite stated that it was never requested, and that may show on the record. I am correcting the record.

Senator Thériault: I do not know if the honourable deputy leader is referring to my statement. I did not make such a statement.

Senator Doody: No, you did not.

Senator Thériault: Who did?

Senator Doody: Senator Olson said so earlier this afternoon.

Senator Thériault: I recall vividly a discussion on legislation in Committee of the Whole, and never, to my recollection, did

we go over a piece of legislation clause by clause in Committee of the Whole here.

Senator Doody: Surely you are joking.

Senator Thériault: We used to do it in the Legislature of New Brunswick, and that is why I was surprised when I came here.

Hon. Gildas L. Molgat: Honourable senators, we are becoming far to involved in Bourinot, Beauchesne's and Erskine May and we are not going back to our own basic rules. In *Rules of the Senate* Part I, Interpretation, it states:

> 1. In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

Therefore, it is our precedents that apply here. It is not what *Bourinot* or *Beauchesne* state; it is what has been the practice in the Senate. Both sides agree that it has varied; sometimes there is clause-by-clause consideration and sometimes there is not.

Senator Murray: Who decides?

Senator Molgat: If a committee decided that there should not be clause-by-clause consideration, then that is the end of it. The committee has decided, and it has followed specifically the proceedings, practices and precedents of this house.

SPEAKER'S RULING RESERVED

The Hon. the Speaker: Honourable senators, if you so wish, we can adjourn, and I hope to be able to rule on this point. I will have to do some studying. I do not know what senators wish to do. It is already 5 o'clock and I hope to be able to return with a ruling If not, I will postpone it until tomorrow.

Some Hon. Senators: Oh, oh!

The Hon. the Speaker: I wish to study it. These are difficult points on which I have to rule. I have procedural assistants, and I wish to listen to what they have to say. I also want to read the transcript of the arguments. I think that is why I am here, and that is what I am going to do.

Hon. Royce Frith (Deputy Leader of the Opposition): Your Honour and honourable senators, it is 5.05 p.m. Everyone would admit that there is some similarity between the points of order raised yesterday and those raised today, and that it is not impossible that some of the work done yesterday might be helpful in the decision today. I suggest that we return at 8 o'clock to receive Your Honour's ruling. That would give Your Honour approximately three hours to consider the authorities and the similarity or non-similarity between the two points.

The Hon. the Speaker: Is that acceptable to senators?

Hon. Senators: Agreed.

The Hon. the Speaker: We will return at 8 p.m.

The Senate adjourned until 8.00 p.m.

At 8 p.m. the sitting of the Senate was resumed.

[*Translation*]

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform you that the Clerk has received a certificate from the Registrar General of Canada showing that Mario Beaulieu has been summoned to the Senate.

INTRODUCTION

The Hon. the Speaker having informed the Senate that there is a senator without, waiting to be introduced—

The Honourable Senator Mario Beaulieu was introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and was seated.

Hon. Mario Beaulieu, of De La Durantay, Quebec, introduced between Hon. Lowell Murray, P.C., and Hon. Arthur Tremblay.

The Hon. the Speaker informed the Senate that the honourable senator had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

[*English*]

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—POINT OF ORDER—SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, earlier today the Honourable Senator Murray raised a point of order with respect to the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce and asked the Chair for a ruling. As I understand it, the essence of his point of order is that, because the Banking, Trade and Commerce Committee did not conduct a clause-by-clause study of Bill C-62, the Senate should not proceed at this time with the consideration of the report.

It is true that Citation 763 of *Beauchesne,* Fifth Edition, reads as follows:

> The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable.

[*Translation*]

As certain senators said, particularly Senator Everett, it would seem that Senate committees have not always followed that practice. According to tradition, Senate committees enjoy full discretion as to how they study bills referred to them. This is why certain committees study bills on a clause-by-clause basis while others do not.

The Speaker does not have to rule on the appropriateness of clause-by-clause consideration of bills. It would be better if matters of this nature were submitted to the Committee on Standing Rules and Orders or to the whole Senate rather than to the Speaker. However, because of the fact that certain practices or certain rules have not been followed in committees, the Speaker has been asked to decide whether it would be advisable to delay the progress of the stages following the committee proceedings.

● (2010)

[*English*]

As I ruled earlier today on the point of order of Senator Ottenheimer, it does not appear feasible that a proceeding can be prevented from happening simply because a question of privilege—or, in this case, a point of order—has been raised regarding alleged infractions of the rules or practices of the Senate by a committee or its chairman. If contempt of the Senate or its rules has occurred, the Senate can take certain action to deal with it. Therefore, I cannot uphold the point of order raised by Senator Murray.

In closing, I might add that there is an obligation on the part of all honourable senators, whether they be in the Senate or in committees of the Senate, that notwithstanding their party affiliations and the seriousness of the great questions that are before them, they obey the rules, customs and traditions of the Senate at all times.

Honourable senators, when shall this report of the Standing Senate Committee on Banking, Trade and Commerce be taken into consideration?

Hon. Sidney L. Buckwold: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f), I move that this report be taken into consideration now.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Is leave granted, honourable senators?

Some Hon. Senators: No!

Some Hon. Senators: Yes!

An Hon. Senator: Filibuster!

An Hon. Senator: It should have been "Yes".

Hon. Duff Roblin: Not without leave! I want to oppose the motion.

Senator Perrault: It is a government bill!

Senator Roblin: But I want to oppose the motion.

Senator Petten: It is a government bill!

[The Hon. the Speaker.]

Senator Roblin: I do not care what government bill it is, when it comes to a truncated and fault-ridden report such as this. I do not care where the bill comes from; it has been contaminated by its process through this committee.

An Hon. Senator: You are out of order!

Some Hon. Senators: Hear, hear!

Some Hon. Senators: Shame!

Senator Roblin: I received on my desk some time this afternoon—

Hon. Royce Frith (Deputy Leader of the Opposition): Senator, the report is not before the Senate now.

Senator Roblin: Senator Buckwold wants to proceed with first reading of the bill.

Senator Frith: Yes, but he has been turned down; so the matter is not before the Senate.

An Hon. Senator: You turned it down!

Senator Roblin: Honourable senators, I did not know I was so effective.

Senator Simard: He was going for the overkill!

The Hon. the Speaker: Honourable senators, since there is not unanimous agreement, it will appear on the Orders of the Day for tomorrow.

CANADIAN LAWS OFFSHORE APPLICATION ACT

BILL TO AMEND—TWENTY-EIGHTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE PRESENTED

Wednesday, September 26, 1990

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

TWENTY-EIGHTH REPORT

Your Committee, to which was referred the Bill C-39, An Act to apply federal laws and provincial laws to offshore areas and to amend certain Acts in consequence thereof, has in obedience to the Order of Reference of Wednesday, June 27, 1990, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

NATHAN NURGITZ
Chairman

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Nathan Nurgitz: At the next sitting of the Senate.

Senator Bonnell: Honourable senators, before the motion is put, I would like to ask the chairman of the committee if the bill was read clause-by-clause.

Senator Nurgitz: Honourable senators, I might say that at the conclusion of the hearing the committee was asked what it wished to do. The unanimous request of the committee was that the bill be reported without amendment, and not be read clause-by-clause.

Some Hon. Senators: Hear, hear!

Senator Bonnell: Honourable senators, I wonder if the chairman can tell us if the enacting clause was passed.

Hon. C. William Doody (Deputy Leader of the Government): The whole bill was passed.

Senator Nurgitz: Honourable senators, I think Senator Bonnell did not hear me. I said that the entire bill was passed.

Senator Doody: Without amendment.

Senator Bonnell: I wonder if the chairman of the committee could tell us if the title of the bill was passed as a separate motion.

Senator Nurgitz: It was passed as a separate motion.

Hon. Gerald R. Ottenheimer: Honourable senators, I would like to ask the chairman whether there was any request from any senator to go through the bill clause by clause; and whether, if there was such a request, it was denied?

Senator Nurgitz: Honourable senators, I thank Senator Ottenheimer for his question—

Some Hon. Senators: Oh, oh!

Senator Nurgitz: Please understand, honourable senators, you are dealing with the Standing Senate Committee on Legal and Constitutional Affairs, which, as I am told, is one of the better committees of the Senate.

No such request was made. Had it been made, it would have been done. It has been done clause by clause in that committee.

Senator Cools: On occasion.

Senator Nurgitz: Indeed, on occasion.

Senator Baroutes: When requested.

On motion of Senator Nurgitz, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[*Translation*]

THE SENATE

DELAY IN PUBLICATION OF DEBATES—POINT OF ORDER

Hon. Eymard G. Corbin: Honourable senators, I wish to raise a point of order. I would like to know why yesterday's *Debates of the Senate* have not yet been delivered. Could Senator Doody, the Speaker or someone else provide an explanation? It has been nearly 24 hours since the end of yesterday's sitting and we have yet to receive the printed version of the proceedings.

• (2020)

[*English*]

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I do not know why the question was directed to me. I am not in charge of the Internal Economy Committee. Senator LeBlanc is our chairman. We revere him. We hold him in high esteem. We respect him. We have confidence in him. We fully demand the explanation for which the honourable senator has asked.

Hon. Roméo LeBlanc: Honourable senators, in fact, this afternoon Senator Kenny and I had a moment of speculation as to what time *Hansard* would arrive today, recognizing that we had a long meeting yesterday. We both agreed that that should be a very important item on the agenda of our next meeting, either of his subcommittee or of the full committee.

At the moment, I do not have a valid explanation. I do not know.

[*Translation*]

Senator Corbin: Honourable senators, when can we expect to receive yesterday's Hansard?

[*English*]

I directed the question to Senator Doody and I expected him to support honourable senators concerned about the late arrival of the *Debates* of the previous sitting. I am astounded that he would shuffle this responsibility on to Senator LeBlanc. Who is in charge of this place? Is it the government or is it the Opposition?

Senator Doody: It should be fairly obvious to the honourable gentleman, using even the very basic rudiments of arithmetic, who is in charge of this place. The numbers are self-evident.

Senator Steuart: But not for long.

Senator Doody: But it will change shortly.

FEDERAL REPUBLIC OF GERMANY

GOVERNMENT POLICY—NOTICE OF INQUIRY

Hon. Jerahmiel S. Grafstein: Honourable senators, I give notice that on Tuesday next, October 2, 1990, I will call the attention of the Senate to the policy of the Government of Canada with respect to the Federal Republic of Germany.

PERSIAN GULF

TRIBUTE TO CANADIAN FORCES—NOTICE OF INQUIRY

Hon. Heath Macquarrie: Honourable senators, I give notice that on Thursday, September 27, 1990, I shall move that this chamber salute the high purposes and devotion to duty of the men and women of the Canadian armed forces who are about to take up active duties in and around the Persian Gulf where the United Nations has pledged itself to the restoration of the recognized Government of Kuwait and the withdrawal of the cruel invading armies of Iraq; and that this chamber acknowledge its support for Canada's action in the United Nations Security Council where this country co-sponsored a resolution proposing comprehensive collective sanctions against Iraq which has brought forth unprecedented multinational efforts to arrest aggression at its beginning.

Hon. Senators: Hear, hear!

QUESTION PERIOD

THE SENATE

ABSENCE OF GOVERNMENT LEADER FROM CHAMBER

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, Senator Murray has been called away. I will be pleased to take as notice any questions that honourable senators might have.

THE HONOURABLE PAT CARNEY

REQUEST FOR APOLOGY FOR ALLEGED INSULT TO ITALIAN COMMUNITY—GOVERNMENT POSITION

Hon. Peter Bosa: Honourable senators, in the absence of the Leader of the Government I will direct my question to the deputy leader. It has to do with the subject I raised last night. I raise it again this evening because I have just been handed certain information, of which I was not formerly aware, that appeared in *The Calgary Herald*. The article states in part:

> In a telephone interview with BCTV, Carney was asked why she hadn't attended Thursday's Senate swearing-in ceremony. Carney replied that she "wasn't going to drop everything to stand around with some people from the Italian community while they learn where the Parliamentary bathroom is . . ."
>
> In a letter to Prime Minister Brian Mulroney, Volpe accused Carney of lacking "sensitivity to Canada's demographic realities" and demanded she be sacked.
>
> Carney, appointed to the Senate last month, said in a written statement Friday that she hasn't seen the comments attributed to her and therefore couldn't comment directly on them. She suggested BCTV "distorted" her remarks and insisted she "did not intend to insult any group."

I have two questions which arise from the material which I have been handed. If the honourable senator had not seen the remarks, how can she attest that they were distorted? If she had not seen what had been written about her, how could she claim that her remarks had been distorted? That is my first question.

She said that she did not intend to insult any group. Why does she not do the decent thing right now and apologize to Senator Di Nino and his relatives, who were present at the swearing-in ceremony, as well as to the Italian community, saying that she did not intend to insult any particular group and that her remarks were misinterpreted? Why does she now not do the decent thing?

Senator Phillips: That is a bathroom question. It goes to Senator Buckwold.

[Senator Macquarrie.]

Senator Bosa: Apparently Senator Phillips is also associated with that remark.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, there appears to be nothing new in that particular piece of literature that was quoted. It appears to be a different newspaper with the same story that was canvassed last evening. An explanation was given at that time, and I see no purpose in rehashing it.

Senator Bosa: The Deputy Leader of the Government is certainly mistaken when he says there is nothing new. There is something new in this article, because it says that she did not intend to insult any group. This news appeared from coast to coast in Canada. If Senator Carney did not intend to insult any group, why does she not stand up and say, "I apologize to the Italian community. It was not my intention to insult the community, nor was it my intention to slight Senator Di Nino and his relatives." They were the only people of Italian origin present while eight senators were being sworn in.

Senator Doody: It seems to me that the honourable senator just quoted Senator Carney as saying that she did not intend to insult anyone, and that just about covers it.

Senator Bosa: I am sorry, I could not hear a couple of words because someone else was talking.

Senator Doody: It is my Newfoundland accent. I said that it appears to me that Senator Bosa has just quoted Senator Carney as saying that she had no intention of insulting anyone. I believe that covers it.

Senator Bosa: Do you mean that that is sufficient?

Senator Doody: You pointed that out.

Senator Bosa: It is written that way in this article.

An Hon. Senator: Is it a fact?

Senator Bosa: I do not know. I am asking you to ask her. I cannot put a question to the honourable senator, because our rules do not permit a senator to ask a question of another senator. We can only ask questions of the leader or the deputy leader.

Some Hon. Senators: Order, order! Sit down.

QUESTION OF PRIVILEGE

Hon. Pat Carney: I rise on a question of privilege. I would ask the honourable senator: Is there a byline on that story in the *Calgary Herald*?

Hon. Anne C. Cools: Do not answer that. There are rules.

Hon. Peter Bosa: The headline is "Carney accused of slighting Italians".

Senator Carney: Who wrote it?

Senator Bosa: Peter O'Neil of the *Vancouver Sun.*

Senator Carney: Honourable senators, I should like to point out what was said earlier by my colleague. That is the original story which appeared in the *Vancouver Sun* under the byline

of Peter O'Neil. It is word for word the same story. The remarks in it were in the original story, and I refute the suggestion that it was a statement made later.

GULF CRISIS

FAILURE TO RECALL PARLIAMENT FOR DEPLOYMENT OF CANADIAN TROOPS

Hon. Jerahmiel S. Grafstein: Honourable senators, I would like to turn to another topic. However, before doing so, I should like to welcome the newly-appointed senators, including my old friend, Senator Eyton, to the chamber. I anticipate with keen excitement the important contribution that he and all the new senators will make to the business of the Senate and the affairs of the nation.

Before launching into my question, I should like to share my first impression as a senator. A very distinguished and elderly senator drew my attention to the eight magnificent portraits that surround this chamber. Those portraits symbolize the issues of peace and war and remind us, as senators, that the issues of peace and war are obviously paramount in the importance of the nation.

My question to the deputy leader, in the absence of the Leader of the Government, is this: There is, as we all know, a well-established constitutional convention that Parliament, if adjourned, has to be recalled as soon as possible whenever there is a threat or question of war, or wherever war breaks out, in order to put the armed forces on active service, not only pursuant to section 33 of the National Defence Act, but also based on a precedent and an historic tradition that pre-dates Confederation. That legislation dictates that Her Majesty's ministers are required, whenever such threat appears, to take Parliament—and, through Parliament, the public of Canada—at the first possible moment into the confidence of Her Majesty's ministers in such circumstances with respect to any action taken.

Could the deputy leader request that the Leader of the Government explain to us tomorrow why the Government of Canada failed to follow well-established historic, constitutional and, indeed, democratic parliamentary traditions by arbitrarily refusing to call Parliament 44 days forthwith after war—aggressive action—broke out—

Hon. C. William Doody (Deputy Leader of the Government): What war?

Senator Grafstein: —in the Middle East, after the United Nations passed a resolution in early August, and after the Prime Minister immediately responded to a request by Mr. Bush to support such action? Why did the Government of Canada fail to follow sacred parliamentary tradition by not immediately calling back Parliament to take the public into its confidence on these particular issues of pressing importance?

Senator Doody: Senator Grafstein, it seems to me that Senator Murray addressed that question last evening. I distinctly remember the "sacred tradition" phrase. In any event, I will certain pass the message along to him and see if he can provide you with more information.

BRITISH COLUMBIA

ALL-PARTY LEGAL CHALLENGE TO APPOINTMENT OF ADDITIONAL SENATORS

Hon. Raymond J. Perrault: As the house leader is aware, the political parties of British Columbia have joined together in a joint resolution opposing the goods and services tax. The political parties include the Social Credit Party, the New Democratic Party, the Reform Party, the Liberals and most of the Conservatives.

As a result of this all-party unanimity on this point, the Premier of British Columbia, Mr. Vander Zalm, has announced that he will enter a legal challenge as to the right of the federal government to appoint eight new senators under that long-neglected clause in the Canadian Constitution.

I should like to ask the Leader of the Government whether or not the representative of the province of British Columbia has been in touch with the federal government with respect to this matter? Have their concerns been conveyed to the Right Honourable the Prime Minister? Has any action with respect to Her Majesty been deferred until the challenge, which has been entered into by the Premier of the Province of British Columbia, has been dealt with by the courts?

Senator Barootes: Did you say Premier Vander Zalm—

Senator Perrault: Would you just listen and let some democracy break out in this place? It would be wonderful if the Conservative Party could become riddled with democracy.

Hon. C. William Doody (Deputy Leader of the Government): I will certainly pass along that series of questions to the government.

Senator Perrault: It is a simple question. Has there been any action to import another eight senators to this place?

Senator Barootes: What does "import" mean?

Senator Perrault: Another eight senators to act as trained seals in the circus you have going. Will a decision be deferred until the courts have ruled with respect to Mr. Vander Zalm's appeal? That is a very straightforward question.

Senator Doody: I stand corrected, honourable senators. I will pass along the simple question to the government.

Senator Perrault: As long as you pass it along, would you please beseech the Prime Minister to treat us to a rare display of candour?

Senator Doody: I have already assured the honourable senator twice that I will pass the question along, and I will continue to reassure him.

Senator Perrault: We will be waiting with rapt attention for your reply.

Senator Doody: Please wait with your breath held.

• (2030)

INDIAN AFFAIRS

OKA STAND OFF—REQUEST FOR INFORMATION

Hon. Lorna Marsden: Honourable senators, I would like to ask the Deputy Leader of the Government, in the absence of the Leader of the Government, if he could brief us on the situation at Oka as it has developed over our supper break. As honourable senators have probably noticed, our Aboriginal colleagues have gone off to watch the television, because, in their words as they left their chamber,"some very serious actions have taken place over the past two hours." I think it is important that this chamber be briefed.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I would love to be able to give you an update on the situation. However, I have no more information than has any other senator. I watched the television for awhile during the dinner break and saw some of the proceedings. I gather that the situation is now under control. It appears that most, if not all, of the people who were in the rehab centre have left and have been conveyed to other quarters. That is what I saw on television. I have no direct information from the authorities, but I shall certainly attempt to obtain some and deliver it to the Senate at the earliest opportunity.

THE SENATE

APPOINTMENT OF EIGHT ADDITIONAL SENATORS—POSSIBLE REPRESENTATIONS TO THE QUEEN—REQUEST FOR INFORMATION

Hon. Earl A. Hastings: Honourable senators, I direct my question to the Deputy Leader of the Government. Has the government, through His Excellency the Governor General, made representations to Her Majesty the Queen, seeking Her Majesty's counsel or permission to appoint a number of "royal" senators, as provided for under the British North America Act?

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I cannot answer with any certainty, but I certainly hope so.

Senator Hastings: Honourable senators, if the honourable senator cannot answer the question now, will he seek an answer for tomorrow?

Senator Doody: Honourable senators, I would love to be able to present the answer in person tomorrow when the eight come into the chamber, but I cannot tell honourable senators this evening. I shall try to find out the answer, and as soon as I have it I shall pass it along.

Senator Hastings: Will they enter to the tune of "Rule Britannia?"

[*Translation*]

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO STUDY SUBJECT MATTER OF INCOME TAX ACT AND OTHER RELATED ACTS

Hon. Fernand-E. Leblanc (Saurel), pursuant to notice of Tuesday, September 25, 1990, moved :

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the subject-matter of *An Act to amend the Income Tax Act and related Acts*, Chapter 35, Statutes of Canada, 1990, and the regulations made pursuant thereto.

He said: Honourable senators, there has been a change in the wording of the motion as shown in the notice. In the notice it read: S.C. 1990. Here it says: Statutes of Canada 1990. In the original text it said c. 35 and here it says Chapter 35.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, September 27, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

THE HONOURABLE MARTHA P. BIELISH

RESIGNATION FROM THE SENATE—ANNOUNCEMENT AND TRIBUTES

Hon. Martha P. Bielish: Honourable senators, 11 years ago today, on September 27, 1979, I was appointed to the Senate of Canada. I must confess that when Prime Minister Clark called me to offer me the appointment, I was as surprised as I was honoured. It is no false modesty to say that the prospect of coming here and serving in this chamber was beyond my wildest dreams.

Prime Minister Clark reassured me, and the friends whom I consulted encouraged me to accept the appointment. They persuaded me that my experience and background as a school teacher, trustee, farmer, community worker and an active member of women's organizations at the local, national and international level could be put to good use in the Senate. When I asked my husband for his thoughts, his reply was quick and to the point: "Well, it's an appointment, not a sentence. If you say no, you will never know whether you would have liked it or not. If you say yes and you don't like it, you can always resign and home is still here." So I had the best of both worlds.

With that I decided to accept, and I have never for a moment regretted that decision. For me it was not an opportunity for power and fame, as all honourable senators know; rather, it was an opportunity for me to give something back to this country which has given so much to me, my family, my friends and neighbours, and especially my Ukrainian forbears who came to Canada at the turn of the century. That the opportunity came to me at the age of 64 made it all the more welcome.

I have spent the past 11 years among you, serving on committees, criticizing or supporting legislation, representing the Senate and Canada at various gatherings, and always trying to bring a particular perspective to this house: that of a woman, a proud Albertan and a fervent Canadian. I was the first woman from Alberta to be appointed to the Senate.

I am very cognisant of my rich Alberta heritage left by the famous five Alberta women: Emily Murphy, Irene Parlby, Louise McKinney, Henrietta Muir Edwards and Nellie McClung who, in the noted "Person's Case", made it possible for women to be recognized as persons and, therefore, qualified to sit in the Senate.

Honourable senators, I had planned to make a lengthy speech at this time of my resignation. However, because I am doing this today, under the circumstances I am short of time. I should like to draw your attention a report that I am going to leave for the Alberta women's heritage. It is entitled: "Alberta Women in Politics—A History of Women and Politics in Alberta". It notes every woman who has run for elected office, whether provincially or federally, in the province of Alberta. This is a project that was allowed under our discretionary fund. I do not presume that every member of this chamber will want a copy of this report, but certainly those who do will be able to receive one.

Today, on the eleventh anniversary of my appointment the Senate, I have decided to leave you. I was due to retire, in any event, on October 20, but I have decided to advance the date of my retirement by several weeks.

Senator Frith: Why?

Senator Cools: Why?

Senator Bielish: My reasons for doing so can be stated quite simply. The Prime Minister indicated in a public speech earlier this week that he would probably invoke section 26 of the Constitution and appoint extra members to the Senate. If my retirement takes place subsequently it will not be possible to replace me until the number of senators in the western region has fallen to below 24. It could well be that my province of Alberta, which is already under-represented here in terms of population, would be short-changed for a considerable period of time. By resigning now I hope to ensure that Alberta remains at least at its full complement for some time to come.

My second reason for retiring now is that it should ensure that the supporters of the government in the Senate are at full strength. As honourable senators are well aware, I have never been a very partisan person in my approach to public issues. Nevertheless, there are important principles at stake in debates presently going on in this chamber.

I have said repeatedly that it is essential to preserve the accountability of the elected members of the House of Commons to the people of Canada. The decision of the voters in a general election is final. There is a most honourable and useful role that the Senate can play, but it should not exercise power that properly belongs to the elected representatives of the people.

Some Hon. Senators: Hear, hear!

Senator Frith: Or to the Governor General, of course!

Senator Cools: Or the Queen!

Senator Simard: Just be patient, please.

Senator Bielish: Without trying to fan the flames of controversy, let me say that in my humble opinion those democratic

principles are threatened in the present debate in this chamber. I do not want to see the government lose a supporter on October 20, and by resigning ahead of time I am inviting the Prime Minister to replace me before he takes any action to add extra senators.

Honourable senators, the expectations that I brought to this place 11 years ago have been fulfilled in every way. I believe I can say without any vanity that I have succeeded in putting something back into this country, which has given me so much.

Some Hon. Senators: Hear, hear!

Senator Bielish: I have also learned more than I can ever describe to you. I have learned so much about this rich and wonderful country and so much about its institutions.

Honourable senators, my association with each of you has made that possible, and I am profoundly grateful to all of you. As with each of you, my personal and family life over the past 11 years has been marked by highs and lows and joys and sorrows, with some milestones that were happy and some that were sad. Through it all I have been sustained by your friendship and understanding, but most of all by the knowledge that the cause in which we are all joined is bigger than any of us as individuals. I bid you all farewell. Thank you, and God bless.

Hon. Senators: Hear, hear!

Hon. H.A. Olson: Honourable senators, may I say at the outset that I am sure that all of us, most particularly the senators from Alberta who have had a close association with Senator Bielish, regret the fact that time, which is always marching on for all of us, has brought us to the day of Senator Bielish's resignation.I hope that Senator Bielish in particular will realize that I had absolutely no notice of the announcement which she has just made. Therefore, I have no notes prepared, and so I must collect my thoughts quickly. I wish to say to Senator Bielish that we have enjoyed working with her on a number of matters in committee and in all the functions of this place.

On a more personal basis, her office is on the same corridor as mine, and it was my privilege to see and chat with her often on a number of matters of concern to our part of Canada. I will miss that.

Without commenting on or agreeing with any of the reasons why the announcement was made, I think that Senator Bielish can carry with her a very proud memory of the record of her performance in this place during the past 11 years.

Some Hon. Senators: Hear, hear!

Senator Olson: Senator Bielish and I have been involved in a number of matters. She has a very keen and abiding interest in the whole area of agriculture, especially western Canadian agriculture, which is one of the areas in which I have taken a great degree of interest. It is with regret that we recognize that there comes a day such as this, which we must all face, if we live that long. I regret that it is so now for Senator Bielish.

Finally, I want to say on behalf of all of us on this side of the House, and in particular the senators from Alberta, that we have enjoyed working with Senator Bielish. We believe that she has made a tremendous contribution to the Senate. We wish her well.

Some Hon. Senators: Hear, hear!

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, let me begin by saying what a great honour and a great pleasure it has been for my colleagues and me to have served and worked with Senator Bielish for the past 11 years in the Parliament of Canada.

I remember very well the appointment of Senator Bielish to this place in 1979. There was a fairly large group of senators from across the country appointed at the time. Because of my responsibilities at that time in political circles, what I remember most about the appointment of Senator Bielish was how popular her appointment was, especially in what we would call the grassroots in her own region and in her own province of Alberta. I think that Senator Olson has reflected on the affection and esteem with which Senator Bielish is held in Alberta.

• (1410)

Senator Bielish has noted that she was 64 years of age when she was appointed to this place—quite a young 64, as she is now quite a young 74 going on 75—and already at that time a person of very considerable achievement. She had worked for women, and for rural women in particular, in a variety of community activities in Alberta and had been recognized for her diligence and generosity on behalf of the community. She was too modest to place this on the record, but I am going to remind you that our colleague was President of the Alberta Women's Institute from 1965 to 1969. She was Alberta Woman of the Year in 1975; a member of the Federated Women's Institute from 1964 to 1979, and President of that institute from 1976 to 1979; a member of the Associated Country Women of the World Council from 1965 to 1969, and also from 1976 to 1979, and was area Vice President for Canada from 1980 to 1983.

At home, her background was as a school teacher and farmer. She was later elected as a school trustee in her own division in Alberta and became a member of the Further Education Council and member of the Advisory Board on Adjustment of Immigrants to Canada. She was appointed to the Canadian Council on Rural Development and served with the Alberta board of the Red Cross, the Cancer Society, the Council on Aging, the Human Rights Association, and the Consumer's Association. She was appointed to the Alberta Citizen's Advisory Board on Recommendation of the Royal Commission on the Status of Women, serving from 1969 to 1972 and received the Alberta Government Achievement Award for Outstanding Service in the Community in 1979. And so it goes.

I will not read all the recognitions that she has received over the years, and deservedly so, because of her work for the people at the community level and in women's work at the

national and international level. An honorary doctorate of law is a recognition that has been accorded her.

Senator Bielish was, and is, a good citizen—indeed, an exemplary citizen—of her own community and of this country. She is the kind of person destined to make an important contribution to the affairs of this chamber and of Parliament, and to bring a particular perspective to our legislative and public policy work, as a mother and grandmother, school teacher, farmer, and one who has taken a lifelong interest in social and community activities.

She has said that the past 11 years have been a learning experience for her. It has also been a learning experience for those of us who have had the pleasure of working with her, because of the perspective that she has brought to the discussions in this chamber, in its committees and in our caucus. The years have also been a learning experience for many of us because of the exemplary wisdom, generosity and compassion that she always brought to those discussions.

I and all of us on this side will miss her company very much. I say further, without commenting in detail on the reasons she has given for her resignation today, that it is typically generous of her to decide to put the interests of her province, as she sees them—and, yes, the interests of her party and the government she supports—ahead of her own personal convenience, and to take the generous step that she has taken today. I can only praise her and commend her for it, and, on behalf of everybody on this side, thank her for it.

Finally, as I said, she is a person of vast experience and talent, a young 74 going on 75, and I have no doubt that this country, her province and her community can expect, and will receive, further services and contributions from her in the future. Meanwhile, I wish her good health and happiness as she takes her leave of us.

Hon. Senators: Hear, hear!

Hon. Duff Roblin: Honourable senators, I want to state that Senator Olson spoke for more westerners than Albertans when he referred to the resignation of our colleague, Senator Martha Bielish.

As we listened to the recital of achievements that the Leader of the Government placed on the record, I felt that this was a splendid example of how to live life well. Her activities in the Senate, of which I have some acquaintance, showed her to be a very modest, quiet and thoughtful woman—but, make no mistake about it, a determined woman. One could tell from the recital of her activities in the province of Alberta just how she has followed her star in doing what she could as a good citizen of this country.

When I think of the community that she represents, of her experiences from the hard knocks of being a farmer's wife on the plains—and that certainly has been a hard life these past few years; when I think of her leadership in the international field, where she represented Canada so well in dealing with organizations and institutions having to do with a rural woman's life; when I think of her attention to the interests of her province and the nation, her concerns about agriculture, of her interest in promoting the welfare of women in our country, particularly her concern about family life and how it could best be lived, I feel that we have had a colleague who has made a great contribution.

She taught me a lot. I regret her leaving. I realize that I am treading on her heels—it won't be too long before I leave—but I know that her activities in this nation are not over and that she will go, as she has in the past, from strength to strength.

Hon. Mira Spivak: Honourable senators, although I have been in the Senate for too brief a period as a colleague of Senator Bielish, I am conscious of the fact that with her resignation the Senate will miss a certain kind of representation, a certain kind of prairie feminism which she portrayed here.

Senator Bielish's distinguished service in the Senate has been marked by the attributes Senator Roblin has listed: her particular charm, her modesty, her quiet intelligence, and especially her ability to be generous to her colleagues.

Senator Bielish belongs to that group of women, among them my mother, who form a vital part of that enterprise known as the family farm, whose roots are firm in the soil of this country, whose daily work is difficult and taxing, whose vital contribution to the life of this country has been recognized only too recently and whose true worth is really not yet fully appreciated.

I was a colleague of Senator Bielish, through no fault of my own but at the instruction of our eminent whip, on the Standing Senate Committee on Agriculture and Forestry. I enjoyed that work immensely, due in no small part to the ability of Martha, who had a great deal more knowledge, coming from a rural community—even though as a child I grew up in such a community —to instruct myself and others on the intricacies of agricultural policy.

● (1420)

Martha, we shall certainly miss you. We wish you well. I hope that the next few seasons are as wonderful for you on the farm as this one has been, and I want you to know that you will be missed. Thank you.

Hon. Senators: Hear, hear!

Hon. Nathan Nurgitz: Honourable senators, I join with my colleagues in wishing our colleague, Martha Bielish, a long, happy and healthy retirement. I was not appointed on the same day as Martha, but I arrived in the chamber on the same day and we were office neighbours. Martha Bielish and I have spent many hours together in this place as fellow western Canadians and fellow partisans. I know the contribution she has made. Martha has a certain down-home sensitivity to these things. When Senator Olson was making his wonderful comments, she groaned and said that it was sort of like listening to her own obituary. I thought to myself that I had better stand up and remind her that it is an opportunity most of us will not have.

Honourable senators, I join with colleagues and friends in saying to Martha Bielish that she has served this chamber and her country well, and I wish her a long and happy life.

Hon. Senators: Hear, hear!

Hon. Brenda M. Robertson: Honourable senators, Martha, I too must add my words of admiration and best wishes as you leave the Senate this afternoon. When I first came to the Senate six years ago Martha was the only woman in the government caucus and I was number two. I do not know what I would have done without her. Some of us know about the "old boys' club", and on certain days it is difficult to find one's way around, especially when you first arrive. I shall never forget her kindness and generosity in those early months. Someone referred to Martha's dedication to women, particularly rural women. Martha made her mark on remarkable organizations, which made quiet progress without demonstrations or placard-waving. That says a lot about the kind of person our colleague is. Martha has brought to the Senate not only good, quiet wisdom and a sense of humour, but also leadership and a dedication to that leadership that is unique. I am so delighted that the book is finished and I will be anxious to read it. Martha, regardless of where your steps may take you in the next while, we wish you well and Godspeed.

Hon. Senators: Hear, hear!

Hon. Solange Chaput-Rolland: Madam senator, although there are times that Quebec and Alberta do not see eye to eye, you have been, as Senator Robertson has said, a helpful friend at a time when I felt desolate and alone. You have taught me many things about your province and about this country. I am not going to shower you with flowers . . .

[*Translation*]

. . . because I think you are a lady, that you are showing today a courage which our foes may find rather bizarre but which is the courage of bravery . . .

[*English*]

and because you have made things easy for me. I thank you, because I feel that I am better for knowing you.

Hon. Gerald R. Ottenheimer: Honourable senators, I have not been in the Senate anywhere near as long as other honourable senators who have spoken on the occasion of Senator Bielish's retirement. I would, however, like to speak briefly.

Actually, I think Senator Bielish and I met approximately nine years ago. She was then a senator and I was a member of the Newfoundland legislature, and we were both attending a meeting of the Commonwealth Parliamentary Association. I do not remember whether that meeting was in New Zealand or elsewhere, but it was a fair distance away.

I suppose that unless one goes north Newfoundland is as far from Alberta as one can come and still be a Canadian.

Senator Lucier: The Yukon!

Senator Ottenheimer: I did say "unless one goes north". I say to my honourable friend opposite that I fully recognize that it is not "from sea to sea" but "from sea to sea to sea". I am sure the honourable gentleman recognizes that when Radio Canada or the CBC states that it is broadcasting coast to coast, from Halifax to Vancouver, it is forgetting a fair number of people elsewhere. No, I specifically made reference to the north. In an east-west context, however, what I said is quite true.

Actually, I have frequently noticed that people from Alberta and those from Newfoundland—

Senator Guay: And Manitoba!

Senator Ottenheimer: —or, to put it another way, Albertans' values and Manitobans' values, or western values and Newfoundland values are quite close. Whether or not that is accurate, I do not know; I can only attribute it, in light of the great difference in geography and economy, to the premise that the values associated with the family farm and with family fishing enterprises are similar. People live close to nature; they harvest what nature and God provide. They know problems, accidents of nature, and weather. They know of hardship, financial and real, in terms of danger and life. Those values, whether springing from the ethos of the family farm or the family fishing enterprise, historically have been of great advantage to Canada, and should continue to be so.

Senator Bielish and I have also been neighbours in the sense mentioned by Senator Olson, in that we have occupied the same corridor. Indeed, our two secretaries shared the office between Senator Bielish's and mine. We would run into one another not only in the corridor but frequently in the room between our two offices. During the past two years we have had a continuing and warm friendship. I have always valued Senator Bielish's smile, her warmth and the sincerity of her person. In my opinion, she is proof that there is room in Canada, and in the Senate of Canada, for people of quiet dignity, who reflect the best of our traditional values, who reflect those family values that have played such an important role in Canadian life.

Honourable senators, I am pleased to add my words of appreciation for her contribution to the Senate, and to wish her well in the years ahead. I would certainly like to have a copy of *The History of Women in Politics in Alberta* before all 500 copies are gone, and I put in my name for a copy now. I put my name in now. Thank you.

• (1430)

Hon. Pat Carney: Honourable senators, I too would like to pay tribute to Martha. She was one of my presenters when I was sworn into this house earlier this week. I knew she was due to resign, but I did not realize that it would be today. I do not want to see her departure from this chamber without reflecting on the contribution she has made, not only to this chamber, but also to the Conservative Party.

When I first arrived in Parliament ten years ago, she was one of the first women in our party caucus, along with Flora MacDonald. She has been a warm friend and willing mentor for my years in Parliament.

Much has been said today about her role in representing family values and in representing rural women and farm families. I should like to cast that in a modern tradition. We hear a lot about gender balance, two-income families, and some of the problems of women with careers today. We forget the fact that farm women have always had gender balance—

equal work; and farm women have always had the problem of double income, or the lack of it. Martha can take her place with the finest women in Canadian history, and certainly she will have a place. I hope she has written her own story in that book on Alberta women.

In her speech, Martha referred to Emily Murphy and the Alberta women who won for Canadian women the stature of "persons". Emily Murphy was also an Albertan. She originally came from Ontario. She, with her husband, worked in northern Ontario in some of the small sawmill towns. When Emily Murphy went to Edmonton, she was named a magistrate because of her compassion and work in social services. With her horse and carriage she toured the back roads of Alberta and learned about some of the problems of rural families and rural women. She was one of the first people to identify the drug problem. Long before it became popular, Emily Murphy realized there was a problem.

Her crowning accomplishment was leading the charge to have women named as persons so that they could sit in the Senate. I always thought it was ironic, but not unusual, that Emily Murphy never sat in the Senate. Everyone expected that the first woman senator would be Emily Murphy, but instead it was a woman not of her party, which was Conservative, and the next vacancy in Alberta went to a man, because it was considered a Catholic seat. It took 50 years from the time that Emily Murphy led the charge to have women named as persons for an Alberta woman to sit in the Senate, and that was Martha.

Emily Murphy would be very pleased with that. I know she would feel that if she could not have sat in this chamber, then Martha was the one who should have done so.

We will miss you, Martha, and we wish you well.

Hon. Senators: Hear, hear!

Hon. Joseph-Philippe Guay: Honourable senators, I too would like to join others who have spoken to acknowledge the contribution that Senator Bielish has made to our country. One could enumerate many of the things she has accomplished and done exceptionally well. I will not repeat the list of the many accomplishments that have been mentioned, because it is well known to everyone what she has done. However, perhaps I can enumerate one incident that I recall. By the way, in those days I thought she was much younger than I.

At one time we were both in Holland, she representing the Government of Canada. As the government's representative, she did an exceptionally good job in representing, and speaking on behalf of, the government. In fact, I was proud to be with her. I want to take this occasion to wish Senator Bielish all good things for the future—good health and happiness in her retirement.

Some Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn: Honourable senators, I, too, would like to say farewell to Senator Bielish. She has worked in this chamber in the tradition of those women of Alberta who have contributed to the political life of Canada in this century. Her work follows along the lines of that famous group of women which led to Canadian women being recognized as persons. Strangely enough, as has been noted, the women who were in the forefront of the movement that took the case to Westminster failed to receive recognition back in their own country. In fact, none of them ever became "persons" in the Senate of Canada until Martha Bielish came here from Smoky Lake 11 years ago.

Martha brought with her a lifetime of knowledge, of the land, of the people and of rural women—not just in Canada but throughout the world. She has travelled to many conferences and has been recognized, in her contributions, as a true representative of understanding and excellence. Our work together in the Senate has been mainly as members of the Agriculture Committee, but we have also travelled the country with the Special Committee on Youth, and across our northern territories in connection with the Meech Lake hearings.

Martha has had a tough summer in terms of health. I wish her many, many years of not only happiness—which I know she will have with her family and grandchildren, whom she loves—but also strength and health. It has been a privilege to know Martha. She has been frank today in explaining why she is leaving early.Martha and I have not always seen eye to eye on political matters. But that is natural. I have to confess a feeling of sadness that she is leaving in an endeavour to try to ensure the success of a policy that is viewed with dismay in our home province of Alberta. But that, too, is political life. I shall miss Martha, and her red currant jelly, which she gave me every Christmas. I am sure she will miss my pickles. Perhaps we can get together in Alberta. Martha, I wish you every success. Your fame will remain in the book on Alberta women in politics that you were generous enough to give me. You are a fine example of that.

Hon. Daniel Hays: Honourable senators, I should like to join with my colleagues in wishing Senator Martha Bielish a long and happy retirement. I would like her to know how very much I have appreciated her many kindnesses to me and all of the help that she has provided, particularly in my first days as a senator.

• (1440)

The other comment I wish to make is that it has been a privilege to serve with you on the Agriculture and Forestry Committee, particularly in light of the important contribution you made, because of your family connection with what is now almost extinct, namely, a small family farm. You were able to give us, and others, information that only someone with your background and experience could credibly tell us about. Thank you for that, and my best wishes to you.

Hon. Heath Macquarrie: Honourable senators, there is an agreeable tradition in this place not always—but often—observed. That tradition is that the seat-mate of the recipient of salutary greetings have an opportunity to speak, and often that person is the last one to speak.

I am new in this seat. I had wondered what prompted my whip to assign me this seat. I thought for a moment that he realized I am one of the most left-leaning members of the

caucus and that is why I am here. My next thought was that perhaps he wanted me as far away from him as possible. In any case, I am delighted that it has allowed me to become a seat-mate of Senator Dr. Bielish, even if it is for such a short time.

Senator Bielish pointed out that she was surprised when she was called to the Senate in 1979, which now seems not long ago. I was called in the same year, but I was surprised when, during the summer, groups of senators were appointed and my name was not on the list. I wondered what had happened, but finally Senator Nurgitz and I made it in the last batch.

I admire Senator Bielish. I agree with Senator Robertson that she is the type of person not totally common in political life, because she is genuinely modest. There is false modesty, and there are some who do not even bother with modesty, whether it be false or not. However, Senator Dr. Bielish, in the many tests that she has undertaken in this chamber, has tended to understate herself. In the process, she has over-exulted the good causes for which she has worked. That is a wonderful type of person to be involved in good causes. She has been a champion of one of the finest groups for the advancement of good human causes that I can recall.

Long ago, when I was working my way through college, and when I was a school teacher in the country I do not know how we could have got along without the Women's Institute—again, a group not placard-waving, not headline-seeking, but day after day doing for their fellow human beings that which should be done. As Senator Robertson has said, Senator Bielish is a quiet woman, giving support to good causes.

When Senator Bielish and I were in the Northwest Territories and the Yukon, we were the only Conservatives on the Meech Lake Task Force. We saw that the Meech Lake Accord was not popular there, but, God bless those people, they treated us as well as they possibly could.

I remember a stormy committee luncheon, when all of us were discussing the committee proceedings. Senator Bielish said very quietly to some of our colleagues, with her head down, "Some of you have been leading the witnesses, haven't you?" She was right, although we had excellent meetings under the fine chairmanship of Senator Molgat. She very quietly pointed that out. She has done that since she came here. She has been quiet and consistent, knowing exactly where she was going and what causes she supported.

These are tense times. I heard some mild groans across the way. However, I would not be surprised if, in the long run, her early departure from this place is one of her finest gestures. Whether or not we like it, when section 26 is involved, sections 27 and 28 of the Constitution are in place. So, in my judgment, she has done a fine thing. I wish she did not have to do it, but in the long run she has rendered a great service to her province and, indeed, to the constitutional process. I salute her and wish her well.

Hon. Ethel Cochrane: Honourable senators, I too would like to join my colleagues in wishing Senator Bielish all the best for the future. I heard about her resignation a short while ago. I do not wish to go into Martha's background, as that has been covered by the leader and many others.

However, we do know that she has made a substantial contribution to women's organizations. Martha and I have had many discussions on this matter. She has for many years travelled across the country working with women's institutes, promoting women and women's concerns and issues, particularly in rural Canada. We are pleased that Senator Bielish has made that contribution to women.

Eleven years ago today, in 1979, she was appointed to the Senate. I did not know Martha Bielish until four years ago. I can honestly say that Martha is an honourable person. We are sad to see her go. She has made a contribution to her province by her early departure from this place. For that, we thank you, Martha.

She has put something back into this country by her work in the Senate chamber and in her work for Canadian women, as well as by her activities in the field of agriculture and in helping the people of her province.

Martha, I appreciate the friendship and your assistance you have given me since I became a senator four years ago. I agree with Senator Carney that you were a great replacement for Emily Murphy. Martha, I wish you all the best.

Some Hon. Senators: Hear, hear!

THE SENATE

PRESENCE OF STRANGERS IN CHAMBER—MOTION TO ORDER WITHDRAWAL

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I see strangers. Pursuant to rule 17, I move that strangers be ordered to withdraw. Your Honour will notice from rule 17 that that question must be put without permitting any debate or amendment.

• (1450)

The Hon. the Speaker: I believe the honourable senator meant strangers in the gallery from the press.

Senator Frith: Honourable senators, I notice strangers. Rule 17 says that the question, that strangers be ordered to withdraw must be put without any debate or amendment. There can be no discussion. We will have to have a vote on it.

The Hon. the Speaker: It is moved by the Honourable Senator Frith, seconded by the Honourable Senator Petten, that strangers be ordered to withdraw from the chamber.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yea.

Some Hon. Senators: Nay.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: I think we shall have to have a vote.

And two honourable senators having risen.

The Hon. the Speaker: Please call in the senators.

● (1500)

QUESTION OF PRIVILEGE

Hon. Gildas L. Molgat: Honourable senators, before His Honour the Speaker asks that the doors be locked, I rise on a question of privilege of the Senate.

Senator Murray: Sit down!

Senator Barootes: A vote is being held!

Senator Molgat: Honourable senators, I should like to point out to you, regardless of which side of the house you sit on that across Canada there has been an intensive and violent reaction toward the actions taken by the Prime Minister involving the Queen and—

Some Hon. Senators: Oh, oh!

Some Hon. Senators: Order!

Senator Barootes: A point of order should be called. Call a vote!

Senator Molgat: —and the Governor General of Canada in appointments to this chamber. There has been complete revulsion on the part of the Canadian people.

Senator Barootes: Call the vote, Mr. Speaker!

Senator Molgat: Let us leave aside the public reaction as such. Let us consider the legal reactions to these appointments. There have been a number of constitutional experts who have clearly said that what has been done by the Prime Minister is unconstitutional under section 26.

Senator Doody: Order!

Senator Barootes: Order! Order! Call the vote!

Senator Molgat: Furthermore, since then the matter has gone before the courts.

Senator Barootes: Call a vote!

Senator Molgat: Don't talk to me about order! The matter is now before the courts of Canada, and the courts have set a date as to when this matter will be taken up to decide whether the eight—

Senator Doody: Vote!

Senator Molgat: —storm trooper senators are indeed legitimate senators of Canada.

Some Hon. Senators: Hear, hear!

Senator Molgat: The matter is before the courts. The courts have set a date for this to be heard and a date at which time a decision will be given. It is not a long, extended time. The decision will be made during the month of October. That is now set. The courts have accepted that it will be done with respect to the legitimacy of the Prime Minister's actions under section 26.

Some Hon. Senators: Order! Order!

Senator Barootes: Call a vote!

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): The bells have stopped ringing. Are you going to put the question, Mr. Speaker?

Senator Molgat: Since then a second point has come up concerning the legitimacy of the action, and the second court action concerns whether or not the appointment of an extra senator in New Brunswick is indeed proper.

Some Hon. Senators: Order! Order!

Senator Molgat: Mr. Speaker, I submit that this house cannot proceed any further. There is no possibility of this house proceeding with a vote. If these eight extra senators are going to be included in the voting procedure, their position is not legally acceptable—

Some Hon. Senators: Hear, hear!

Senator Perrault: Absolutely!

Senator Molgat: —before it is decided whether or not they are constitutional.

Senator Barootes: Order! Call the question!

Senator Molgat: I submit that if we were to take any action at this point in which these eight so-called senators were allowed to vote, subsequently there would be a serious question as to whether or not any action taken by the Senate was indeed legitimate and constitutional.

Senator Barootes: You don't believe it yourself!

Senator Molgat: I submit that the privileges of this house are in very serious breach at this point. We cannot proceed with any vote in this chamber until the constitutional position of these eight individuals is settled!

Some Hon. Senators: Hear, hear!

Hon. H.A. Olson: Honourable senators, I, too, rise on this very serious question of privilege. Even honourable senators opposite will know that they have a weighty responsibility not to participate in any action that is a violation of the Constitution. That question is very clear.

We know that when we look around the chamber there are eight senators more than the 104 that are permitted under the Constitution of Canada. Indeed, if we try to find the basis for this, of course, we are ploughing new ground to some extent, because it has never before happened.

Senator Barootes: You must have a precedent!

Senator Olson: Yes, there is a precedent. In 1873 the then Prime Minister, Alexander Mackenzie, made a request to appoint some additional senators over and above the number allowed for in the Constitution.

Senator Doody: Put the question!

Senator Olson: The first thing that is clear is that he was asked to demonstrate that there was a stalemate. He was also informed that he would have to demonstrate that the appointment of the additional senators—in fact, there were six then, not eight, as there are today; that was changed in 1915—was the only way to break the stalemate.

Senator Doody: Nonsense!

Senator Olson: I suggest, Mr. Speaker, that neither one of those conditions has been met on this occasion, and that is the only precedent we have of this unusual situation.

Honourable senators, I think, too, that we must look at the qualifications of the eight additional senators. Those qualifications are set down in section 23 of what was the British North America Act, and in that part of it that remained in the Constitution Act, 1982. I shall not read it to honourable senators now, section 23 specifies that a senator must be resident within the province for which he is appointed. It deals with property requirements and so on. But, honourable senators, what we are dealing with now is the matter of senators who were apparently appointed from regions or divisions, which is the term used in the British North America Act.

Honourable senators, we now have 11 senators from New Brunswick. The Constitution clearly states that there must never be more senators from one province than there are members of the House of Commons. There is no doubt about that. There are no qualifications to those words. The Constitution merely states that it should never happen; and here we have that situation before us today.

Honourable senators, we can further look into the Constitution on the matter of qualifications of senators. Section 33 of the Constitution Act, 1982 states:

> If any Question arises respecting the Qualification of a Senator or a Vacancy in the Senate the same shall be heard and determined by the Senate.

Well, honourable senators, a question—a legitimate question—is raised about these qualifications. There has been no attempt to allow the Senate even to discuss the question, let alone, as section 33 states, determine the qualifications of a senator from a region or a division.

● (1420)

Therefore, Mr. Speaker, we now have a very serious breach of the process. I suggest that there is nothing worse than having people voting in this chamber, if they are not qualified to be here, and that has not yet been determined. The only precedent in the history of Canada has been violated as well. There has been no vote here that has set up a stalemate. There may be an apprehended stalemate,but that is not the case at the present time.

Honourable senators, I think that the privileges of the senators who are here have been very seriously violated by the presence of this chamber of eight more people who apparently intend to vote than the Constitution calls for, and that the qualifications for adding to the 104 have not been met. In fact, the one precedent has either been completely ignored or violated.

[Senator Doody.]

Senator Barootes: I call the attention of honourable senators to the fact that we are to have a vote and I ask the Speaker to put the question, which is his clear duty under the circumstances.

Please do you duty, Mr. Speaker.

Hon. L. Norbert Thériault: Honourable senators, I also rise on the question of privilege. I was appointed to the Senate from New Brunswick under the Constitution of Canada, as everyone has known it, as one of ten senators. If the Prime Minister wanted Mr. Ross, who is a good friend of mine, to be a senator, he should have appointed him instead of someone else and not have 11 senators from my province. Furthermore, honourable senators, there is now a legal constitutional question of whether the House of Commons is legally constituted because there is one less member in the House of Commons from New Brunswick than there are senators.

I say to those people who have been appointed under that section that they should have the decency to withdraw from the Senate and not to vote until their case is cleared before the courts.

The Hon. the Speaker: Honourable senators, I should like to address the point of Senator Molgat. *Beauchesne's Parliamentary Rules and Forms* Fifth Edition, Chapter 5, Page 76, rule 225 states:

> When his attention has been called to a breach of order in the course of a division . . .

as Senator Molgat did

> . . . the Speaker has directed that the division should proceed, and has dealt with the matter when the division was completed.

Honourable senators, I think that we should deal with the division and then deal with the point of order.

Senator Molgat: Honourable senators, I did not appeal a breach of order. I am talking about the privileges of the Senate, which is an entirely different thing. If someone were to come in after the vote is called, that is a breach of order. I am talking about the privileges of the Senate. I appeal to my honourable friends,do not simply take a partisan attitude on this question. This is a far more serious question with which all honourable members should be concerned. It is a matter of the constitutionality of what we are doing. It is not a question of breach of order, it is a question of breach of privileges of the Senate. Are we going to have people in the Senate who have not a clear constitutional right to be here or where there is a question about their constitutionality? Are they going to be entitled to vote in this chamber? That is the question.

Senator Murray: Honourable senators, if there is a question about the constitutionality or, as Senator Olson has indicated, a conflict between various sections of the Constitution, the place where that is adjudicated is not here but in the courts. That is the first point to be made.

Senator Olson: That has already been decided!

Senator Murray: The second matter I wish to raise for the benefit of Senator Molgat, when he talks about privileges of

the Senate, is that the Senate is not a club from which my honourable friend can blackball people whom he does not like or does not want to see admitted.

Some. Hon. Senators: Hear, hear!

Senator Olson: Who did that?

Senator Murray: The fact of the matter is that these senators—like Senator Molgat, like me, and like all other honourable senators here—were summoned to the Senate by the Crown. They are sitting in their seats today as of right. They have taken the oath of allegiance to the Queen, have signed the property qualifications and are seated here as of right. If my honourable friend has something to say about their qualifications to sit here, he can raise that question at the appropriate time.

Senator Barootes: After the vote!

Senator Murray: The situation we are in right now is that on Thursday last a motion was made by the Deputy Leader of the Opposition. That motion having been made, a division was called. The bells have rung summoning senators to the vote since Thursday.

The whips have entered the chamber and have taken their seats for the vote. I put it to Your Honour that the next step in this process is for Your Honour to put the question and to call the vote. If there are no legitimate questions, and I have heard none so far, about any honourable senators—I would invite my honourable friend, Senator Grafstein, to take his seat. The rules of Parliament, if not common courtesy—

Some Hon. Senators: Oh!

Senator Perrault: Keep your cool!

Senator Petten: What about last week?

Senator Murray: I put it to Your Honour that the next step in this process is for Your Honour to put the question—

Senator Frith: No!

Some Hon. Senators: No!

Senator Murray: —and to call the vote.

Senator Perrault: It is not!

Senator Murray: If my friends have something to say—I have not heard yet a legitimate argument on the question of qualifications—

Senator Perraut: Are you going to insult the courts?

Senator Murray: We will discuss it then. But the question should be put and the vote taken.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators—

Senator Barootes: You have another one there!

Senator Hastings: We learn well!

Senator Frith: —the point now before the Senate is not to be confused with a point of order. The precedents on a point of privilege or question of privilege are very clear in parliamentary procedure and precedents.

At page 25 of *Beauchesne*, at paragraph 81, it states:

> By its nature, a question of privilege—

An Hon. Senator: Which edition?

Senator Frith: I am glad to take the time to make that clear. It is the Fifth Edition, Cinquième Edition.

Senator Barootes: You speak in French—

Senator Perrault: Just be patient, for heaven's sake!

Senator Frith: I should tell honourable friends opposite that I am in no hurry.

Senator Barootes: Did you miss with the razor this morning?

Senator MacEachen: It was an interesting caucus!

Senator Frith: All squash racquet injuries are not caused to me by Mr. Wilson!

On page 25 it states:

> By its nature, a question of privilege is of such importance that it may be raised at any time—

It then goes on to state that:

> —makes provision for the precedence of a question of privilege over all other business of the House. A question of privilege arising out of proceedings in the Chamber, during the course of a sitting, may be raised without notice.

• (1430)

Honourable senators, I know that the point of privilege that has been raised here about the qualifications of the senators appointed under section 26 is not taken seriously by some people—apparently not by our colleagues opposite. However, it is taken quite seriously by very reputable opinion in this country. I myself have had communications from law professors, uninvited, and I have read about other law professors who have raised this point. I believe that most provinces are concerned about whether or not the exercise of section 26 was legitimate in this case, and are quarrelling with it. That is the way things are in this country, as they should be. A question such as this might not be taken seriously by a party, or a group of parliamentarians, but may be taken seriously by others. It may be taken seriously by the press and not taken seriously by others.

I assure honourable senators and Your Honour that this is a serious question of privilege to many serious people. I would like to try to explain why the rule that applies to a point of order does not apply to a question of privilege, and should not in this case, since it is necessary that Your Honour understand the essence of the complaint.

The essence of the complaint is that the privilege of honourable senators, including those appointed to fill the vacancies, is affected in the most vital way. I say that, because if there is anything that a parliamentarian does that is central to his or her duties it is to exercise his or her vote. Questions of

privilege have been raised of course about whether or not a parliamentarian is allowed to stand and speak. However, all debate, all parliamentary proceedings, everything that happens in committees lead to a vote. To say, "Look, you are saying that a vote is about to be taken, yet you complain that some people in this chamber should not be allowed to vote, but we want you to go ahead with the vote in the meantime." That is the reason why this has to stop now. That is why the decision, not just on the question of privilege but on the qualification of these senators, must be decided before any of us are asked to vote. If that does not happen, then our privileges are being interfered with in a vital way.

Honourable friends opposite think the point is not serious. Let us see if there is any seriousness in this point. Let us turn first to section 26 of the original Constitution which states:

> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight Members be added to the Senate, the Governor General may by Summons to Four or Eight qualified Persons (as the Case may be), representing equally the Four Divisions of Canada, add to the Senate accordingly.

Thus, there are certain steps which have to be taken. First, there must be a recommendation from the Governor General to the Queen. The Queen then has to decide whether she thinks fit to direct that either four or eight members be added to the Senate.

Is there anything anywhere in parliamentary procedure or precedent to help us decide, judge or evaluate whether certain conditions must exist before such a recommendation can be made? I am sure some honourable senators will be glad to know that the answer is yes, there has been an occasion when something was recorded as to the tests. Senators Molgat and Olson have referred to that. The only time it was tried and got anywhere across the ocean was when Alexander Mackenzie and his cabinet asked the Governor General to request the Queen to appoint six senators, since it was six in those days, there being only three divisions. Apparently the British did not think that enough case had been made out to put it to the Queen. I should like to quote under the heading "Under What Circumstances Can Section 26 Be Invoked?"

> In 1873, the Macdonald government resigned over the Pacific Scandal and the Mackenzie government took office on 2 November 1873. Mackenzie prorogued Parliament the same day, and dissolved it on 2 January 1874. On 22 January 1874, the Mackenzie Liberals were returned with a a resounding majority.
>
> Meanwhile, in late December, 1873, Mackenzie and his Cabinet advised the Government-General to recommend to the Queen the appointment of six extra senators. The request seems to have been accompanied by a memorandum from the Prime Minister outlining the reasons for the request.

If any such memorandum was delivered in these present circumstances, we do not know about it or I, at least, do not know about it. I have not seen reference to it anywhere.

[Senator Frith.]

> Mackenzie described the purpose of section 26 as "a way to avoid possible complications or inconveniences by giving some elasticity to the system." He refers to the pre-Confederation agreement between the leaders of the two political parties that each party should nominate half of the original senators, and observes that 29 of the 31 senators appointed since 1867 were on the Conservative side.
>
> Although Mackenzie did not go so far as to argue that Senate appointments must maintain the principle of equal representation between the parties, he felt it was important to prevent an impression that the Senate was "too much the creation of the Administration of the day." Because of the disparity of the Macdonald appointments, "a sufficiently clear case [had] been established to justify the application of the counterpoise provided by the Constitution." Additionally, the extra appointments would ensure that government members were effectively advocated in the Senate.
>
> The Governor-General, Lord Dufferin, forwarded the request to Lord Kimberley, the Secretary of State for the Colonies . . .

I am glad to hear the Leader of the Government snicker at that point. He has a very good reason to snicker, but it is not the reason he thinks.

> The Governor-General, Lord Dufferin, forwarded the request to Lord Kimberley, the Secretary of State for the Colonies, on 26 January 1874, immediately after it became clear that Mackenzie had won the election. On 18 February 1874, Lord Kimberley replied that he could not advise Her Majesty to direct the additional appointments. He noted that the "question was of considerable importance," but felt that the intention of the framers of section 26 was that the power of extra appointments should "be vested in Her Majesty in order to provide a means of bringing the Senate into accord with the House of Commons in the event of a collision of opinion between the two Houses." Consequently, Her Majesty could be advised to use it only when "a difference had arisen between the two Houses of so serious and permanent a character, that the Government could not be carried on without Her intervention . . ."

Are we saying that this government cannot govern without going across the ocean and asking the Queen? I repeat:

> . . . "a difference had arisen between the two Houses of so serious and permanent a character, that the Government could not be carried on without Her intervention, and when it could be shown that the limited creation of Senators allowed by the Act would apply an adequate remedy.
>
> In short, section 26 was to be used only when there was a collision of opinion between the two Houses of so serious

and permanent a character that the government was incapacitated.

● (1440)

Senator Barootes: Absolutely right!

Senator Frith: Incapacitated!

Senator Perrault: You are incapable but you are not incapacitated!

Senator Hastings: You are incapable!

The Hon. the Speaker: Order, please.

Senator Perrault: Pathetic!

Senator Simard: Please proceed.

Senator Frith: I suggest that the incapacity of the government is not related to this circumstance but to other circumstances. The article goes on:

> Additionally, it had to be at least possible, and perhaps probable, that the extra appointments would resolve the problem.
>
> There the matter apparently would have rested, since the correspondence was not public, except for a chance remark by the Governor General in the summer of 1876. On a visit to British Columbia, Lord Dufferin found considerable dissatisfaction with Canada. There had been delays in the construction of the Pacific Railway, and a bill to provide for the Esquimalt and Nanaimo Railway in compensation had been defeated in the Senate. In an attempt to assure British Columbians that the government had made every effort to have the Esquimalt and Nanaimo bill passed, Lord Dufferin made the following statement which was widely reported in the press:
>
> I saw Mr. Mackenzie—

That is, the then Prime Minister.

> —the next day [after the defeat of the bill], and I have seldom seen a man more annoyed or disconcerted than he was.

Honourable senators will note that this was after the defeat of the bill.

> Indeed he was driven in that interview to protest with more warmth than he has ever used against the decision of the English government which had refused, on the opinion of the law officers of the Crown, to allow him to add to the numbers of the Senate.
>
> Subsequently, motions were introduced in both the House and the Senate requesting the production of all correspondence, . . .

And the document goes on. It turned out, however, that the Conservative majority in the Senate was not prepared to let the matter lie:

> On 19 March 1877, the Senate passed a resolution expressing "its high appreciation of the conduct of Her Majesty's Government in refusing to advise an Act for which no Constitutional reason could be offered." In addition, the Senate recorded its opinion on the appropriate use of Section 26.

Honourable senators will note that it was the Senate that recorded its opinion. The Senate said:

> this power was only intended to be exercised upon the occurrence of some grave political emergency, and with a view to the removal of serious differences which should actually have arisen between the Senate and the other House of Parliament, and are not susceptible of satisfactory adjustment by any other means . . .

For example, Senator Simard, a conference.

> any addition to the Senate under the provisions of the 26th clause of the British North America Act which is not absolutely necessary for the purpose of bringing this House into accord with the House of Commons, in the event of an actual collision of a serious and permanent charcter, would be an infringement of the constitutional independence of the Senate, and lead to a depreciation of its utility as a constituent part of the Legislature.
>
> This appears to be the last official documentation relating to the purpose and appropriate use of Section 26.

Let us get back to the question of the section itself, and the reason for the snicker by the Leader of the Government over the fact that Lord Dufferin sent a communication to His Lordship in England. There is no question, if one looks at the history of this section and particularly at the debates at the time of Confederation, that the purpose was as mentioned: the giving to the Queen of an arbitral function dealing with the whole question of the swamping of the Upper House. And they used the word "swamp" in the *debates*.

Let me refer to a memo by Lord Carnarvon to the British Cabinet. In it he noted two conditions added by the delegates: first, that the appointments should be made by the Crown rather than by the Governor General; and, second, that their numbers should not exceed six, which, at the time, meant two for each region. He added:

> . . . the intervention of the Crown is to my mind a doubtful proposal: but it is designed to be a check upon popular feeling and the action of the Local Government and I do not see that we can take exception to it.

Accordingly, the third draft of the British North America Act, which was then Section 16, was so worded. So the section went through these various phases and wordings. It is clear that the idea behind it, its purpose, was to retain for the Queen and the Crown in Great Britain the ability to resolve these questions and to play an arbitral role and, as we have seen, to do so only upon making an investigation as to whether the necessary circumstances existed.

Senator Barootes: Senator Frith, would you tell us what you are reading from?

Senator Frith: It is a memorandum that I received from the—

Senator Murray: Parliamentary Library.

Senator Frith: The library, that is correct.

Senator Murray: We have all read it.

Senator Frith: Oh, good! So you have all read it, says Senator Murray. So say you all?

Senator Barootes: We've all read it now!

Senator Frith: No, you have not. There is more if you want to hear more.

Given that background, is it really arguable that section 26 has remained available since 1982? If the history is as I have described—and I know that it is accurate, and I stand by it—if section 26 was placed in the BNA Act in order to retain an arbitral function for the Crown in England on the advice of the British cabinet, is it not very seriously arguable that section 26 lost its effectiveness and has really had no force since 1982, when the Constitution was patriated? Therefore, this question of qualification—

• (1450)

Senator Barootes: Perhaps we need a constitutional conference.

Senator Frith: Make us an offer. Because the question of privilege with which we are concerned deals with the vote and with who is entitled to vote on motions put to the Senate, the qualifications of these alleged "divisional" senators should be looked into very carefully. There must be before us proof of compliance, not with just the taking of oaths and the swearing of allegiance, but with section 26. Will they, for example, present their Writs of Summons executed under section 24? Is there adequate proof that there exist eight vacancies to be filled? Because what section 26 does is create the eight vacancies, which are then filled by these "divisional" senators. Have we had evidence both of a recommendation of the Governor General and of a direction from the Queen? Remember that this is extraordinary. It is not only extraordinary if you read the Constitution, but, historically, it is most extraordinary. It has never happened before.

Do we have evidence of the recommendation of the Governor General? Do we have a direction from the Queen? Are we senators—not divisional senators—not entitled to have evidence that these divisional senators are entitled to vote? I submit we are and that our privileges are interfered with if not. I submit we should be able to see the original, written and signed instruments of recommendation and direction and that we refuse to accept affidavits, certificates, unauthenticated telegrams, photocopies of instruments or of correspondence, and facsimiles of correspondence or of other documents as proof of either the recommendation or of the direction. Particularly, if either the recommendation or the direction did not take written form, it may be difficult for the government to offer adequate documentary evidence; but perhaps they should try. It is for the Senate, honourable senators, to decide whether or not what is offered is adequate.

An Hon. Senator: Hear, hear!

Senator Frith: Section 33 of the act provides:

> If any Question arises respecting the qualification of a Senator or a Vacancy in the Senate the same shall be heard and determined by the Senate.

[Senator Frith.]

The essence of the point of privilege is that before any vote is taken in this Senate, the qualification of the so-called "divisional" senators should be settled. Is it in doubt? It is in doubt because the conditions did not exist. Is it in doubt for any other reason? Well, we have been told that they have qualified. Where do we turn to find out when a senator is qualified? Can we look at this with respect to these divisional senators?

Senator Guay: You cannot go in front of the—

Senator Murray: It is your last day. Go out in a blaze of glory.

Senator Frith: I am used to standing and I do not mind waiting.

Against that background of an apparent lack of conditions for the exercise of section 26, and doubt as to whether section 26 is still valid, there is a total absence of any evidence before us—those of us who are just ordinary provincial senators—about whether or not the conditions for these "divisional" senators' qualifications have been met. Can a vote be taken without an abrogation of our privileges?

Some Hon. Senators: No.

Senator Frith: Let us look at section 23, which states:

> 23. The Qualification of a Senator shall be as follows:
>
> (1) He shall be of the full age of Thirty Years:

I would think that, except for Mrs. Johnson, there is a *prima facie* case of that at least.

An Hon. Senator: She looks 21 to me.

Senator Frith: It goes on to state:

> (2) He shall be either a natural-born Subject of the Queen, or a Subject of the Queen naturalized by an Act of the Parliament of Great Britain, or of the Parliament of the United Kingdom of Great Britain and Ireland, or of the Legislature of One of the Provinces of Upper Canada, Lower Canada, Canada, Nova Scotia, or New Brunswick, before the Union, or of the Parliament of Canada, after the Union:
>
> (3) He shall be legally or equitably seised as of Freehold for his own Use and Benefit of Lands or Tenements held in Free and Common Socage, or seised or possessed for his own Use and Benefit of Lands or Tenements held in . . .

and I would ask you to listen to these words:

> . . . within . . .

Senator Barootes: The law according to Frith.

Senator Frith: No, no, but thank you for the compliment. I would be glad to claim parentage of these words as if I had been given the right to write our Constitution, but this is not the law according to me, it is the law according to the Constitution, the super law.

Senator Barootes: It is interpreted.

Senator Frith: No, there is no interpretation. I am reading the words. Incidentally, if the honourable senator wishes to keep this up then that is fine with me.

Senator Barootes: We are having fun.

Senator Frith: When we have these breaks I feel I have to get back to the context by starting all over again, but I am glad to do that. Section 23 says, "The Qualification of a Senator shall be as follows:" and then it lists "(1)" and "(2)." It goes on to say:

> (3) He shall be legally or equitably seised . . .

Honourable senators, I shall read it all so that there can be no interpretation. It goes on:

> . . . as of Freehold for his own Use and Benefit of Lands or Tenements held in Free and Common Socage, or seised or possessed for his own Use and Benefit of Lands or Tenements held in Franc-alleu or in Roture, within the Province for which he is appointed, of the Value of Four thousand Dollars, . . .

These senators whose right to vote is the subject of this point of privilege and is being challenged are not appointed for a province; they are appointed for a division. They cannot have it both ways. If they are not appointed for a province but appointed for a division, then how can they possibly say, "This is the province in which I hold the land that qualifies me"?

Senator Hatfield: It is a division.

Senator Frith: But it does not say that. It says "Province." Are they provincial or divisional?

An Hon. Senator: Get serious!

Senator Frith: Yes, I certainly will. It is very serious and I would like you to get very serious. I would like Mrs. Campbell to get serious. I would like the honourable senator to get serious. I am reading from the Constitution and that is a joke to him, I take it. Mrs. Campbell took it seriously. Mrs. Campbell, after initially being taken by surprise, looked at the Constitution and said, "Oh, I have it. There is no problem for the House of Commons in the fact that there are now more senators for New Brunswick than members in the House of Commons. I have the answer. They are appointed for divisions." In that regard, we had something sent out to us just today which describes these people as "divisional" senators. It lists the "divisional" senators as follows:

Forrestall, J. Michael	Maritimes

There is no reference to a province. It goes on:

Ross, James W.	Maritimes
Grimard, Normand	Quebec
Lavoie-Roux, Thérèse	Quebec
Keon, Wilbert Joseph	Ontario
Meighen, Michael Arthur	Ontario
Berntson, Eric Arthur	Western
Johnson, Janis	Western

Hon. Senators: Hear, hear!

Senator Frith: Those senators say, or so we are told, that they are qualified; but under the Constitution they have to say that they hold land in the province for which they are appointed. So if I were qualifying them, I would say, "Nominee, do you hold property of $4,000?" "Yes." "In what province?" "Well, I hold it in a division." "Oh, I am sorry, the Constitution does not qualify you."

Then I would ask, "Where are you resident? Are you resident in the province for which you are appointed?" Mrs. Campbell says, "No, no. They are not appointed for a province. They are only appointed for a division." If they are only appointed for a division, how can they qualify under section 23(3) and (5)?

Again, we find that one of our new colleagues appointed to fill one of the vacancies—

Senator Barootes: Ah, ha! They are colleagues! You slipped there.

Senator Frith: No, it was not a slip, Freudian, Jungian or otherwise. I was referring to the senator opposite who said, "Get serious", and who is not a divisional senator but a provincial senator. He is indeed a colleague—

Some Hon. Senators: Hear, hear!

Senator Frith: —entitled, in my view, to vote, and whose privileges to vote are being affected by eight others sitting here who are not colleagues and are not entitled to vote because of these serious questions.

There may be other senators who wish to make some points clear that I have not. I have a good deal more material on the state of this section 26 in 1990.

As to those who think it is not serious, there are lawyers who think it is serious. There are clients of theirs who think it is serious. There are courts that think it is serious enough to have given dates for the hearing. There are many provincial governments that take it very seriously. Apparently, it is really only a joke to the government supporters sitting opposite. Not once when I have said, in response to being asked to tell a joke, "How about section 26 of the Constitution?" has anyone thought it was a joke.

Senator Perrault: The Conservative Party is a joke these days!

Senator Barootes: They should have had you fellows there to help write the Constitution in 1867.

Senator Frith: That is the one I have been reading to you, senator, precisely the one you refer to.

So, honourable senators, I say that I believe this should be challenged and that the question is a serious one. It is being challenged. We mean to await the decision as to whether or not this is serious enough for a court to pronounce on it. I think we should have the benefit of the advice of a court. We can certainly make the decision ourselves finally. However, the background circumstances are so serious that I propose, as a matter of privilege, that no vote be taken in this chamber, that the Canadian Senate should not hold a vote—and I ask Your Honour not to put the question or call for any roll-call vote in the Senate until the qualifications of those "divisional" senators is clear. There is very serious doubt surrounding those senators appointed under section 26. Their qualifications are seriously being questioned across this country, in the journals, in the newspapers and in the universities.

Speaking for myself, I feel that my privileges are very important, one of which is to vote, and that privilege is seriously affected until the power, authority and qualification of those so-called senators is clear. In my view, it is quite clear that there is nothing before us to so satisfy us.

Honourable Senators, that is my question of privilege. There may be other senators who wish to raise other questions of privilege, but I say to His Honour that there ought to be no vote taken in this chamber until we know who is entitled to vote. The entitlement to vote by the eight people in question is seriously in doubt.

Hon. Douglas D. Everett: Honourables Senators, I have to admit that I am not enough of a student of the rules of this place to determine whether a question of privilege should supersede the taking of a vote after the whips have walked down the aisle and taken their seats. That is something I will leave to others; it is an arcane subject.

What we are dealing with here is, in fact, the question of privilege in and of itself. It seems to me that we have to find a balance between the validity of the question of privilege and the need for this house to continue to proceed with its business. That is the balance we are talking about. The only way one can frustrate the work of this house with a question of privilege is if, indeed, there is a *prima facie* case.

If there is a *prima facie* case, and if the Speaker rules on that, then there may be some justification for interfering with the work of the house. But if a matter is merely raised on the basis that it is *sub judice* without there being a *prima facie* case, the work of the house cannot be frustrated.

Some Hon. Senators: Hear, hear.

Senator Everett: What we are talking about now relates to the emergency provision under section 26 and whether the appointment of the eight additional senators is unconstitutional.

If we look at the point that was raised regarding Alexander Mackenzie in 1873, we will see that he was refused permission because the Crown said that he did not make a case. That is not the case in this instance. The Crown has, for better or for worse, agreed with the Prime Minister that the appointments can be made. There is no doubt in my mind that the Prime Minister has acted constitutionally.

Senator Frith raised the matter of property qualifications, but it seems to me that the court will find that one cannot mix divisions with provinces. There are reasons for divisions being used in certain aspects of Senate appointments, but they do not apply to the property qualifications. A senator must hold property in the province for which that senator is appointed, and indeed that senator must continue to reside in that province or in Ottawa.

As far as the matter of there being 11 senators from New Brunswick as opposed to 10 members in the House of Commons, the invalidity does not affect the Senate; the invalidity, if it exists, affects the House of Commons.

If this matter goes before the court, which I gather it will, I think the court will decide that the Prime Minister was constitutionally right in doing what he did. But whether the court does or does not so decide, that decision will be made within the seeming provisions of the Constitution; therefore it cannot be said to be invalid in this chamber unless a *prima facie* case has been made.

It is true that the court may find that the appointments are invalid. If so, the proceedings that have arisen out of these decisions may be invalid too, but the court will make that decision.

I leave aside the issue as to whether or not a vote can be held up by a question of privilege of this nature. There may be good arguments for that. I was impressed with Senator Frith's argument in that regard, but I do not think that a *prima facie* case has been made.

I think the Speaker should make a ruling—unless others convince the Speaker to make a ruling in respect of the vote not going ahead in the first instance—on the question of whether or not the *prima facie* case has been made, and if one is not made, whether the business of the house can be frustrated purely and simply by saying a constitutional matter is before the courts. I think not.

Some Hon. Senators: Hear, hear.

Hon. Jerahmiel S. Grafstein: Honourable Senators, the Leader of the Government in the Senate drew our attention to the principle—-

Senator Doody: Which of you gentlemen is going to speak now?

Senator Grafstein: The Speaker recognized me, so I will continue.

The Leader of the Government in the Senate drew our attention to a principle which I do not think is correct, and one that has not been followed by a standing committee of this house, and that is if there is a matter of constitutional dispute, as the Leader of the Government has stated there is, that matter should be referred to the courts. It then follows that the House would continue. Following on the comments of the last speaker, this matter really is for the courts.

The Standing Senate Committee on Legal and Constitutional Affairs thought otherwise on this point following the advice of Mr. Justice Dickson when he opined that it was the responsibility of all parliamentarians—including all senators—that in the case of unconstitutional matters they should not proceed, that it was not for the courts to fix up sloppy activity on the part of legislators.

I think that we are graced today with four premiers who I am sure take their responsibilities as seriously as I do. I feel that when they were confronted with constitutional matters they obviously had to decide for themselves, before they proceeded handing those matters over to the courts, whether or not they were constitutional.

I have been persuaded by the arguments made by my colleague, Senator Frith, but I am equally persuaded by the arguments made by a standing committee of this house, the chairman of which was Senator Neiman and the deputy

chairman of which was Senator Nurgitz. Senator Murray also sat on that committee at that time. We dealt with this issue in principle. As I recall, the principle was that we, as senators, are not obliged to proceed with unconstitutional matters if we have a *prima facie* view that those matters are unconstitutional. That is the principle. In order to facilitate this—

Senator Murray: What is the unconstitutional matter you are being called upon to deal with?

Senator Grafstein: That the Senate itself may not be properly constituted. This is *a fortiori*—

Senator Murray: The senators were summoned here by the Crown.

Senator Frith: But they are not automatically qualified because they are summoned.

Senator Murray: Show me one that is not qualified! Show me a senator who is unqualified! They all signed the—

Senator Frith: You mean all you have to do is sign something and you are qualified under the Constitution? That is silly! It is ridiculous!

Senator Grafstein: With respect to Senator Everett's point, if, in fact, the Leader of the Government in the Senate affirms that in his view—and the other honourable senators opposite concur—the Crown proceeded constitutionally, then I take it that the Crown and the Governor General received opinions, legal opinions. If that is the case, why would the Leader of the Government not make those opinions available to the Speaker—

Some Hon. Senators: Hear, hear!

Senator Murray: Oh, oh!

Senator Grafstein: I have had the opportunity of listening to the Leader of the Government, and I want to complete my remarks. I will not be lengthy. Perhaps the government in this instance—because it is so extraordinary—would table those opinions with the Speaker so that the Speaker, when he has to deal with these very complex and constitutional matters, will have these opinions before him. We would then not only have the word of the Leader of the Government but we would have the opinions upon which his view, as a member of the government, was based, which would facilitate Senator Everett's point. The Speaker and other honourable senators could look at those opinions and come to a determination as to whether or not his constitutional duty is being preserved by proceeding with a vote that may, in fact, be unconstitutional.

Senator Murray: The Speaker does not rule on the Constitution.

Hon. Gerald R. Ottenheimer: Honourable senators, I shall speak briefly to this point.

Senator Frith: On brevity, we do not believe you anymore, Gerry.

Senator Ottenheimer: I certainly believed Senator Frith when he said he was going to be brief.

Senator Frith: I did not say I was going to be brief.

Senator Ottenheimer: I listened with interest to the historical analysis and resumé with respect to the appointment of senators under the section 26 provision. I listened with great interest to the Honourable Senator Everett, and I think he is absolutely right when he says that the Chair will have to make a decision as to whether or not there is a *prima facie* case. If there is a *prima facie* case, the senator raising the point of privilege has the right to put forward a motion, which then has precedence over other motions. If there is no *prima facie* case, then that is the end of it.

I would surely not subscribe to the suggestion that if no *prima facie* case is met, then this Senate, as an integral Upper House of the Parliament of Canada, can do nothing until the Supreme Court of Canada has made a decision. In whichever court the matter is heard—the Supreme Court of a province for example—that decision can be appealed, which could mean that the Parliament of Canada could do nothing for months and that no laws could be passed in Canada for months. The only things that could be done would be those undertaken by an Order in Council.

If we were to wait; if it could ever be acceptable that a house of the Parliament of Canada would totally abdicate its powers and responsibilities by saying that no law can be passed and nothing can be done until the Supreme Court of Canada makes a decision—and we all know that could take many months—

Senator Grafstein: Not if the government cooperates.

Senator Ottenheimer: —and only those with crystal balls can say how many, and the honourable senator has not loaned me his. The ones I have used have been invariably less than truthful. I gave up on crystal balls and Ouija boards a few years ago. So it would appear to me—

Senator Buckwold: But he still buys lottery tickets.

Senator Ottenheimer: —that the matter having come up, a decision will have to be made as to whether or not there is a *prima facie* case. If there is, the procedure is straightforward; but, if there is not, we are not then, so to speak, going to refuse to exercise any responsibility or to go on strike for a number of months.

To speak briefly again, at the risk of incurring the wrath or interjections of honourable senators opposite—

Senator Perrault: Take as long as you want!

Senator Frith: Take your time!

Senator Perrault: Slow down!

Senator Ottenheimer: —I would like to refer to a couple of matters that have been referred to. One is the question of property qualification—the requirement that senators own property in the province they are representing—and the other is a different provision in section 26, namely, the conditions under which what, in shorthand, has been referred to as "divisional" senators may be appointed. Surely there is absolutely nothing contradictory about a senator owning property in a province—indeed if he owns it anywhere in Canada it has

to be in a province or territory—and being a divisional senator. There does not appear to be any contradiction there.

We have also heard that there is no evidence that those senators are qualified. Surely there is no evidence that they are not qualified. From now on, does it mean that any senator who is appointed must prove his qualifications and can be disqualified in the absence of any evidence? Their qualifications are readily available anyway. I would think that what is sworn to in the Clerk's office is readily available to all honourable senators.

The matters referred to in the point of privilege concern the constitutional law of Canada. It has been suggested that the provision of section 26 of the British North America Act is no longer valid or operative. It was not repealed, amended or changed in the Constitution Act of 1982. If it had been intended to have been inoperative, it would have been repealed. If there had been an intention to alter it, it would have been amended or changed. Surely, in the years preparatory to the finalization of the Constitution Act of 1982, the Prime Minister of Canada and the premiers of nine of the provinces did not forget that there was a section 26. It has not been repealed; it has not been amended; it has not been altered in any way.

Essentially, the argument is one involving the interpretation of the constitutional law of Canada. I suggest, honourable senators, that that is the responsibility of the Supreme Court of Canada. We must abide by it, yes, but to interpret the Constitution of Canada is not, in my opinion, the responsibility of the Senate of Canada.

There are those who suggest that the Senate has perhaps usurped some of the rights, initiatives and traditionally recognized prerogatives of the House of Commons. But surely we are not also going to abrogate to the Senate the rights and responsibilities of the Supreme Court of Canada. The matters referred to involve the interpretation of constitutional text, which is the responsibility of the Supreme Court of Canada; and, as Senator Everett has pointed out, the decision on the continuation— and orderly continuation—of proceedings in the Senate depends upon the ruling of the Chair.

If there is no *prima facie* case for privilege, then surely it would be a total abrogation of responsibility, and entirely without precedent, for the Senate to take the position that it will not do anything now until the Supreme Court of Canada has given us its view on section 26 and any other sections which might be relevant.

When the Speaker has heard argument, there will be a decision made on whether or not there is a *prima facie* case. If there is, what happens next becomes quite clear. If there is not, then obviously we will not go on strike for several months.

Hon. Philippe Deane Gigantès: Would the honourable senator explain something to me? He said that the question of privilege—which is hinged on whether or not these senators are qualified, and thereby affects the privilege of all of us—is for the Speaker to decide. But this question of privilege, according to section 33 of the British North America Act, "shall be heard and determined by the Senate". If it is the not the Speaker, then who will determine this? It is the Senate, through voting on the issue, that must determine it. It seems to me that the qualifications of these "divisional senators" are being challenged in this chamber.

Senator Ottenheimer: If I may reply briefly to the honourable senator, I do not think there is any difference of opinion between us. The difference might lie in the expression thereof.

The point of privilege has been made, and it is up to the Speaker to determine whether there is a *prima facie* case. If that is determined in the affirmative, it is only for the Senate to determine whether there has been a breach of privilege. There is an intermediate step, but I agree that it is the Senate which determines whether there has been a breach of privilege, by way of motion, which is given to the person who originally raised the question, and it takes priority over any other standing orders.

I do not think there is any difference between our points of view. Surely, yes, it is the Senate that makes the final determination of whether a breach of privilege has taken place; but there is a mechanism for so doing. That is, submitting the case. A preliminary finding of whether there is a *prima facie* case will then be made.

Hon. Allan J. MacEachen (Leader of the Opposition): If I may, I will ask Senator Ottenheimer a question on the very interesting scenarios he has depicted.

If it were found that there is a *prima facie* case of privilege, then I take it that his view is that somehow the proceedings of the Senate in the future would be affected. I wonder what he had in mind.

If there were a finding that a prima facie case existed, of course, it would be put to the Senate and the Senate would determine whether it did so exist. Would the honourable senator then say that we must have that settled before we proceed further?

Senator Ottenheimer: I will deal first with the first part of the honourable gentleman's question, and yes, I think that, a question of privilege having been raised, it will have to come to its logical conclusion. That logical conclusion, after argument has been heard, will be that the Speaker will decide whether a *prima facie* case exists. If it did not, my understanding is that that would be the end of the matter, at least for now. If the Chair found that a *prima facie* case existed, my understanding is that the person who raised the question of privilege would then have the right to be recognized by the Chair and to move the appropriate motion, whatever that may be. That motion would then be debated and voted on.

Depending upon the wording of the motion, I would assume that its purpose would be to conclude that privilege had been breached. It is only the Senate that can make that determination and not the Speaker. All that the Speaker can do is decide whether there is a *prima facie* case of privilege. If he were to decide in the affirmative, then, as I have said, it is my understanding that the person who originally raised the matter would be recognized by the Chair. He would have the right to move a motion, and the decision on that motion would then be

the determination of whether there was a breach of privilege. That is how I understand it.

Senator MacEachen: I took it, from the earlier point made by the senator, that he believed that if the *prima facie* case were found and the decision were made, that would then affect the future proceedings of the house. I take it that was his point.

If it came to the point where a *prima facie* case of privilege were found by the Speaker and the motion were put to the house as to whether a question of privilege existed, is Senator Ottenheimer of the view that the senators in dispute should be permitted to vote on that motion?

Senator Murray: Of course.

Senator Ottenheimer: Yes, that obviously is an extremely important matter.

Senator Frith: So far so good!

Senator Ottenheimer: Barring evidence to the contrary, my understanding is that those senators have taken the oath of office and have fulfilled whatever legal requirements there are. I understand that the officers of the Senate—I assume they would include the Clerk and the Law Clerk—are aware of that, or, if that were not the case, would be aware of that also.

There being no evidence to the contrary, I do not know how one could oblige them not to vote. That is prejudging the issue. Obviously, it could be argued that if they voted, that would be prejudging the issue.

Senator Stewart: So?

Senator Ottenheimer: I understand its centrality—that is quite obvious—but it would not become a pivotal question unless and until there were a finding of a *prima facie* case by the Chair. If there were no such finding, it would be academic, and I do not mean that in any pejorative sense. But, certainly, if the Chair found a *prima facie* case, then the question has its centrality.

● (1540)

I suppose, then, in partial reply to the Leader of the Opposition, I would say that that may not be a bridge that we have to cross at all, and it is not a bridge that we yet need to cross. However, I fully recognize that it is a bridge.

Senator Frith: If I understood him correctly, Senator Ottenheimer's point is that if a senator's qualification is challenged, the onus is on the challenger to prove that the senator is not qualified, rather than for the person challenged to prove that he or she is.

If someone walked in here one day and sat in a seat and I asked, "Are you qualified?", would the person state, "I am qualified until you prove I am not."? Is that the suggestion, or did I misunderstand? What led me to ask that was the use of the words "in the absence of evidence to the contrary." I would think that on the issue of qualification the onus should be on the person claiming the qualification and not on the person challenging to prove the negative.

Senator Ottenheimer: Obviously, we are in uncharted waters. I am not aware that there has ever been an occasion where a senator's qualifications have been challenged.

Senator Frith: They have today.

Senator Ottenheimer: Yes, they have now. However, there was no precedent to follow.

Senator Frith: No, I agree. I only wanted your opinion on the onus.

Senator Ottenheimer: There being no precedent to go by, my view would be the following: When a person purports to be a senator, he or she takes the oath of office and attests, by affidavit to the Clerk of the Senate, to various qualifications, of age, property, non-bankruptcy, and, perhaps, as to being *compos mentis*. I am not sure if that is necessary.

Senator Frith: That has not been done in this case.

Senator Ottenheimer: That being the case, to again use the overworked phrase "prima facie", there is a *prima facie* case that the person is qualified because an oath of office has been taken before a chief officer of the Senate, and the Clerk has satisfied him or herself that the qualifications have been met. Those persons are obviously non-political, non-partisan officers of Parliament who have an absolute responsibility to treat Parliament, the Senate, honestly, without bias and without partisanship.

Having taken the oath of office, the oath of loyalty, and signed or executed the affidavit or the necessary documents in the presence of the chief officer of the Senate, there is a presumption that it has been done properly and that it would not be attested to as having been done properly if the Clerk were not of that opinion.

If one were to dispute that, there would be some onus of proof on the part of a person challenging it. Otherwise a person could come in tomorrow and say, "Senator Ottenheimer, I challenge your qualifications. Do you have property in Newfoundland", or "are you this or that," and I would have to prove it. However, my answer would be to check with the Clerk. He is aware of the affirmation I made and he is satisfied. I believe the case is similar with the eight senators now under discussion.

Senator Gigantès: They are not being challenged on grounds of property or age, except in one case. They are being challenged on the grounds of possible incompatibility and contradiction between two articles of the Constitution.

Section 26 deals with the addition of senators. There are now 11 senators from New Brunswick when otherwise constitutionally there could not be more than 10. Therefore we are in a constitutional contradiction.

If any of a group of four is unconstitutional, the whole group is unconstitutional.

If the House of Commons continues to function with one less member than it should have, it is unconstitutional. That not only taints the House of Commons, but anything coming to us from the House of Commons with which we have to deal. As Honourable Senator Grafstein stated, according to

ex-Chief Justice Brian Dickson, we should not deal with unconstitutional issues. It is our constitutional duty not to touch with a barge pole anything unconstitutional.

Senator Ottenheimer: The matter referred to by Senator Gigantès is essentially in line with my argument. The crux of the question of privilege deals with the interpretation of the Constitution. I maintain that that is the responsibility of the courts, and basically of the Supreme Court of Canada, and that we cannot, or should not, usurp that function.

The honourable senator referred to a possible problem for the House of Commons. I do not think there will be one. However, as Senator Everett stated, that is the problem of the House of Commons, which I am sure it will be able to resolve, and I am not aware of any problem with respect to the Senate. We are going back over many issues on which we both have different viewpoints.

Senator Gigantès: Section 33 of the original Constitution states:

> If any Question arises respecting the Qualification of a Senator or a Vacancy in the Senate the same shall be heard and determined by the Senate.

Senator Ottenheimer now states that it is not the Senate but the Supreme Court. Which is it?

Senator Ottenheimer: I will not repeat my speech. The matter came up as a question of privilege which will require a ruling by the Chair as to whether or not it is a *prima facie* case of privilege, and then one will know what the procedures will be. The question of qualifications came up in the context of, or with reference to, the interpretation of the Constitution. It could have come up in reference to something else or in another context. However, having arisen in the context of the interpretation of the Constitution, I regard that as being the responsibility of the Supreme Court of Canada. From the privilege aspect, the Senate will be able to resolve that when the Chair makes a ruling. There are two aspects: first, the purely parliamentary matter being submitted on which there will be a ruling on the *prima facie* aspect; and, secondly, a matter on which presumably the courts will adjudicate on—a responsibility which we should not usurp, and which I do not think we are competent to so do. We are not the court of final appeal in a judicial sense.

Hon. John B. Stewart: Honourable senators, I, too, rise on a question of privilege. The presence here this afternoon of eight persons, who undoubtedly would be worthy senators if summoned under section 24, raises a question about the legitimacy of this house sitting here this afternoon. How does that affect my privileges?

I was summoned here to represent the people of my province, Nova Scotia. There are certain bills on the Order Paper of the Senate. We are all familiar with the GST bill. The people whom I represent will be affected by the outcome of any vote on that bill. Similarly, there is a bill with regard to abortion. Presumably the government proposes to have the eight persons, ostensibly appointed under section 26, vote on that bill. That bill is of great importance to the people whom I represent. Consequently, the validity of those votes affects my role as a representative of the people of the province of Nova Scotia.

• (1550)

As Senator Ottenheimer stated, it is true that ultimately the constitutionality of the summons issued under section 26 will be determined by the Supreme Court. But surely we are obliged to take due caution with regard to the bills that we send up for Royal Assent. If there is any ground for questioning the validity of decisions made by the Senate by reason of the participation of persons concerning whose presence here there are serious questions, then, surely that is a matter we should examine. Clearly there is a *prima facie* question of privilege.

Any vote in which these eight otherwise entirely estimable persons participate will be questionable. Those votes will be questioned in our courts of law. The longer the uncertainty persists, the more the actions of the Parliament in which they participated will be questioned.

In addition to that, there is the court of public opinion. The court of public opinion is not to be dismissed lightly, particularly in Canada, with regard to taxation matters. We all know—and we have heard this said by all political parties in Canada—that in this country we rely greatly upon the ordinary person to assess his own taxes. But if the ordinary person feels that a tax is eminently unfair, and, at the same time believes—honourable senators, I am having great competition from a filibuster on my immediate right.

Hon. Duff Roblin: Do not let them get you down. I defend your right!

Senator Stewart: Thank you, Senator Roblin; I can always depend on you. Apparently two notable speeches are being rehearsed here. We will be able to enjoy those speeches in a moment or two.

The court of public opinion is important, particularly when tax legislation is concerned, because we rely upon people to assume that any tax that they themselves are administering is fair and that it is legal within our system. In fact, some will go so far as to say, "Yes, this tax is unfair. But it was made by due process. Therefore, I will try to get it rectified by due process."

Honourable senators, if we go ahead and pass the GST, for example, with the participation of persons whose eligibility has been questioned, the court of public opinion may decide that because our process was flawed, the public may decide that it has no obligation to cooperate willingly on taxation in the future.

The eight persons to whom reference has been made may all be estimable persons, other than for the purposes of section 26. I wish to argue that that section has been used improperly in this instance. That is the first ground of my point of privilege. I will state my first contention briefly, and then I will explain it.

I argue that by reason of changes in other parts of Canada's Constitution, section 26 can no longer produce the result

intended by those who enacted it. It has become inoperable by reason of obsolescence. It is really a relic from an earlier Constitution of Canada. It is a relic, an empty shell.

Imagine that you are wandering on a nice day on a beach in Nova Scotia and that you see a shell. You say, "Ah, a snail." But you do not move it, because if you did so you would disturb the little creature who lives in that shell. But pick up section 26 in 1990. Examine section 26 and you will find that nowadays it is only a hollow shell, that the life has gone out of it, that there is no vitality in this shell, only water and sand. When that section is used now, it is simply the illusion of validity that the shell creates on which reliance is being placed. In other words, section 26 is devoid of life. Why? Let us look at the section.

What does the section require if it is to serve its purpose? It requires impartiality, first with regard to the Governor General, and, second, with regard to the Queen.

Let me read what a distinguished constitutional authority, an authority applauded on both sides of the House has said. I am reading from the *The Canadian Journal of Economic Political Science*, 1946, page 160. The author here is Senator Eugene Forsey. He states that:

> The constitutional practice of that time—

And here he refers to 1873-74;

> —was that the Canadian Cabinet advised the Governor-General to make the "recommendation" to the Queen; that the Governor-General, if he accepted the advice, made the recommendation; and that the British Cabinet advised the Queen whether or not to "direct" the appointment of the extra Senators.

Here Senator Forsey refers to 1873-74. He goes on to state:

> On this occasion, the Governor-General accepted the advice of his ministers, but the British government declined to advise the Queen to direct the appointments, the refusal being dated February 18, a month and eight days before the opening of the new Parliament.

That is an accurate description of how the section was intended to operate.

The Governor General did not have to accept the advice of his Canadian ministers. He was impartial in those days. He was generally a British peer, perhaps from Scotland or Ireland. He was not fully dependent on his Canadian ministers.

There is another section in the act that is instructive with regard to the independence of the Governor General from his Canadian ministers, and that is section 55, dealing with Royal Assent. It states:

> Where a Bill passed by the Houses of the Parliament is presented to the Governor General for the Queen's Assent, he shall declare, according to his Discretion, but subject to the Provisions of this Act and to Her Majesty's Instructions, either that he assents thereto in the Queen's Name, or that he withholds the Queen's Assent, or that he reserves the Bill for the Signification of the Queen's Pleasure.

In other words, when the British North America Act, 1867 was made, it was assumed that a Governor General could, in the case of a government bill, withhold the Queen's assent. The kind of independence that was such that he could withhold Royal Assent from a government bill, and that was done. That is the kind of independence that underlies the word "recommendation" in section 26.

• (1600)

What is the situation nowadays with regard to the Governor General? We have had two in succession who have been active Canadian politicians. Governor General Jeanne Sauvé was a member of the Trudeau cabinet. She underwent a period of sanitization in the chair of the other place and then advanced to Government House. In the case of the present incumbent, the only thing that seems to have intervened between his valuable participation, I am sure, in the other place a government house leader was an election in which he was defeated. Is that impartiality? Can anyone argue that there is even a pretence of impartiality such as is assumed by section 26 in that situation? I submit not.

As we all know, the Governor General now takes the advice of his Canadian ministers. How then can the basic assumption of impartiality, which is fundamental to section 26, be present? Clearly, it is not.

Let us turn to the case of the Queen and the words in the section, ". . . the Queen thinks fit . . .". What does the history of the section reveal? What it reveals is that when the politicians from Canada, New Brunswick and Nova Scotia were at Westminster preparing the draft of what became the British North America Act, 1867, they did not want to include anything like section 26, for various reasons. They were very sensitive concerning the representation of the provinces in the Senate. It was the British government which persisted in insisting that a clause be included to break a kind of absolute deadlock between a government with a majority in the House of Commons on the one hand and an uncooperative Senate on the other. That is a matter of record.

Various drafts were tried. The third draft in the process read as follows:

> If any Money Bill passed by the House of Commons is rejected by the Senate for any one Session, or if any other Bill passed by the House of Commons is rejected by the Senate on three consecutive occasions, and if in such case or cases the Governor-General shall ascertain that such Bill or Bills has or have been carried by the majority of voices from two out of the three divisions of the Kingdom—

For example, Quebec and the Maritimes.

> —then and in such case it shall be lawful for Her Majesty to create additional Members of the Senate, preserving the rule of equality between three Divisions of Upper Canada, Lower Canada and the Maritimes.

That was the "formula approach". It was not adopted. It is interesting to speculate as to why. I suspect that one of the reasons it was not adopted was because it would have permit-

ted a certain amount of packing of the Senate if a money bill had been defeated only once. We know that the representatives of Lower Canada, which is now Quebec, Nova Scotia and New Brunswick, were determined to assure that the Senate had full legislative competence with regard to money bills, once those bills came up from the Commons. They were not prepared to allow money bills to be downgraded insofar as the legislative process was concerned.

Having rejected the formula approach, they turned to the arbitrarial or impartiality approach. They decided to rely upon the Governor General who, in those days, was in a position to be impartial. They decided to rely also upon the Queen who, in those days, was in a position to be impartial. The British ministers objected at first to the involvement of Her Majesty's British government in this matter. The clear assumption was that the Queen would be advised not by her Canadian ministers but by her British ministers and that it would provide the type of impartiality that the section assumes, the kind of impartiality which was evidenced in 1874.

We know that the Queen as advised by her British ministers now has no jurisdiction in Canada. Where then does she get her advice? The government says that she must get it from one of the parties involved in the dispute. She is to act impartially, but we are told that she is obliged to listen to the Prime Minister.

Senator Everett: Could I ask the honourable senator a question for clarification?

Senator Stewart: Yes, go ahead.

Senator Everett: You said that it was assumed that the Queen would be advised by Her British ministers, did you not?

Senator Stewart: Yes.

Senator Everett: Could you give us a citation or some indication as to how you arrived at that assumption?

Senator Stewart: I could go on at some length in that regard. For example, in 1874, as we have seen from the example cited by Senator Frith, the Colonial Secretary of the day became seized of the request from Mackenzie and did not feel that he, as a British minister, should even take it to the Queen in her right of Great Britain.

Let me repeat again what Senator Forsey, who has examined this record very carefully, said:

> The constitutional practice of that time was that the Canadian Cabinet advised the Governor-General to make the "recommendation" to the Queen; that the Governor-General, if he accepted the advice, made the recommendation; and that the British Cabinet advised the Queen whether or not to "direct" the appointment of the extra Senators.

It seems to me that is an accurate précis of the two steps set out in section 26.

Is that satisfactory, Senator Everett?

Senator Everett: Yes, it is. Thank you.

[Senator Stewart.]

Senator Stewart: Honourable senators, it is clear that section 26 is now only a hollow shell. It is only a constitutional relic from bygone days. The Prime Minister should not have imposed partial advice, the advice of one of the parties to the alleged dispute, upon the Queen, a person who manifestly must decide impartially if this section is to be used as was intended. That is one point. Let me read to you what Senator Forsey said at page 162 of the same article with regard to the 1874 incident.

> The British government's reply . . .

That is, to Prime Minster Mackenzie's request—

> . . . was a frigid and uncompromising refusal. It totally ignored both Mackenzie's reasons for advising the appointments, laying down instead the principle that the Queen could be advised to exercise the power only "in the event of an actual collision of opinion between the two Houses when it was made apparent that a difference had arisen of so serious and permanent a character that the Government could not be carried on without Her intervention, and when it could be shown that the limited creation of Senators allowed by the Act would supply an adequate remedy." In this case nothing of the sort had been shown.

Senator Finlay MacDonald: Senator Stewart, will you permit a question?

Senator Stewart: Yes, Senator MacDonald.

Senator MacDonald: Is it not a fact that the reason Mackenzie failed was that he based his case on an anticipation of a deadlock and he could not prove it? Have we not got a completely dissimilar situation now?

Senator Stewart: Honourable senators, the reason I referred to the 1873-74 incident at this time was to show that it was the Queen as advised by her British ministers who performed for the purposes of section 26.

Senator Finlay MacDonald now raises quite a different matter. I will come to that, in my own way, almost immediately. In the debate which took place in the Senate in 1877—the debate to which reference has been made earlier—the only person in the Senate at that time who had participated in the discussions at Westminster, described what had gone on. I should now like to quote from the *Debates of the Senate* dated March 19, 1877. I am quoting the Honourable Senator R.D. Wilmot, New Brunswick. He said:

> After some argument they again returned to their Council Chamber, and after another long discussion they agreed upon the constitution of the Senate as it now stands in the Act, adopting the 26th clause as a safety-valve in the event of a dead lock. This, in his judgment . . .

That is, Senator Wilmot,

> . . . would not arise except under circumstances where the public mind was greatly agitated on some question of great interest, similar to the reform question in Great Britain.

I will explain his reference to "the reform question" in a moment.

> The Senate was to be a territorial representation, especially for the purpose, among others, of guarding the interests of the smaller provinces, and to resist any encroachment on the part of the larger provinces, which held so much larger a representation in the House of Commons. Holding the view that the 26th clause should only be acted upon in a case of great emergency, he . . .

That is, Senator Wilmot,

> . . . certainly was surprised when he learned that the Government had attempted to add to the numbers of this House in the interest of party.

That is to say, he was surprised at what Mackenzie had tried to do in 1874.

I read that passage because it is revealing as to the circumstances in which it was thought that section 26 might be used—the very question Senator Finlay MacDonald has asked us about.

Why did Senator Wilmot refer to a question similar to "the reform question in Great Britain"? What he was talking about, of course, is what had happened in Great Britain in 1832 with the first Reform Act. We all know the basic facts about that famous episode, so I will not give you all the details.

The government of the day had put through the House of Commons a bill to reform the representation of the people of Great Britain. That bill went to the House of Lords and there it was rejected. Then there was an election. The government brought in the bill a second time and it passed the House of Commons. The bill then went to the House of Lords, and the House of Lords, notwithstanding that there had been an election on the reform question, was at the point of defeating the bill a second time. At that point, in those circumstances, the King thought it proper and constitutional for him to agree to let it be known that if the Lords persisted he would agree to the summoning of a number of additional peers, sufficient to assure that the bill would pass.

Let me imagine a modern parallel, Senator MacDonald. Let us imagine that in 1988 the Senate, after the election, had persisted in refusing to pass the free trade bill. The kind of circumstances that Senator Wilmot said was in the minds of those who wrote section 26 would have prevailed. That is the kind of major constitutional crisis they had in mind. They had in mind the kind of situation which prevailed in Great Britain in 1910 and 1911, and which led to the *Parliament Act*, 1911 of 1910 and 1911.

We are dealing here with the composition of one of the two Houses of the Parliament of Canada. The Senate is a much more important body in our Parliament than the House of Lords in the British Parliament. The Senate is here to represent the people in the provinces. I do not know whom the British peers represent. At one time it was said that they represent the "beerage". The Senate of Canada is a federal body, designed to protect the less populous provinces; accordingly, its composition is of fundamental importance.

Let us look at the legislative situation we have now. Senator Finlay MacDonald quite properly asks us to look at that situation. We have in mind three bills. There is Bill C-21. The motion with regard to that bill has stood on the order paper since May 23, 1990. Who has prevented it from being dealt with one way or another? It is not a Liberal senator. It has stood week after week at the request of Senator Ottenheimer, a supporter of the government. We have requested a conference on that bill. A conference is an old, well-established technique for trying to break a deadlock on a bill. The government has said no—I was about to say "our way or no way", but I will restrain myself—to a conference. They say that they are so committed to the bill as it now stands that there is no point in going to a conference. That is their position, not ours.

Let us look at Bill C-28, the so-called clawback bill We amended that bill and sent it back to the other place. The House of Commons saw fit not to accept our amendments. There is a motion on our order paper with regard to insistence, byt that motion was put down late in June, shorthly before the Senate adjourned for the summer on the government's motion, and it has not been advanced. I am told that it was introduced on June 19. Why should we guess as to the outcome of a vote on that motion, particularly in a close house?

Then we had Bill C-62, the bill on the goods and services tax. This house has passed that bill at second reading. We now have an unfavourable report from the committee. I would not like to have a large sum of money riding on the outcome of a vote on a motion for concurrence in that report, that is a vote in which only senators summoned under section 24 participated. Who is to say how certain Senators would vote?

Why has the government jumped the gun? Why this anticipation? This is not a situation comparable to that described by Senator Wilmot, nor is there a demonstrated deadlock. Had the government dealt with Bill C-62 in another way, its case insofar as the legislative situation is concerned would have been stronger. I am not referring to the operability of section 26. That is another question. If the government had allowed Bill C-62 to be dealt with by the due process in the Senate, and if at the end of the road the Senate had not passed the bill, then it would still be open to the government to do what they do in Great Britain under the Parliament Act of 1911. In other words, they could have introduced the bill in another session. This session could have been terminated. Another session could have been started at once. The government could have put the bill through the House of Commons this fall with closure and time allocation. It has shown no hesitation in using those rules. The bill could have gone through House of Commons house in at the most 10 days. Thereafter it would come over here. If at that point the bill was in danger, there might be some basis for the government's argument that the Senate had set up a radblock. The government could point to some evidence that the Senate was not likely to pass this bill. Now, however, it has only its own guess as to how Senators will vote.

On two major grounds the Prime Minister's application of section 26 is unacceptable. First, as I have argued—of course,

the matter ultimately will have to be settled by the courts, as it will be—section 26 has been robbed of its vitality by reason of other changes in our Constitution. The impartiality which was the manifest intention of this section—the intention revealed clearly by the history and by the words of the section—is no longer available. Second, the circumstances now prevailing do not constitute the kind of legislative stalemate, the great emergency, bringing the Parliament of Canada to a grinding halt, or circumstances in which, in the words of Senator Wilmot, "... where the public mind was greatly agitated on some question of great interest, similar to the reform question in Great Britain."

Honourable senators, it is my contention that the eight senators summoned under section 26 have not been duly summoned. If they participate in votes of this house, those votes will be questionable and, what is more, public opinion, which is very important with regard to the performance of the law, is likely to question the legality of those acts. There are some bills of great sensitivity—and I have mentioned not only the GST bill, but the abortion bill—on which, when this house pronounces its opinion, there should be no shadow of doubt as to the legality of what this house has done. For those reasons, I suggest that there is a *prima facie* case of privilege, a case which in the interests of all honourable senators, of the eight senators summoned under section 26 and of all Canadians, ought to be declined. The matter ought to be dealt with by the Speaker and by this house in as urgent and as expeditious a manner as possible.

Senator Roblin: Honourable senators, it is a little difficult, if one could know at this stage of rather wide-ranging debate, to determine whether or not there are any points of concern that should be stated or perhaps reiterated; but I shall try to avoid trespassing on the rule of repetition, although it might be almost unavoidable in some cases. If ever there were an argument for reform of the Senate, it has been demonstrated by discussions that have been taking place in this house in the last little while.

Some Hon. Senators: Hear, hear!

Senator Roblin: In 1981 I had the privilege of bringing in a motion to this very chamber in which I suggested that in order to convey some legitimacy, both with respect to our representational capacity and to our responsibility, an elected Senate would be the way to go. I say here, quite frankly, that there is not a person in this chamber who is responsible to anyone but himself, and there is not a person in this chamber who represents anyone but himself, despite the fact that some of us may claim a certain territorial allegiance.

Senator Bonnell: What about the man form Alberta?

Senator MacEachen: What about Senator Waters?

Senator Roblin: The fact is that we are a body that is appointed, and that is certainly coming to a very sharp point in the discussion we are having here.

I was interested to hear my friend who has just spoken talk about the court of public opinion. I say that if this body had paid any attention to the court of public opinion, it should have paid attention to the court of public opinion with respect to the Senate, and I think it would have been found rather difficult to muster a majority of those who might be polled from time to time to support the continued existence and legitimacy of this body as it stands today. So it is all right to call on public opinion when it suits you, but to pay no attention to when it has another connotation.

I also want to make reference to the use of section 26 of the British North America Act. We are told that it is a shell, that the use of it is illegitimate, questionable and anachronistic, and that it ought to have no effect in this day and generation. Yet, it does not take a very long memory to recall that in 1982 members of this chamber, along with the members of the other house of the Parliament of Canada and the premiers of the various provinces, after widespread public hearings to boot, ruled on the Constitution that was to govern our affairs from thus onward. Strangely enough, clause 26 of the Constitution that is presented to us today as a shell and of no account, of no value, was included in the Constitution as approved. We either have to bring a charge of carelessness of a monumental character to justify this fact, or else we have to say that it was left in there because there was thought to be good reason for it.

Reference was made to a man whom I am proud to call a friend—I refer to Eugene Forsey—and his comments that were delivered ten years or so ago under other circumstances. If senators had had the opportunity of listening to his views in 1990, and his views on the issue now before us as to whether the Prime Minister of Canada has the power or the right to invoke section 26, they would find that he would give it an emphatic endorsement.

Senator MacEachen: Did you hear him on the day the appointments were made when, out in the hallway, he said that it was an improper use in these circumstances?

Senator Roblin: If that is the case, I will have to revise that particular portion of what I have to say; and I have no hesitation in doing that because we are speaking here, as everyone knows, pretty extemporaneously and I am relying on my memory, which does not always prove to be correct. However, I do not think my argument hinges on what Dr. Forsey thought at one time or another, I have much more important arguments to make, and if my friend will sit down, because I do not intend to be interrupted—he can question me afterwards but not at the moment—I will continue with the points I have to make.

It should be well remembered, when we consider the legitimacy of the Prime Minister of Canada's action, and consider the charges that have been brought against him by the gentleman who preceded me about the legitimacy of his action, people seem to have overlooked the fact that the GST, like it or not, unpopular as it undoubtedly is in every corner of the land, was part of the election program in 1988.

Senator Perrault: No, it was not. Free trade was the issue and it is not working either!

Senator Roblin: It was part of the election program of 1988. It was put before the people and was included in the mandate that was then received.

I remember an interesting visit to the House of Lords in which they told us—and I am sure the Leader of the Opposition will remember this—how they dealt with matters they did not like coming from the House of Commons, particularly in the days when there was a labour majority in the House of Commons and a Conservative majority in the House of Lords. They said that if it had been included in the election campaign they would not argue about it and, in any case, if it was a matter of important government policy, they very seldom introduced what they would call "wrecking amendments." The legitimacy of the House of Lords' amendments received some impetus when the Commons realized that they were approaching their job of sober second thought in a way which did not interfere with the supremacy of the House of Commons and the parliamentary system. It seems to me that there is some kind of lesson for us in that.

I want now to deal with the question of partial advice to the Queen. Does anyone think that Her Majesty in the United Kingdom does not receive partial advice from her ministers? Of course she does. Does she not accept the advice that her ministers give her? Of course she does, because that is one of the conventions of our Constitution.

Senator Perrault: What about the loyal Opposition?

Senator Roblin: If the Queen were to be obliged, or if it were even thought proper, to consult with the Opposition on matters for which she received a recommendation from the government, it strikes me that it would be a complete reversal of all that we have learned in the development of a limited monarchy and responsible parliamentary government in this nation. Dismiss that argument from your thoughts, because it was not worth the breath expended on it.

I want to go a little further on this and come to the root of this matter, which, I suggest, has not been touched on today in the way that I think it should be, and that is: What is the reason for the conflict between these Houses; and is it a conflict of sufficient importance and fundamental consideration that the Prime Minister should be justified in making use of section 26 of the British North America Act? My presentation to you is that it most certainly is, and I want to give reasons why that is the case. Perhaps I can preface what I have to say by giving you the opinion of some others, because we have been favoured with that this afternoon and it would perhaps be allowable for me to do the same thing.

I would quote from an article in my local newspaper in Winnipeg, which states:

> What the Liberals in the Senate propose to do with the goods and services tax has nothing to do with sober second thought. It is simply the abusive use of illegitimate power.

Senator Perrault: Who wrote that?

Senator Roblin: The editor of the *Winnipeg Free Press* who is a pretty bright fellow. I might say that he is a card-carrying Liberal, unless he has changed his political allegiance and perhaps he has. In any case, this editorial goes on to say:

> . . . Senators . . . are determined simply to impose their will on the government and on the House of Commons to which that government is responsible. That is a dangerous and irresponsible abuse of power which should concern all Canadians, whatever they think of the GST.

I will come back to that because there is an important thought there. Some of us in this House are carried away with the GST. We think it is a very unpopular measure. We think that those senators who wish to kill it stand in the limelight of public opinion and approval and that this is something which, on those grounds, can be justified.

However, I say to you that matters of this sort, which have come to form a constitutional crisis in this country, cannot be considered in that light because it sets a precedent. It sets a precedent that will arise to haunt any of you who are liable to sit here for the next five or ten years. That certainly does not include me. I am perfectly certain, however, that it will set a constitutional precedent which we will all live to regret, because, if there should be a change of government in the next election and a Conservative majority here, what will we expect to happen? I do not know, but a precedent is being established that we will live to regret.

What is that precedent? The precedent here is not a matter of exercise of powers, whatever they may be—and I hope they will certainly change. The issue is the conflict between the rights that this house is claiming for itself to defeat this legislation and the basic parliamentary conventions on which our whole system is grounded.

Let me explain exactly what I mean. The power of the purse is point number one. Any of us who have had any knowledge of the development of the Constitution in England, upon which our Constitution in the last resort rests, understands very well what I mean by "the power of the purse" and how the Commons extracted from the monarch and, later on, from the House of Lords, as was demonstrated in 1911, that they and they alone had the power of the purse. The power of the purse in the hands of the elected representatives is fundamental to Canadian parliamentary democracy.

Some Hon. Senators: Hear, hear!

Senator Roblin: Are we, in this House, attempting to usurp that power? You bet we are. We have these Bills before us, Bill C-21 and Bill C-28, which have been languishing—I almost said "in durance vile"—in the legislative process. They take their origin in the budget of 1989 and are essential to the policy of the government to reduce expenditures, which all my friends opposite usually think is a good idea. They have been thwarted, have been held up, have been denied for whatever reason. They are not part of the law of the country. Now, with the debate we are having on the GST, the same sermon could be preached in spades, because it is the same issue: Who has control of the purse, who has control of the budget of this country? Is it the Senate of Canada or is it the House of Commons? Whatever else we may claim are the powers of this

house or the virtues of this house, I say that to overrule the House of Commons in matters of this kind is, in my opinion, wrong and should not be attempted.

Some Hon. Senators: Hear, hear!

Senator Roblin: There are some who say, "Well, they have not actually done it yet. The GST is still alive, there is no confrontation, there is no crisis." Whom do you believe: Senators on the other side stating as publicly as they knew how that they were going to do everything in their power to kill this bill, and then say there is no crisis or constitutional confrontation? What a ridiculous argument that is that is trotted out seriously for our consideration here. The question of the power of the purse is one which I think the House of Commons must struggle to retain.

● (1640)

Regardless of what we think of this tax, regardless of what we think of their budgetary policies, once we have placed our objections on the record and had them face up to that, if they do not take our advice, then this House should not stand in the way of what the democratically elected House of Commons has done. If we do something wrong, no one can get rid of us—not until we die or reach the age of 75. If they do something wrong, God help them next election time. That is the difference between these two houses, and that is why we should not do this.

Some Hon. Senators: Hear, hear!

Senator Roblin: As I say, the power of the purse is a very important issue in this whole debate. Although I never expected to be making a speech like this on a question of privilege, it seems to me that these things are really all bound up in the matters we have before us.

There is another issue at stake here, and if I can lay my hands on it, I will gladly tell you all about it.

Senator Bonnell: Take your time. We have all day.

Senator Roblin: You will be tolerant with me, I know. I am not really concerned about it. I cannot lay my hands on it, and it does not come readily to my mind, having embarked on one train of thought. However, this question of the power of the purse is, I think, fundamental.

The other constitutional convention which hinges on it, comes from it, bears on it, and is inseparably linked with it, is the question of responsibility. The question of responsibility is also at issue because, by defeating these finance bills, we are trying to do things in the Senate which the House of Commons could not do without bringing into question the responsibility of the government. If the people in the other House tried to amend those finance bills the way in which we have done; if the people in the other House were not going to support the GST, as we threaten we will not do, then there would be a consequence, and that consequence would be that the government would fall. If they did in that other chamber what we are trying to do here, the government would fall, because it would no longer have control of the public finances. That is exactly the position we are attempting to take here. We are saying that we are going to do things which they could not do in the House of Commons without bringing down the government. The government is, in that sense, responsible to us, because we are taking the same issues on which responsibility hinges in the other House and attempting to develop them here in the way that we have.

It seems to me, when we are talking about this whole situation, that to pretend that there is not a crisis is a mistake. There is a crisis. To pretend that it is not serious is a mistake. It is very serious. To pretend that the institutions of parliamentary government are not under question in these discussions is a mistake, because they are under question.

We have to ask ourselves whether we, in this chamber, are going to take upon ourselves—unrepresentative and irresponsible, in the sense that I have mentioned, as we are—to defeat these measures. We should be quite clear about this. This point of privilege is aimed directly at the activities of this House, because if these members could not vote, then, obviously, the government's policies would not pass and the consequence I have outlined to you would indeed be with us and have to be faced. So I come back to the central point, that there is, in fact, a clear and present reason why the Prime Minister should exercise this power to have these persons appointed to this house.

We come now to the question of whether section 26, or some other section with respect to the conditions of membership, should apply. I agree with Senator Everett that they are two entirely different issues. There is one set of rules which obviously apply to those of us who are appointed here in the normal course of events, but to attempt by implication to say that they also cover the eight extraordinary appointments to this House which do not represent provinces at all but which represent regions, is, I think, stretching it too far. I do not think the connection can be fairly made.

It seems to me that those who have raised that cloud, that miasma of legal objection—oh, there it comes to mind. I intended to be a lawyer when I was younger, but I stumbled across that quotation from William Shakespeare: "The first thing we do, let's kill all the lawyers."

I am not as blood thirsty as that, but I do not think that the legal arguments that are being put forward today go to the heart of the matter. The heart of the matter is that this is a constitutional issue; the heart of the matter is the Canadian Constitution; the heart of the matter is the relationship between two houses in a responsible parliamentary system, and whether or not an elected body should attempt to overrule an elected body on matters which are clearly matters of confidence in the government.

It seems to me that those eight people who joined us have the right to be here. They have taken the oath. They were properly appointed. The section under which they were appointed, section 26, is not a shell; it is far from being a shell. It is powerful and necessary, and I am glad it is there. I think it has been properly used. The question of a privilege is not well founded. It ought not to be given any priority.

Some Hon. Senators: Hear, hear.

Senator Stewart: Honourable senators, Senator Roblin indicated earlier that he would answer a question or two.

He said that because section 26 was not repealed in 1981-1982 it was intended to remain operative. Would the senator make the same argument with regard to section 55, which still stands in the act, and refers to the Governor General withholding the Queen's assent and reserving bills for signification at the Queen's pleasure? Is that, too, a section of the act which could properly br used in 1990?

Senator Roblin: I am not going to answer that question. I would have to look at the section to see what it says. I am talking about section 26. There may be others of the same character: However, my point relates to section 26.

Senator Stewart: I thank the honourable senator for that answer.

He has explained why the provision with regard to what is called "the Senate floor," which has come up with regard to New Brunswick, should not be regarded as evidence that section 26 has become obsolete. Would he explain why it is proper to summon senators under section 26, notwithstanding that even if the Prime Minister had wished to have Newfoundland and Labrador represented by an additional senator, or the Territories, he could not have had an additional senator from that province or from the Territories?

Is that not additional evidence that section 26 is a relic from another age and is, indeed, only an empty shell?

Senator Roblin: That is my honourable friend's view. He made that point quite clear. That is not my view.

Senator Stewart: I am asking the honourable senator to help us, but he refuses.

Senator Roblin: I would be pleased to help amend the Constitution in more ways than the one before us, if I had an opportunity.

Hon. Gerald A. Beaudoin: Honourable Senators, I want to respond to the question raised by Senator Stewart. When section 51 was enshrined in the British North America Act in 1915, and when section 26 was amended that same year, it was by the same statute in Great Britain. So it is impossible that the British law officers were not aware of this. There is clear evidence in law that section 26 is still valid and is not obsolete.

The fact is that they amended that section at the moment they enshrined section 51A in the Constitution. So obviously there is no such thing as an obsolete section 26.

The power that is enshrined in section 26 is still valid. I am sure the law officers of the Crown have ruled that way.

If I may continue on this question of privilege. Honourable senators, we forget that since the Statute of Westminster of 1931, since the independence of Canada, and at least since 1982, the Queen referred to in section 26 is not the Queen in Right of the United Kingdom; it is obvious that it is the Queen in Right of Canada, and if there is a convention here, it is the convention that the Queen shall follow the advice of the Canadian Prime Minister, not the law officers of the Crown in Great Britain.

Some Hon. Senators: Hear, hear.

Senator Beaudoin: I am surprised that people think it is the Queen in Right of the United Kingdom. Obviously it is not. If the honourable senator wants some advice from the Supreme Court of Canada on this matter, all he needs to do is to look at the *Munro* case of 1966, when the Supreme Court construed section 16 of the BNA Act and referred to the Queen, they referred to the Queen in Right of Canada. Obviously the same principle applies to section 26, and it is the Queen in Right of Canada.

I have never understood how one could come to the conclusion that it has to be the Queen of the United Kingdom. Is it because she is more impartial? What kind of theory is that? It is the same person acting in a different capacity.

So I believe that section 26 is not obsolete. This is not the first time we are concerned with a case like this. In the *Disallowance* case of 1938 the Supreme Court of Canada said that the power of disallowance was still valid even though it had not been used for a long period of time. It is true that section 26 has not been used for over a century, but that does not mean it is dead. The power is still there.

Senator MacEachen: Only the powers of the Senate are dead according to Senator Beaudoin. Everything is alive but the powers of the Senate, as Senator Beaudoin has frequently argued.

Senator Beaudoin: That is quite another matter.

Senator Frith: Except that in your text book professor Beaudoin and Senator Beaudoin are not the same person.

Senator Beaudoin: We have to follow precedents. Senator Frith knows very well that the last authority in legal matters is the Supreme Court of Canada, and in the *Disallowance* case the Supreme Court of Canada said a section is not obsolete because it has not been used for a long period of time. That applies to section 26.

The advisor of the Crown is the Prime Minister of Canada. Section 26 refers to the Queen in Right of Canada. I cannot understand for one moment how one could raise the unconstitutionality of a section of our own Constitution. Even a first-year student in law knows that. That is very surprising to me.

Section 26 is in the Constitution. Some people have said: "Oh yes, but there is a convention that says it has not been used, so it is obsolete". If there is a convention in this case, it is that the Crown should follow the advice of the Prime Minister of Canada; if there is a convention in this case, it is that the last word should be left to the House of Commons; if there is a convention in this case, it is that the fiscal program of an elected government should remain with the House of Commons and not with an unelected Senate.

Some Hon. Senators: Hear, hear.

Senator Beaudoin: Sometimes people refer to 1873. There was no collision between the two houses at the time of Prime Minister Mackenzie. As a matter of fact, the law officers of the Crown in Great Britain said no to the Governor General of Canada. They were right because there was no collision; no deadlock. In this case we have a report that says in black and white that this house should kill the bill; if this case is not a collision, what is a collision? It is obvious that there is a collision. The difference between the Mackenzie precedent and the actual precedent is that at the time of Mackenzie, it was the Queen in right of the United Kingdom; now it is the Queen in right of Canada. The procedure is clear cut. It is obvious that it is legal.

Senator Molgat raised the point of the *sub judice* doctrine. If we stop to speak each time there is a complaint before a court in Canada, we will never get anything done. No *sub judice* doctrine is applicable here. Of course, if the government had chosen to refer this matter to the Supreme Court of Canada, then I would understand that we would invoke the *sub judice* doctrine. That is not so in this case because this matter is too clear cut. There is no case referred to the Supreme Court.

Section 26 is not obsolete. There is no convention that constitutes an obstacle—on the contrary. All conventions are in favour of the Prime Minister. Some people say that what the Senate is doing is a paradox, but it is not a paradox. There was a crisis in the United Kingdom in 1910, and the Prime Minister threatened to appoint more lords.

Senator Stewart: After an election!

Senator Beaudoin: Of course, but he threatened to appoint more lords. Finally the Crown agreed, but it was not necessary in the end. It is simpler in this case because we have a section in the Constitution that provides for the very case we are talking about. So I fail to see a *prima facie* case of privilege in this matter. If we are concerned with a privilege today, it is the privilege of the eight appointed senators to be here and to vote.

Some Hon. Senators: Hear, hear!

Senator Beaudoin: That is the privilege that is at stake in this case. If there is a convention in this case, it is that of responsible government. The basis of our government is that Cabinet is responsible to the House of Commons; Cabinet is not responsible to the Senate and shall not be governed by the surveys.

Some Hon. Senators: Hear, hear!

[*Translation*]

Hon. Gildas L. Molgat: Honourable senators, if he has no objection, I would like to put a question to Senator Beaudoin.

Senator Beaudoin: Please proceed, Senator Molgat.

[*English*]

Senator Molgat: If I understand you correctly, you cited a number of conventions. With respect to one of them you said if there is a convention it is that the House of Commons has the final say on financial matters. Is that a correct interpretation?

[The Hon. the Speaker.]

Senator Beaudoin: Yes.

Senator Molgat: Where does that convention come from?

Senator Beaudoin: Under the union of two Canadas—1840-1867—Baldwin and Lafontaine in 1848 were responsible for the principle of responsible government. The 33 Fathers of Confederation considered this as a convention of the Constitution. You may say that, strictly speaking, we may defeat the bill here, and I do not deny that. But, if we do so, especially with respect to a fiscal program of government, we are violating a convention that has been respected since 1848 and 1867. I draw a distinction between a convention of the Constitution and the legal text of the Constitution.

You know very well that in the *Patriation* case of 1981 the Supreme Court said that the conventions of the Constitution are part of the Constitution of Canada. If we violate them, there is no remedy in law, only in the political arena. Personally, I will fight for that convention because that is the basis of our parliamentary system.

Senator Molgat: But you agree, Senator Beaudoin, that there is a marked difference between a constitutional convention and one on which there has never been a test insofar as money matters between the Senate and the House of Commons are concerned. There is no established convention.

Senator Beaudoin: No. The Constitution of Canada, according to the Supreme Court in the *Patriation* case, is composed of three elements: the legal text—the *British North America Act* and the 23 amendments, the common law principle and decisions of courts such as the Supreme Court, and the conventions of the Constitution. There are three elements. We have to distinguish between what is purely legal and what is conventional. I am not saying that on my own; the Supreme Court of Canada has said it, and that court is right.

Senator Roblin spoke about this a moment ago. You say that we have the right to say no to a bill coming from the House of Commons. Legally speaking we may do that, but if we systematically go against three major bills of the government, which was re-elected in 1988, concerning its fiscal policy, we are violating a convention of the Constitution that has been firmly established in the history of Canada. That is all I say; no more, no less.

Senator Molgat: It has never been tested.

Senator Beaudoin: What do you mean it has never been tested? It has been tested. When the government is defeated on a budget in the House of Commons, it may do two things: resign or call an election. If the government is defeated in the Senate, there is no remedy because the theory of responsible government does not apply here, but it is a violation of the Constitution.

Senator Molgat: Senator Beaudoin, is it not within the power of the government to withdraw the bill? There is no question of defeating the government. The government can withdraw the bill. There is a remedy.

Some Hon. Senators: No! No!

Senator Simard: And Bill C-21 and C-28 I suppose.

Senator Beaudoin: Why should the government do that?

Senator Stewart: Senator Beaudoin, I wonder if you would answer a short question. As I understand your argument, you say that the conventional constitution is that the government is to have its way with regard to what you call money bills. And you argue, I think, that section 26 is in the Constitution to enable the government to have its way on money bills.

Senator Beaudoin: No, I never said that.

Senator Stewart: Oh, I see. How do you connect those two propositions, then? I thought you were talking about section 26, not something else.

Senator Beaudoin: No, no. Section 26 was enshrined in the Constitution just for the purpose of a deadlock or a collision between the two houses after a long term of office of one particular party. That is the reason for it. And I cannot see in the history of Canada a better case than this one in which to use section 26. I cannot imagine for one moment how the court of last resort in this country, if it is seized of this problem, will rule otherwise.

It is true that we may interpret the Constitution, but when the language of the law is clear and lucid, I think we have to follow what is stated there. There it is stated that the Queen—and it is the Queen in right of Canada and according to a convention—advised by the Prime Minister may appoint eight new senators, two per region. That is exactly what she is doing.

Over the weekend, some people said, "Yes, but did you think about section 51A?" Of course section 51A is involved. But if there is, by hypothesis, a problem, it is not in the Senate. The appointments of the senators are obviously valid.

Senator Stewart: Senator Beaudoin, you are repeating, perhaps with greater clarity, what you have already said twice. What I want to know is this: What was the point of talking about a convention that the government has to have its way with regard to money bills? How does that tie in with what you are now repeating?

Senator Beaudoin: Of course, if the government wishes to implement section 26, according to history it has to show some kind of deadlock. We have before us a clear deadlock. It is not an apprehended deadlock, it is right there. Senators opposite want to vote in favour of killing the bill. What else do they want? They want to stall three bills, and those three bills form part of the fiscal policy of the government.

There is nothing more important or sacred in the British parliamentary system than a decision of the House of Commons in the field of taxation. Consider the principle of taxation without representation. The representation of the people is in the House of Commons. It is clear cut. I regret that I cannot add anything.

Senator Grafstein: Would the learned senator respond on whether or not it is within the conventional power of this place to deal with amendments to tax legislation?

Senator Beaudoin: Well, we have had a debate on this point. I made a speech during that debate. Again, I cannot add to what I have already said.

The only thing is this: If the house of the elected people persists in going on with its fiscal legislation, I think the last word should be left to the House of Commons.

That does not mean that an amendment may not take place at some time, but the last word in a deadlock, according to the Constitution, is certainly that of the other house.

Senator Grafstein: But the learned senator agrees, based on his reading of the Constitution and the conventions surrounding the Constitution, that this house may amend tax legislation and money bills. He is saying that if there is an ultimate contest, that is a different question, but in the first instance clearly this house might amend tax legislation or money bills.

Senator Perrault: Honourable senators, this has been an interesting and scintillating afternoon in the Senate. There has been much intellectual content in the speeches we have heard made by Senator Beaudoin and other honourable senators. Surely this dialogue reinforces the case for a referral of this matter to the courts. In my view, that is absolutely essential.

In microcosm, in effect, we have heard the kinds of debate and presentations which might be heard in the courts of the land in respect of this controversial matter, with strong opinions being held on both sides of the question. This simply reinforces the view that the government's actions should be referred to the courts so that we know that we are proceeding on solid legal grounds.

With respect to my status here, honourable senators, I am a regular senator.

Some Hon. Senators: Oh! Oh!

Senator Perrault: I am not a divisional senator. I am be ashamed to say I am not a member of that exotic group? What should we call them? Are they to be known as the "M Squad"? Should we call them "The Mulroney Specials", "The Mulroney Marauders", or just plain "The Tory Territorials?

Senator Simard: What are you quoting from now, senator?

Senator Perrault: Whatever their status is, we should know whether they are entitled to sit in this chamber as quickly as possible. It is unfair to them and it is unfair to the house that their status be a subject of conjecture, shall we say.

Honourable senators, I am here as a representative of the province of British Columbia. It is the third largest province in Canada, and I will tell you frankly that British Columbians of all political parties, including most Conservatives, are most unhappy with the way the government has been proceeding, not only with respect to Senate appointments but with respect to the GST.

I see Senator Carney shaking her head angrily at my remarks. I will tell her that the Conservative Party in British Columbia has 8 per cent public support at the present time, and that is plummeting. The only person in society who is more lonely is the Maytag repairman.

Senator Muir: That's an old one!

Senator Perrault: It's an old one, but a good one, senator. The support for this measure in your province is just about as bad.

Senator Muir: No!

Senator Perrault: Many people have talked and written about the Senate GST report, including some editorialists, who have never been burdened with reading it. It is always easier for one to write an editorial if one has not read the report under assault. That is the case, I fear, with some editorial writers today. I spoke with two or three editorialists over the weekend and not one of them had read the Senate report, but they all felt very indignant about its conclusions. I said to them, "You must have extrasensory perception."

If there were to be a bill sent to us from the House of Commons which represented a gross violation of human rights, would honourable senators feel a responsibility to use their ultimate power of veto to stop that violation? Of course they would. They would not hesitate.

All we are talking about here is the degree of power which should be exercised by the Senate, based on the measures which come to us from the other place. That is what we are talking about. We are asking ourselves whether the GST situation is serious enough to warrant an almost unprecedented action on the part of the Senate.

Well, honourable senators, there are some interesting things being said about the alleged misuse of power in the Senate. The Justice Minister, the Honourable Kim Campbell, has a continuing credibility problem in my province. She was a great supporter of William Vander Zalm and the Social Credit Party, and then she resigned her seat to become an instant, overnight Conservative.

Senator Simard: Are we still on the question of privilege?

Senator Perrault: Yes, we are still talking about it—very much so. I know the senator has a difficult time tracking what is going on here, but I would ask him to try.

● (1720)

The other day the Minister of Justice for this beleaguered government stated, "We just had to act against the Liberals in the Senate". Why? We are holding up all sorts of bills. Until this summer's parliamentary recess, 286 government bills had been passed by the Senate since the election of a Conservative government in 1984. Of these, 267 were passed without amendment in our Liberal majority Senate, which is accused of being a force to block the government's will. Another 19 were passed with amendments, including those where the House of Commons accepted some or all of the Senate amendments. Only two bills are being delayed and are awaiting consideration by a Commons-Senate conference to resolve differences.

I suggest, honourable senators, that we would have resolved these problems long ago if we did not have that great Alberta charmer, Harvie Andre, in the negotiations. This is the same Mr. Andre who has been attacking the Senate for most of his political career, and now he even refuses to sit down in a conference to work out difficulties with respect to the "claw-back" proposals and unemployment insurance changes.

The question is, should a Minister of Justice lie? The Minister of Justice, serving in the other place, has not been telling the truth. I suppose the second question to be asked is whether this a serious enough bill to reject or slow down, perhaps to be sent back to the government for redrafting and reworking?

I suggest to honourable friends in the Tory ranks that they do not go into northern Canada in the next few weeks. Their lives might be in danger. Canadians living in the north are enraged at what obviously is a draconian tax burden which they are going to be asked to carry. My friend, the Honourable Paul Lucier, an effective representative of the north, knows what we are talking about.

Those members of the committee who studied the GST and held hearings in the north—

Senator Simard: They never had a chance to read the report.

Senator Perrault: You were talking so much you never allowed any input, senator. You have not won many raves for your performance.

The GST credits would fail completely to take into account the high cost of living in Canada's remote regions. The GST would apply on the final price of goods and services inclusive of transporation costs, which are a significant component in the price of goods and services offered in the north. The fact is that central Canadians would pay substantially less tax on average than those living in the north, in western Canada, and in the Atlantic provinces. Why should westerners and northerners pay 7 per cent on the transportation input into getting goods to their homes? When honourable senators opposite pledge to support this measure and say to the Prime Minister, "Ready. Aye, ready", many of them are acting directly against the best interests of their own regions, and some of us are not prepared to do that.

The other day I heard from a veterans organization which stated that the federal government will tax the Remembrance Day wreaths and the poppies that are put on cenotaphs. I did not believe it and I checked it out. It is true. Caviar is going to be exempt, but memorial wreaths for downtown cenotaphs will be taxed. Can senators support that? The Royal Canadian Legion deserves the support of every one of us to prevent this type of stupidity. Surely senators opposite are not going to sit there and be obedient blue ciphers and vote for this. There are all sorts of anomolies large and small, yet members opposite say they are not serious enough to defeat or reject the GST.

When the Liberal members of the committee were first presented with this challenge of holding hearings on the GST, it was the majority view that probably the best course of action would be to bring in a number of amendments to correct any deficiencies. There are so many deficiencies. I hope senators opposite have studied the report thoroughly and realize the opposition across the country, not only from labour but also from many areas of management. The GST has been described by John Bulloch of the independent business organization as "without any question, the worst retail sales tax in the entire world."

What model are we following? We are following the model of the Ivory Coast which introduced the tax for the first time in 1960. That great haven of tax reform, the Ivory Coast, started the tax at 12 per cent and it loves that revenue cash cow so much that now the tax has been increased to 25 per cent.

Senators opposite wonder why we are concerned and why we are opposing it. Yet another reason is that even if the eight senators are seated legally and add their obedient votes to your majority, we cannot obtain any assurance from the government that some money will be used to reduce the debt and the deficit.

In committee we heard testimony from coast to coast—Please read the report—alleging that the present tax system is grossly under-utilized because too many people have escape routes. I suggest senators opposite check the list of people who earn more than $250,000 or even $500,000 a year who do not pay any tax.

Senator Barootes: Every loophole created by the Liberal government.

Senator Perrault: You have not made a constructive contribution in years. Do you think it was an easy decision to enter serious objections and to oppose a tax measure of this nature which would change the face of Canada?

We are heading into a recession. The other day the Minister of Finance stated that his calculations were wrong and that the situation was worse than he thought. There was $1 billion worth of miscalculation. Is this the time, in the interests of this nation—and these are not partisan considerations—for us to march in and add a 7 per cent goods and services tax to the woes of the people of Canada?

Senator Barootes: It is not adding 7 per cent. Learn a little mathematics.

Senator Perrault: The goods and services tax federally will be 7 per cent and the provincial taxes will be at least equal to that amount. Is this the time to do it?

When New Zealand introduced a similar tax, it had a 6 per cent rate of inflation the first year and a disastrous recession.

Hon. Pat Carney: Mr. Speaker, I rise on a point of order. I wonder whether Senator Perrault is now involved in debate on the bill itself or whether he is speaking to the question of privilege. He seems to be talking a great deal about the bill. Many of us look forward to an opportunity to debate the bill, but I understood, Your Honour, that this was a matter of privilege.

Senator Perrault: You will have an opportunity to debate this at length. However, some of us are concerned about the admission of eight trained seals into this chamber determined to vote for a tax measure which could be disastrously bad for all of us. That is the source of our concern.

In my province of British Columbia there has been unbelievable anger at government tactics to pass the GST. British Columbians are as one in opposing this tax—Liberals, Reform Party, Social Credit, NDP, and most Tories—as we can see by the statistics.

At one time Conservatives described themselves—and they did so quite frequently, *ad nauseam*, as far as Liberals were concerned—as the heirs of the British parliamentary tradition. They said that Liberals did not respect that tradition, but that they did. They opposed closure and all the devices that would limit free speech. Do senators know how many times closure was used in the House of Commons to ram the GST through that chamber? Are you not affronted by it? Do you have any pangs of conscience about it? It was so bad in the other chamber that Chairman Don Blenkarn apologized a few weeks ago and said that his conscience bothered him, that he wanted to express his regrets for his undemocratic methods.

Senator Buckwold: I did not know that he had a conscience.

Senator Perrault: Is that the new tradition of conservatism? At one time they upheld the rights of the Opposition, but not now. I am proud to be associated with a party which has always believed in the rights of the Opposition. Senator Roblin, who has just spoken, was appointed to the Senate by Pierre Elliott Trudeau—

Senator Murray: On the recommendation of the Tory leader.

Senator Perrault: In contrast, hordes of Tories are brought in for every government position that is open in Canada. I am proud of the fact that I belong to a party that had a generosity of spirit to bring in some Conservative appointees to the Senate, regardless of their limitations.

• (1730)

Even as late as 1988 the Conservative Party used to assail our ears with speeches of how they just loved the provinces and wanted to get along with the provinces, whereas they alleged that the Liberals did not get along with the provinces. But this was to be a new Canada. This was reconciliation. We were all to be friends together. But as soon as my province, supported by others, suggested that it would challenge the appointment of these eight supernumerary, additional senators to the chamber, immediately the government made representations to London to circumvent the provinces and get them out of the way. That is what happened.

Senator Barootes: You are flattering yourself!

Senator Perrault: That is what happened.

Senator Hastings: We know what you did!

Senator Perrault: We know exactly what you did.

Senator Barootes: Check your notes!

Senator Perrault: To creep over to London to ask their permission to appoint eight additional senators is an affront to nationhood.

Senator Austin: Absolutely!

Senator Perrault: It is an affront to Canada in 1990, and you know it.

Senator Barootes: It surely was an affront to the Liberal Party in the Senate!

Senator Perrault: Every strategem has been employed to circumvent the angry provinces. Every premier in Canada, with the possible exception of one, is opposed to this. Your provinces—the people—are all opposed to the GST. Yet your leader is asking you to stand up and vote for it. Does it cause any problem for you when you are told that you will have to pay more for stoves and refrigerators because of the tax on transportation inputs—

Senator Barootes: Wait until the tax comes up!

Hon. Jean-Maurice Simard: May I ask you a question?

Senator Perrault: —than they are in Toronto?

I wish to say something about the imbalance in the Senate. At this time we need a Triple "E" Senate. Senator Waters, you are right. I am with you on it.

An Hon. Senator: Resign, then!

Senator Perrault: It is time that we did something basic in Senate reform.

The Prime Minister has strutted around this country saying how he would fundamentally reform government in this country. He was to have a reformed Senate.

Senator Barootes: Who did that?

Senator Perrault: What did he do? He made it the most loaded, one-sided, pork-barrelled Senate in the history of Canada! The province of British Columbia, with six members, could not get even one additional senator appointed among the eight. Perhaps there were not enough Tories to choose from! That must be a problem. They could not find enough Conservatives to appoint. There were two extra senators appointed in Ontario and Quebec.

I wish to say this to my friends in Quebec:

[*Translation*]

I find it distressing that another instance of discrimination against the people of Western Canada does not seem to upset our Conservative colleagues from Quebec, who fought for years for the rights of their own province.

[*English*]

Where is the justice for western Canada now that you have your two extra appointees? There has not been a word from you about this whole outrageous method of appointing senators. Perhaps the time has come for reform. Perhaps we should have a unanimous federal-provincial resolution to change it. This present system is not good enough.

Do you wonder why there is western alienation? It is because of actions of this kind by governments of this type. It is wrong, and you know that it is wrong.

I will now put on the record some of our concerns. If respect for Parliament and politicians is rampant—and it is in this country—there is no wonder. A fearful price will be paid for the outrages that have occurred in this chamber in the past few days.

Since August 24, 24 people have been dragged into this chamber to make up the majority that you now have.

Senator Hastings: One a day!

Senator Perrault: Do not bother talking about the proposed GST on principle or in detail; do not try to meet the concerns of the regions of Canada who feel that they would be victims of discrimination. Just bring in that compliant majority and get the vote through.

Committee members could not obtain any assurance from the government's representatives or any of its politicians at the hearings that they would even look at the tax problem posed by transportation costs. No wonder people in this country are angry—particularly in the west, the north and in the Atlantic provinces. This big, smug, compliant, self-satisfied group that you have hauled in here is an affront to all of us. Despite all of the faults in the GST, they believe that no action should be taken by the Sente. I would say to Senator Forrestal, who is attempting to interrupt, that he should try to come up with some Atlantic facts. I do not know how he would justify silence to the people he represents.

An Hon. Senator: Don't worry!

Senator Perrault: No, because you are not running for office.

An Hon. Senator: Nor are you!

Senator Perrault: On Friday I offered to resign and to take on a critical person who had called in to an open line show. But they hung up; they would not take me on.

Senator Fairbairn: That is correct!

Senator Perrault: I have a witness to it.

If certain senators are here illegally, any action taken by Parliament would be rendered invalid. It has been said more eloquently by others in this debate today, but for the sake of Canada let us proceed fairly and decently. Let the courts tell us about the eight additional senators; and let us know about the Governor General's role. Did he consult Her Majesty's Loyal Opposition before he rendered his decision and conveyed his message to Her Majesty? The Loyal Opposition has a special place in this country—the Conservatives know this from long experience.

I wish to speak to some documents and put them on the record of the Senate. I hope this will not take too long.

Senator Bonnell: Take your time!

Senator MacDonald: Senator Perrault, could I encourage you to speak until six o'clock? The quality of your remarks compared to those of Senator Beaudoin does more for this side than any strategy we could think of!

Senator Perrault: Is that the extent of your contribution to the debate? If so, you have reached new intellectual heights for your performance in this chamber. Congratulations!

The first document I am reading from is dated September 21, 1990. It is headlined: "B.C. Eyes Legal Challenge to Senate Squeeze." How is that for a headline?

Senator Doody: Excellent!

Senator Perrault: I want to bring you through this chronology and do it slowly.

You said the other day that some of you were slow readers. I wish to help you with your problem. This article states:

> The B.C. government is looking at legal action to challenge any move by the federal government to force through the Goods and Services Tax by adding more senators.

Please not that paragraph. It represents, in a forthright fashion, the position of the province of British Columbia. It goes on to state:

> Finance Minister Mel Couvelier and Attorney General Russ Fraser responded today to reports that federal cabinet ministers are considering using Section 26 of the Constitution Act to add additional senators in an effort to force through the GST.

That stirred some action down here, didn't it? You held a special meeting on this. You decided, "We have to act before B.C.'s case can be heard!"

Senator Barootes: We are not worried about B.C.!

Senator Perrault: "Forget about all that old friendship stuff with the provinces. This is hard ball. Let us roll the dice once more." That was your government's attitude.

Senator Hastings: We care about B.C.!

Senator Perrault: The news release goes on to state:

> Fraser said, "We believe use of Section 26 in this way is not constitutionally permissible. We are examining a legal challenge to any such manipulation of the Senate."

Those are tough words, are they not, from a friendly province? They say that you are "manipulating the Senate." They did not say that the Liberals were manipulating the Senate, but they seem to be upset about some of the things you have done.

The press release goes on to state:

> Couvelier said that the GST is "an open-ended tax grab.

That is what Ronald Reagan said in 1985, when he rejected it for the United States. He said that "It is nothing but a discredited revenue grab used by governments in trouble, so it will not be introduced in the United States." Do you remember that quotation? Mr. Couvelier went on to say that:

> —the GST is "an open-ended tax grab. It is an inflationary tax that will creep higher in years ahead."

Senator Barootes: Who is that rocket scientist?

Senator Perrault: Do you want to hear Willy von Braun or someone? He went on to say:

> "It will be extremely expensive to administer, and will hurt business."

That is the view from our province. We think that business will suffer seriously. Oh, yes, the free trade deal was the last dream idea that you had. We have already lost 160,000 industrial jobs in Canada as a result of that.

Senator Barootes: It has nothing to do with that!

Senator Perrault: I hope that we will have a separate debate here in a few days and you can hear what the economists are saying about the results of free trade.

The news release further states:

> The two ministers said that any federal government move to add additional senators above the current level of 104 would be an affront to residents of British Columbia, who have made it clear that they want an elected Senate.

To that I say, "Amen." It is the same in Alberta and in the other provinces of Canada. Anyone who has been to Australia knows that equal representation, or near equal representation, works. We need it.

Senator Barootes: You will have to get a new job, Senator Perrault.

● (1740)

Senator Perrault: I am quoting again Mr. Couvellier who stated:

> It is regrettable that Prime Minister Mulroney would choose not only to ignore the B.C. Senatorial Selection Act but also to impose the cost of additional senators upon all Canadians just so he can push through the GST.

All the other provinces have taken the same position. In the face of the need for cooperative federalism, is it in the interests of this nation to proceed in this fashion?

Mr. Fraser said that B.C. is currently having detailed discussions with Alberta in an effort to join it in a court action expected to be forthcoming shortly from that province. The Alberta court action is expected to be based on the premise that the GST violates the Constitution.

As we move along in this chronology, we see a news release put out by the Attorney General for the Province of British Columbia on September 25. This statement really caused panic in government offices in Ottawa. It was decided at that moment that some serious overtures must be made to the Governor General and that he must get on with the task of getting the eight appointed before the B.C. appeal could be heard. The title of this release is: "B.C. Challenges Ability to Create Extra Senate Seats". The dateline is Victoria. It states:

> An Order in Council was signed today which will allow the B.C. Government to go to court in order to challenge the Federal Government's ability to create extra Senate seats under a never-used provision of the *Constitution Act, 1867*, Attorney General Russell G. Fraser announced today.

I now quote Mr. Fraser who stated:

> Our position is that the federal government can't unilaterally add four or eight Senate seats just to resolve existing differences between the Senate and the House of Commons.

Of course, that is the position which many Canadians have taken. We certainly hold that view on this side of the House. The news release continues:

> When the provision was created it included a two-step process to allow for a decision which would be independent of the recommendations of the Government of the day.
>
> Federal ministers have been recommending that the provision for adding extra seats be used to force legislation, including the Goods and Services Tax, through the Senate.
>
> "British Columbians will not accept the addition of extra Senate seats to be filled by patronage appointments just to force unpopular legislation through, " added Fraser. "The required element of independence is no longer present and we believe the mechanism simply can't be used. We will ask the Court of Appeal to decide if this 123-year-old section is still operative."
>
> The Government has passed an Order in Council to bring certain questions on this issue before the Court of Appeal under the *Constitutional Question Act*. In addition to the strictly legal questions, the Court will be asked to consider whether a constitutional convention exists to govern the way this provision is used.

The Attorney General knows his history. He states that a previous attempt in 1873-74 to add extra seats to the Senate was rejected by Britain. Is there anything incorrect in this news release so far, honourable senators? I think it is rather well done. It continues:

> At that time the British Government stated that the provision was only to be used where the differences between the Senate and the House of Commons were so serious and permanent that the government could not carry on without the extra seats.

Something I cannot believe is that senators opposite seriously believe that they have credibility when they have not even debated one paragraph of the Senate report which we spent months preparing.

Senator Barootes: Who spent months preparing it, Senator Buckwold or you?

Senator Perrault: The government went to the Queen. I think they misused Her Majesty very terribly. I think the monarchy has been terribly misused on this occasion.

Did the government tell the Governor General that it was a deadlock, that the Liberals would not allow debate? We were not in the process of trying to debate anything. We have not discussed one aspect of the GST. Yet apparently the government went via the Governor General to Buckingham Palace to say, "There is a deadlock". That is basically dishonest. It is the type of dishonesty which should never be practised by governments.

Mr. Fraser went on to say:

> "We have a strong precedent to rely on, and we do not feel that the present differences are serious enough to meet this strict test . . . If the Court accepts our position we expect the Federal Government to respect that decision, and not pack the Senate.

That was British Columbia's position, which was communicated to senators. What kind of response was made by your government to the Province of British Columbia? Is the government willing to table the appropriate documents? How did the government answer that B.C. appeal? For heaven's sake, British Columbia is the third largest province in Canada. Was our only problem that we are located on the west coast of Canada, on the Pacific Ocean? Were we not central enough to command some attention?

I have a document in my hand from the Province of British Columbia. It is an order of the Lieutenant Governor in Council, Order in Council No. 1451, approved and ordered September 25, 1990. It is signed by Mr. Lam, our outstanding Lieutenant Governor, and states:

> On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the questions set out in the attached Schedule be referred to the Court of Appeal for hearing and consideration pursuant to the *Constitutional Question Act*.

It is signed by the Attorney General. In my other hand is the schedule which was attached. It states:

> 1. In light of the constitutional development of Canada, including the enactment of the Canada Act, 1982, is s. 26 of the Constitution Act, 1867 inoperative?

That question has been eloquently debated today. Senator Beaudoin spoke about it. I was under the impression that he once wrote a book in which he stated that the powers of the Senate were virtually unlimited. I wonder if he has made an agonizing reappraisal of his position?

Senator Beaudoin: No, I have not. Read the whole book.

Senator Perrault: I apologize. Perhaps I did not get to the final chapter. There might be something there that I missed.

The second point of this document states:

> 2. If the answer to question 1 is "no", who has the legal authority to direct that members be added to the Senate pursuant to s. 26?
>
> 3. If the Queen or the Governor General retains legal authority to direct that members be added to the Senate pursuant to s. 26 is either obliged to follow the advice of the Queen's Privy Council for Canada?
>
> 4. If there is legal authority to direct that members be added to the Senate, is the exercise of that authority limited by constitutional convention to circumstances where differences between the Senate and House of Commons are of so serious and permanent a character that the Government cannot be carried on, and such differences are not susceptible to satisfactory adjustment by any other means?

The last is a rather important referral. As I and many other speakers have expressed, we feel that we have not had ade-

quate opportunity to debate the GST report. I wonder if all senators have read through the report. Perhaps the new senators have not seen it yet. It might be useful to read the report before we enter into debate.

The fifth point in the document states:

> 5. If the answer to question 4 is "yes", would the terms of the constitutional convention be satisfied by the actual or potential failure to resolve the differences between the Senate and the House of Commons over Bill C-62, *An Act to amend the Excise Tax Act* and other Acts, Bill C-21, *An Act to amend the Unemployment Insurance Act* and other Acts, and Bill C-28, *An Act to amend the Income Tax Act* and other Acts, considered either individually or in combination?

That is the list of the questions submitted by the Attorney General for the Province of British Columbia. They are candid and straightforward questions. I think it would be useful for all of us, wherever we sit in the house, to have the court's appraisal of these questions as well as its views with respect to them. Is there anything to be served by continuing the GST debate and by making decisions before we know the mind of the court on these matters? Of course not.

Perhaps there are other useful measures which could be taken in the Senate in the meantime. This court referral is absolutely pivotal and of great importance for many reasons to the future of legislation that comes from the other place, as well as measures which originate in this chamber and which go to the other place.

The last news release, dated September 27, 1990, from the province of British Columbia, is headed, "Senate Challenge Will Go On". It says:

> VICTORIA—British Columbia will continue to challenge the right of the Federal Government to go to the Queen to request the appointment of additional Senators, Attorney General Russell G. Fraser stated today.

Honourable senators, I must say that I am in agreement with this next sentence:

> 'We believe that the Federal Government no longer has the right to ask the Queen for her assistance in running this country,' said Fraser.

That was British Columbia's position, and there are many Canadians from all parties who feel the same way. This is an imposition on Her Majesty, and she should not be involved in this way.

Mr. Fraser asked the question:

> If we need to ask for her assistance why did we bring home our Constitution?

That is a good question. I would like to hear some views from representatives of our central provinces—Quebec and Ontario. Can they tell us why we need to ask for Her Majesty's assistance after we have brought home our Constitution?

The news release goes on to say:

> The British Columbia Government believes that section 26 of the *Constitution Act, 1867* is inoperative. The Court will be asked to determine if the two-step mechanism which was originally intended can still be used. British Columbia says the process is no longer available.
>
> All the powers of the Queen, as the Queen of Canada, are now exercised by the Governor General. That means section 26 would require the Governor General to make a recommendation to himself and then to act as he "thinks fit". That is impossible, and section 26 can therefore no longer be operative.

This is the position taken by the province of British Columbia. Some senators are shaking their heads. Obviously they disagree, and that is their right.

Mr. Fraser goes on to say:

> The Prime Minister could have referred a question to the Supreme Court, which is the process we are following, . . .

Why did we not refer it to the Supreme Court? When I say "we", I am talking about the people in Ottawa. Why did the federal government not take that initiative and refer the question to the Supreme Court? That would have been a gesture to all provinces in Canada that this government is trying to do the right thing. Fraser then added:

> He could have asked the Supreme Court whether there is legal authority to direct that members be added to the Senate. That would have been the proper way to proceed.

That would have been the proper way to proceed. Mr. Fraser indicates, of course, that this would have been acceptable to the province of British Columbia. Mr. Fraser goes on to say:

> What's of even greater interest is why Brian Mulroney feels he has to have the seats to pass a bill which is supposed to be revenue neutral.

This is a new consideration brought forward by the province of British Columbia.

> If the GST is revenue neutral the Senate's conduct can't prevent the Government from carrying on.

That is a rather telling point, I think.

Senator MacDonald has left his seat. I suppose that if you cannot stand the heat, you do not stay in the kitchen.

Senator Barootes: It is not the heat that is bothering him. It is the smell.

Senator Perrault: I would like Senator MacDonald to answer the statement put forth by the Attorney General of British Columbia. There is no money forthcoming if you get the answer right or wrong. This is not a jackpot show. Mr. Fraser said this:

> If the GST is revenue neutral the Senate's conduct can't prevent the Government from carrying on. Constitutional convention requires such a crisis before the Prime Minister can act to pack the Senate.

That is a good statement. I hope that Senator MacDonald is going to speak on this point of privilege.

What does "revenue neutral" mean? Are the new senators provided with a blue guidebook explaining Tory terminology?

The news release goes on to say:

> The Province had hoped to obtain directions, and a hearing date, from the Court of Appeal tomorrow. The application has now been adjourned to next week at the request of the Federal Government.

From time to time I have disagreement with the Social Credit Party. I have my partisan differences with the NDP and Reform Party, and with the Conservatives, but all parties in my province have acted perfectly properly with respect to the GST. They have asked the right questions. They are supporting this referral to the court. Indeed, there are other considerations now being advanced in the province of British Columbia. They were referred to briefly earlier today. There is a theory in B.C. that section 26 is extinct. However, we are concerned that by naming to the Upper Chamber an eleventh member from New Brunswick, the Prime Minister appears to have violated another section of the British North America Act. This has been covered completely, but I should like to go over it again to ensure that we all understand it.

The act says that New Brunswick is allowed ten members in the House of Commons. Subsection 51(a) says that no province shall have fewer MPs than it has senators. Clearly there are very serious questions here about whether the government is violating the Constitution of Canada. It is essential that we have a ruling on that before we get into a GST debate and the votes that inevitably will follow.

The Justice Minister of Canada was rather taken aback at this information when it was provided to her. In an interview, she said that there was nothing in the Constitution that prevented the Prime Minister from using the Senate-stacking provision. However, she agreed that the issue was there. She said that she may go to the Supreme Court of Canada for clarification, that it was a complex issue and that they were reviewing it. I know that a right-minded Minister of Justice would not even hesitate. I am sure that she is planning to obtain the opinion of the court on this matter.

The Justice Minister also admitted that it could lead to New Brunswick getting an extra House of Commons seat. In B.C. we have a great affection for New Brunswick. Many of our outstanding people were born and raised in New Brunswick and the Atlantic provinces, and have made a great contribution to British Columbia.

New Brunswick has a population of 721,400. It now has ten MPs and eleven senators. That is a healthy representation. I know that Senator Carney would agree with me when I say that by comparison British Columbia with a population of 2.9 million, has 32 MPs and six senators. There is a job to be done to provide greater equality of representation in both the House of Commons and an elected Senate. Fairness is the model we need. Many people say that we will never have an elected Senate in Canada—but all it takes is generosity of spirit and practical common sense.

In the United States, Rhode Island has two senators. Senator Waters will agree that the U.S Senate works rather well, despite the fact that New York also has two senators, as do all of the states. In Australia, there are ten senators for every state. A nation as large as Canada must have that second elected chamber to bring the problems of those regions effectively to the attention of the central government. I am glad to see that Senator Gigantès, who has a great generosity of spirit, supports that idea.

Mr. Fraser, speaking in the province of British Columbia, said that it is interesting that they appointed a senator and then added another MP to balance it. If that is the Conservative's game plan, perhaps the Leader of the Government can tell us whether or not an extra riding will be created in New Brunswick to accommodate what appears to be a difficulty.

Senator Murray: There is no difficulty.

Senator Perrault: The courts will determine that. There is no need to dispute it, because you hold one view and some of our people hold a different view.

Mr. Fraser said:

> It is no wonder we in British Columbia want Senate Reform.

Well there it is. The fundamental question for all of us—for the media, the Province of British Columbia and other provinces—is whether or not there is a sufficiently important measure threatening the welfare and the future of Canada, in connection with which the Senate should exercise the power it undoubtedly possesses.

• (1800)

When I was Leader of the Government in the Senate, it was my view that we must first strengthen the Opposition to make sure that there was viable democracy in this place.

Senator Barootes: You sure didn't do that much!

Senator Perrault: I assisted in the appointment of a number of Conservative senators. Senator Roblin will confirm that. Secondly, I felt that under normal circumstances the Senate existed to improve and not to block proposed legislation, whether from a Liberal Government or a Conservative Government, and there is a letter substantiating my commitment to that view in the files of the Conservative Party and of Mr. Joe Clark.

However, the circumstances today are unusual. There have been predictions by many competent people that the GST would trigger a deep recession verging on a depression. These concerns are so considerable that for the first time in history all of the political parties of my province have asked me, as well as other senators representing British Columbia, to move immediately to do what we can to defeat this measure. I believe that I have a responsibility to my people. I wonder whether there is not a way for this bill to be withdrawn so that major improvements and changes can be made to it, instead of perhaps condemning it to oblivion. Is a salvage operation possible? The concerns I have expressed today are not held lightly by the people with whom I have discussed this matter. I have received representations from many people in other regions. The Province of British Columbia has gone to the extent of running a questionnaire in the press appealing to the

people of British Columbia to write to all of the senators of that province asking them to stop this measure.

May I suggest this: Let us have a federal-provincial conference this week to have the ministers of finance review the situation that now exists in their provinces. Is this recession as bad as it appears to be in certain parts of the country? Let us get together and have a conference to discuss what really must be done to reduce the deficit. Let us have a commitment that will ensure that the tax measures now on the books are being properly and fairly employed. We are all Canadians, and all of us are interested in making this a better country.

We do not want this exercise to be merely a partisan dispute, with politicians struggling for power. It is far more than that. We can see the devastating effect of the recession on some communities in Ontario, and Ontario senators will know what I am talking about. The same can be said for the Atlantic provinces. I see my friend Senator Macquarrie seated opposite. He knows the seriousness of the problem. Let me relate a short story. Not long ago I phoned a company in Nanaimo, British Columbia. I said, "I understand that you have electronic parts for hi-fi equipment and I need a particular part." The person to whom I was speaking said, "Yes, but it will be a rather late delivery because we have moved the plant to North Carolina where the wages are lower." So the economy is in trouble. Cannot we as Canadians get together and have a meeting to discuss our economy—our own mini economic summit? Do we have to go to New York, to the United Nations, to talk about all sorts of world problems when the biggest problem today is the serious malaise that exists right here in Canada?

Senator Barootes: You are getting lost now!

Senator Perrault: I am not getting lost; I am saying that the priority is at home right now and that we must work to that end.

Honourable senators, I have appreciated this opportunity to discuss some of my ideas this afternoon.

Hon. Dan Hays: Honourable senators, I would like to speak to this question of privilege, and particularly to a point that has been made. It has to do principally with section 51A of the Constitution Act. I am one of six senators from Alberta, which is in the western division. In considering the make-up of Alberta senators, by my count five senators will vote one way and one senator the other with regard to Bill C-62. In fact, one of those senators has arrived here through a form of election, and that impresses me.

Senator Carney: He was appointed by the Prime Minster.

Senator Hays: That is correct, but an election was held prior to the appointment under the Senate Selection Act of the Province of Alberta. That selection process resulted in the appointment of Senator Waters, and I am pleased to see him here today.

In any event, I estimate that five senators will vote one way and that Senator Twinn will vote the other way. I will not pursue the question of the appointment of the eight new senators, as that argument has been well made, although I do not necessarily accept the legitimacy of those eight senators. If, however, there is legitimacy in the appointment of those eight new senators, I would seriously question four of those appointments.

A serious question revolves around section 51A of the Constitution Act, which indicates that there shall not be fewer members of Parliament than senators from a province. The total number of members of Parliament for the Maritime region is 25. The Prime Minister has attempted to appoint 26 senators from that region. It occurs to me that section 51A, in addition to ensuring that a province does not have fewer members of Parliament than senators, also plays an important role in the electoral and voting dynamics in Parliament. That importance relates to the fact that only four and not eight senators should have been appointed, because now we not only have a province with more senators than members of Parliament, but we have a division of Canada with more senators than members of Parliament. I believe that calls into question the legitimacy of the appointment of at least four of the eight senators appointed under section 26.

Honourable senators have indicated that it is ridiculous that business should be carried on by Parliament, and particularly in this chamber, while such a matter is decided by the courts. The point should also be made that it is equally ridiculous to accept that any such business done may have to be undone some time later, particularly when one looks at the controversial nature of Bill C-62, which, I am sure, is in the back of all our minds as we participate in the debate on this question of privilege. If Bill C-62 is implemented before the question is settled, it will surely give rise to litigation. That I believe is a worse alternative than to proceed with business when there is a legitimate question as to whether or not at least four of the eight senators have been appointed in accordance with the Constitution.

Your Honour, I could go on, but it is almost six o'clock.

Senator Grafstein: May I ask a question of my honourable friend?

Senator Hays: Certainly.

Senator Grafstein: Is my honourable friend saying that it is difficult for us to proceed with the business of this house, with business received from the other place, when that other place is improperly constituted?

• (1810)

Senator Hays: Honourable senators, I wish I could claim the constitutional expertise of many of my colleagues in this chamber but I cannot. Mine is a simple point. It is that any business done by Parliament may be in question as a result of the point I have made. To the extent that it is, it seems to me unacceptable that we should leave the question unanswered, and I believe there is a *prima facie* case that there has been a breach, if not as to the eight, then certainly as to the four. That is my point.

Hon. Richard J. Stanbury: Honourable senators, I appreciate that the time is short, but I will take only a few moments. First I wish to speak briefly with respect to the eight newcom-

ers who have been led to believe they are legitimate senators. I would assure them that there is no personal animosity on the part of any of us. As a matter of fact, we feel pretty badly that they have been so abused and embarrassed.

I have an important suggestion to make, which is that because of the embarrassment they have already suffered, and because of the embarrassment they may well suffer if the Supreme Court of Canada decides they should never have been appointed, it seems to me that they should either resign or withdraw from the Senate—

Some Hon. Senators: Oh, oh!

Senator Stanbury: —until such time as a decision has been made about the legitimacy of their appointment. If I were in their place, that is what I would wish to do. I would have no desire to sit and be abused—not personally, but in terms of the legitimacy of my appointment—over a period and be led into making decisions. If my "legitimate" colleagues—I guess I have to call them that—insist upon using them as part of the government's majority they may well suffer the additional embarrassment of finding themselves a few months from now, having made decisions of great import to the people of Canada and having those decisions declared null and void because of the illegitimacy of their appointment.

Senator Frith: Your Honour, it is six o'clock.

[*Translation*]

The Hon. the Speaker: Honourable senators, according to rule 12 of the *Rules of the Senate*, at 6 o'clock. I must leave the Chair and come back at eight o'clock.

The Senate adjourned until 8 p.m.

[*English*]

At 8 p.m. the sitting of the Senate was resumed.

Senator Stanbury: Honourable senators, I was speaking when we adjourned for dinner, but I do not propose to proceed further.

MOTION TO ORDER WITHDRAWAL OF STRANGERS WITHDRAWN—QUESTION OF PRIVILEGE—DEBATE ADJOURNED

Senator Frith: Honourable senators, I have had a short discussion with Senator Doody, and we propose the following: That you grant me unanimous consent to withdraw my motion dealing with the strangers, and that we then adjourn until Wednesday, October 3, at 2 o'clock to give both sides an opportunity to confer with their caucus colleagues; and that we start a new session on Wednesday.

Senator Doody: A new sitting?

Senator Frith: A new sitting, not a new session, although that is a solution you might consider. We propose that we start a new sitting and that everyone's position, including the Speaker's, remain exactly the same; that we commence on Wednesday at 2 o'clock with the "strangers" motion no longer before us, gone, and that we continue from where we are at present. Senator Doody will make the motion, and I recommend that we support it.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, what Senator Frith has said is substantially correct, with the clarification he made about the new session. We at no time agreed to a new session, but we have agreed that we would adjourn this evening to return at 2 o'clock on Wednesday, October 3. I am not sure if Senator Frith has to make a formal withdrawal, but leave is granted.

Hon. Douglas D. Everett: Honourable senators, I would like, for the sake of clarification, to find out if the point of privilege will still be an issue tomorrow.

Senator Frith: Yes; nothing is changed. Everything is exactly as it stands at this moment and will stay that way until Wednesday, October 3, except that the motion about strangers has evaporated.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Yes.

The Hon. the Speaker: Then I shall leave the chair.

The Senate adjourned until Wednesday, October 3, at 2 p.m.

THE SENATE

Wednesday, October 3, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have—

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, when we left yesterday—

Some Hon. Senators: Sit down!

Senator Frith: His Honour the Speaker was not on his feet when we adjourned yesterday and I thought that today we were to be exactly where we were when we adjourned yesterday.

The Hon. the Speaker: I have a—

Senator Frith: Mr. Speaker, were we not to be exactly where we stood yesterday? Was that not understood?

Some Hon. Senators: Sit down!

Senator Frith: I am addressing His Honour the Speaker, not the other senators. When we adjourned yesterday I understood everyone was to be exactly where he was.

Senator Barootes: Let the Speaker speak.

Senator Frith: When we adjourned yesterday we understood that we were to be exactly where we were, and we were in the midst of a question of privilege and I want to wind that up.

The Hon. the Speaker: I intend to address that later.

Honourable senators, I have the honour to inform the Senate that I have received a return from the Clerk of the Senate showing that the Honourable Senators Walter Patrick Twinn; Wilbert Joseph Keon; Michael Arthur Meighen; Normand Grimard; Thérèse Lavoie-Roux; James W. Ross; John Michael Forrestall, Janis Johnson; and Eric Arthur Berntson have taken and subscribed the Oath of Allegiance to Her Majesty Queen Elizabeth II, and have made and subscribed the Declaration of Property Qualification required of them by the *Constitution Act, 1867*, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said Declarations.

Accordingly, the senators' Writs of Summons will be printed in today's *Minutes of the Proceedings of the Senate.*

Some Hon. Senators: Hear, hear!

QUESTION OF PRIVILEGE

SPEAKER'S RULING CONTESTED

The Hon. the Speaker: Honourable senators, the question of privilege raised and debated yesterday objected to the right of eight new senators to take their seats and vote in the Senate of Canada.

In the discussion the Speaker was asked to rule whether or not a *prima facie* case of privilege existed. I have reflected on that matter and I think I need not hear further to make my ruling.

Since the question raised is more properly one which deals with an interpretation of the *Constitution Act, 1867*, the Chair must be guided by the reference in *Bourinot's* Fourth Edition, on page 180, and *Beauchesne's* Fifth Edition, on pages 38-39, citation 117(6), that:

> The Speaker will not give a decision upon a constitutional question nor decide a question of law, though the same may be raised on a point of order or privilege.

As the parliamentary authorities state, whether or not these appointments were constitutional is not a matter for the Speaker to rule on. Consequently, I cannot find a *prima facie* case of privilege in the matters raised. Therefore, I rule that this question should not be further debated.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I want to register an objection on several points.

First, when we adjourned yesterday—although I have not had an opportunity to examine the record—I think everyone on both sides would agree that it was understood that we would be in exactly the same position as we were in at the time of adjournment, and that nobody's position was to be changed. My understanding was that we were to start off on the basis of everybody's position being as it stood at that moment.

What was the state of affairs at that moment? At that moment we were in the midst of a question of privilege. At that stage the debate had not been completed. Nothing had been said to indicate that the debate had been closed. Nothing had been said to the effect that a ruling was to be made. In fact, the plan was to have Senator MacEachen, on this side, speak to the point of privilege at the beginning of today's sitting.

So, clearly, in my view, there has been a breach of something, and I suppose it is a breach of faith.

Senator Barootes: No.

Senator Austin: Absolutely.

Senator Frith: Do I understand that there are some senators who were present yesterday when we adjourned, who are saying that it was not understood that every position was to be the same? Can someone please see if it is in the *Debates*?

Senator Austin: I have been advised that there are no *Debates*.

Senator Frith: The *Debates* are not ready yet. Well, let me point out that nobody's position was to have been prejudiced, neither ours nor the other side's, nor the Speaker's, and that everyone was to be in the same position and the adjournment was not to prejudice that position. How has our position been prejudiced?

Rule 33 says the following:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen,—

Which it has:

> —a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the Orders of the Day.

That does not say, "or if the Speaker find a *prima facie* case or does not find a *prima facie* case.

In my submission, that is the rule governing the procedure for points and questions of privilege in the Senate. The whole concept of a role for the Speaker is foreign to this place and is a role that takes place in the other House. It is clear that the Rules Committee has decided—and the Senate has agreed and has had it as part of its rules for a long time—that questions of privilege are dealt with in the Senate in accordance with Rule 33. They are dealt with by senators and I do not believe that the Speaker should be called upon to talk about *prima facie* cases, as he is called upon the House of Commons and in some other legislatures. I know, from having talked to Senator Ottenheimer, that that is the case in the Newfoundland Legislature and I know that that is so in other legislatures, but not in the Senate. The Senate has dealt with these situations not through *Beauchesne*, not through anybody else's customs, but through our own black and white rules.

QUALIFICATION OF SENATORS—MOTION TO DISENTITLE TO VOTE

Hon. Royce Frith (Deputy Leader of the Opposition): I had proposed to make a motion yesterday—and today because my position was not to be changed; but we are not in the same position and I have been prejudiced by what the Speaker has done and by his ruling, and I must take objection, Your Honour, to your having done so. I stood at the beginning to say that we were supposed to be in exactly the same position, and Your Honour immediately changed that position. My motion was to be—and is:

> That pursuant to Rule 33, the Senate take the following action—

Using the words:

> —on the question of privilege now before it;

Present tense. It was then before it, and I wanted to deal with it as before it.

> That pursuant to Rule 33, the Senate take the following action on the question of privilege now before it;

[Senator Austin.]

> That the so-called "Divisional Senators" referred to in the debate, namely,
>
> Forrestall, J. Michael, Maritimes
> Ross, James W., Maritimes
> Grimard, Norman, Quebec
> Lavoie-Roux, Thérèse, Quebec
> Keon, Wilbert Joseph, Ontario
> Meighen, Michael Arthur, Ontario
> Berntson, Eric Arthur, Western
> Johnson, Janis, Western
>
> be declared not entitled to vote at any time on any question before the Senate, until each one's qualification to do so has been legally verified.

Do I take it that Your Honour is saying that I cannot present that motion under Rule 33?

POINT OF ORDER

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Well, honourable senators, I should like to rise on a point of order.

• (1410)

Hon. Royce Frith (Deputy Leader of the Opposition): I am asking the Speaker whether it is his position that the —-

Senator Barootes: Address the Senate!

The Hon. the Speaker: I think you should address the House.

Senator Frith: Then His Honour does not have a role. That suits me very well. That is exactly my point.

The Hon. the Speaker: I listened to arguments all day yesterday, and I think I understand the arguments sufficiently to make a ruling.

Some Hon. Senators: Hear, hear.

Senator Frith: Therefore, is His Honour saying that I am not entitled, under Rule 33, to make this motion? Is that His Honour's ruling?

The Hon. the Speaker: Yes.

Senator Barootes: Address the Senate!

Senator Frith: I am speaking to the Speaker regarding his ruling.

The Hon. the Speaker: Yesterday I was asked repeatedly by both sides to give a ruling. I have given a ruling.

Some Hon. Senators: Hear, hear.

Senator Frith: His Honour was not asked to make a ruling. His Honour was being asked to listen, as were other senators, to the question of privilege that was raised —-

Hon. Richard J. Stanbury: I was in the middle of my speech.

Senator Frith: Yes, there was a speech being made at the time, and Rule 33 is clear on this. It states:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen—

Surely, no one would argue that it had not arisen.

> —a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the Orders of the Day.

I want to understand His Honour's ruling so that we can respond to it.

Is it His Honour's ruling that that motion cannot be made now because His Honour has dispensed with the matter? If so, he has gone against Rule 33.

His Honour knew that I wanted to stand and speak to the question, particularly since we were to be in exactly the same position we were in when we adjourned.

It is my submission that His Honour has interfered with that right and broken the understanding we had when we adjourned yesterday evening.

Hon. Douglas D. Everett: In order to set the record straight—and I am not entering the debate at all—in my speech yesterday I did ask the Speaker for a ruling.

Some Hon. Senators: Hear, hear.

Senator Frith: Did Senator Everett want a ruling before the debate was completed?

Senator Everett: I am correcting the record. Whether I was right or wrong, and whether I was within the rules or outside of the rules, I did request the Speaker to give a ruling.

Senator Frith: Did the honourable senator want the Speaker to make that ruling before the debate was completed?

Senator Everett: I requested a ruling on the point raised by Senator Molgat.

Senator Frith: But before the debate was completed?

Senator Everett: I did not place any time limit on it.

Senator Stanbury: Honourable senators—

Senator Murray: With the greatest of respect, we have heard from two honourable senators opposite.

Senator Stanbury: I want to make the point that I was in the middle of my speech on this matter.

Senator Murray: We will check the record on that when we get the record, but my clear recollection is that my honourable friend announced that he had finished his speech.

Some Hon. Senators: No, no!

Senator Murray: Honourable senators, a point of order has been raised by the Deputy Leader of the Opposition.

Senator Frith: It was more than that. I am not permitted to make a motion? You have heard what I had to say anyway.

Senator Murray: I heard what my honourable friend had to say, and he has asked for a ruling from the Chair—

Some Hon. Senators: No!

Senator Frith: What are you talking about?

Senator Murray: A moment ago my honourable friend asked for a ruling from the Chair—

Senator Frith: I asked him whether or not that was correct.

Senator Murray: —as to whether he is now entitled to put the motion, which he read, under Rule 33.

Senator Frith: Let me be perfectly clear, because you obviously listened to me. What I asked for—and I imagine this will not change what you want to ask for—was: Is the effect of His Honour's ruling—although I had stood up, I had to sit down—that I cannot make my motion under Rule 33.

Senator Murray: That is a point of order, and my friend has asked His Honour the Speaker to rule on that matter.

Senator Frith: To explain his ruling!

Senator Murray: No, to rule as to whether the effect of his judgment—

Senator Frith: Let us not quibble.

Senator Murray: —means that my friend cannot put the motion he has read pursuant to Rule 33. I would contend that that is indeed the effect of Your Honour's ruling. I would contend that the motion, which my honourable friend read, is the same; it is based on the same matter that was raised in his alleged question of privilege yesterday, which was debated all day yesterday. I believe Your Honour had been asked by several senators whether there was a *prima facie* case of privilege. Your Honour having ruled that there is not, surely it is not open to an honourable senator to bring forward a motion under Rule 33 on a question of privilege that does not exist and that Your Honour has ruled does not exist.

My friend has tried to contend that the whole concept of *prima facie* questions of privilege being adjudicated by the Chair is a matter utterly unknown to the Senate and that we do not act that way here—that is something they do in the House of Commons, perhaps in the House of Assembly in Newfoundland and elsewhere. I contend otherwise, honourable senators, and I cite no less an authority than my friend Senator Frith, the Deputy Leader of the Opposition. This exchange did not occur a couple of years ago, but a few days ago, on September 25, 1990, when we were discussing a series of questions of privilege. My friend Senator Frith said, at page 2239 of *Debates of the Senate* for that day, as follows:

> **Senator Frith:** In my respectful submission, Your Honour has a duty to decide when you have heard enough on this point of privilege—

Some Hon. Senators: Hear, hear!

Senator Murray: That surely addresses the alleged breach of faith my friend has raised.

Senator Frith: That was a different point altogether.

Senator Murray: Continuing with Senator Frith:

> —to make up your mind as to whether a *prima facie* case is made. You are not being asked to decide on the

question of privilege, but simply whether a *prima facie* case has been made for a point of privilege. Your Honour should decide when you have heard enough. Do I take it that Your Honour is going to let this thing go on forever?

The Hon. the Speaker: Not necessarily.

Senator Frith: Are you going to intervene at some point and say, "I have enough to decide whether or not there is a *prima facie* point of privilege"? In my respectful view, Your Honour, that is your duty.

Later in the same column:

Senator Frith: Your Honour is saying that it is fine so long as it is within the rules. The rules or traditions to which Your Honour has referred require, as Senator Ottenheimer said, only that Your Honour make the decision as to whether or not you have heard enough to determine whether there is a *prima facie* case. That is all. I submit that you have heard sufficient to decide whether or not there is a *prima facie* case.

Senator Barootes: Why don't you change seats with him?

Senator Frith: I suggest, Your Honour, that it is quite possible that they will think of some other reason for the filibuster, but, on this point, I think Your Honour has heard enough to decide whether or not there is a *prima facie* case.

● (1420)

My honourable friend's declaration today—that the concept of the Speaker's intervening to decide whether there is a *prima facie* case of privilege is unknown to the Senate—is contradicted by the very position he took here a few days ago on September 25. I put it to honourable senators that Senator Frith has now raised a point of order demanding his right to move a motion on rule 33, which I believe does not exist under our rules. He may not do that because His Honour has already found that a *prima facie* case does not exist.

If His Honour wishes to deliberate on these matters, I trust that he will take full account of the excellent advice he received from Senator Frith on September 25 last.

Senator Frith: Honourable senators, the well-known author, H.L. Mencken, a famous cynic and agnostic, was once asked by another journalist, "H.L., suppose, when you die, the first thing you see before you is Jesus and the 12 Apostles? What would you say then?" He said, "I would say: 'Gentlemen, I was wrong.'"

Honourable senators, the points raised by the citations given by Senator Murray are accurate, of course; I have said that. I believed them to be correct. I was persuaded that these arcane procedures brought to the Senate from other places applied here, or I would not have said so.

But Senator Bonnell will testify that he came over to me and to Senator MacEachen yesterday and showed us rule 33. I believe that I was wrong on September 25, that we were wrong, and that rule 33 applies—

[Senator Murray.]

Some Hon. Senators: Oh! Oh!

Senator Simard: And Senator Bonnell was right!

Senator Frith: Rule 33 applies, and, honourable senators, I rise on a question of privilege.

Some Hon. Senators: Hear, hear!

Senator Frith: My question of privilege—and I do not ask Your Honour to rule on it—is that when we adjourned yesterday it was clearly understood that everyone's position was to remain the same.

Senator Stanbury: Precisely!

Senator Frith: And before us at that time, still up in the air, was a question of privilege dealing with the legitimacy of these senators, and His Honour ought not to have started a fresh proceeding before that question of privilege was dealt with in some way or another. In my view, it should have been dealt with under rule 33, with the debate continuing until someone, if he or she wished to do so, was able to make a motion.

That was yesterday. The Speaker has made his ruling—improperly, I believe. However, that has happened.

Therefore, pursuant to rule 33, I move:

That, pursuant to rule 33, the Senate take the following action on the question of privilege that I have now raised;

That so-called "Divisional Senators" referred to in the debate, namely,

Forrestall, J. Michael, Maritimes
Ross, James W., Maritimes
Grimard, Norman, Quebec
Lavoie-Roux, Thérèse, Quebec
Keon, Wilbert Joseph, Ontario
Meighen, Michael Arthur, Ontario
Berntson, Eric Arthur, Western
Johnson, Janis, Western

be declared not entitled to vote at any time on any question before the Senate, until each one's qualification to do so has been legally verified.

I have the motion in writing in both official languages. The motion is made pursuant to Rule 33 and, in my submission, is regularly made, no matter what was said on another occasion.

Senator Murray: I hope that the point of order I raised a few minutes ago will be taken into consideration by Your Honour before you accept the motion of the Deputy Leader of the Opposition.

Senator Frith: He does not have to accept it; it is made.

Senator Murray: My honourable friends do not wish me to repeat the point of order that I raised.

Senator Frith: But it has nothing to do with this. Your point of order was on the other ruling.

Senator Murray: No. My point of order was with regard to my friend's right to make that motion—

Senator Frith: Then.

Senator Murray: —now that the Speaker has ruled that there is no *prima facie* case of privilege.

Senator Frith: That was on another point of privilege. I have just raised a new one.

Senator Murray: Then I say it is the same point of privilege.

Senator Frith: How could it be the same one? It was based on what the Speaker did today. It could not be based on something that happened yesterday.

Senator Murray: If my honourable friend insists that it is a different point of privilege, then His Honour now has the duty, in the words of my friend, to decide whether there is a *prima facie* case of privilege.

Senator Frith: Not now that I have made a motion under Rule 33.

Hon. H.A. Olson: Honourable senators, let us be clear on the rules of this place. Rule 33 is clear and unequivocal. There is no provision in that rule to prohibit a member from moving a motion based on a question of privilege whether or not a *prima facie* case of privilege has been acknowledged by the Speaker.

I know that over time some senators have, in fact, asked the Speaker to make a ruling on this matter of a *prima facie* case, and that is the practice in the House of Commons. I was there for several years, as were a number of senators opposite, and there were long debates to try to persuade the Speaker to acknowledge that a *prima facie* case existed. That could follow with a motion, which was referred to the Committee on Privileges and Elections. That does not apply here, because under Rule 33 there is clearly and unequivocally no provision for that.

Rule 33 states: ". . . a motion calling upon the Senate to take action", which is what has happened, "may be moved without notice and, until decided, shall" take precedence over all other matters before the Senate and also Orders of the Day.

Therefore, we do not have to search all the authorities in Erskine May, Bourinot, or any of the others. Our rule is clear when dealing with a motion put before this house on a matter of privilege. There is no equivocation at all that a senator has that right, because it states: "When a matter or question directly concerning the privileges of the Senate", and surely there is no greater privilege whether or not senators are here legitimately. That is the question, because they are going to vote.

We have to go by our own rules. If we do not like the rules, we had better change them. However, the rule at the moment is that a senator may, as Senator Frith has done, move a motion without notice respecting a matter of privilege. It does not ask the Speaker to deal with whether or not it is a *prima facie* case.

In fact, if one wished to get into this a little deeper, the authority of the Speaker in this chamber is not even nearly the same as that of the Speaker in the House of Commons. I was a member in the House of Commons when we debated for approximately four or five years changing and significantly increasing the authority of the Speaker to rule on matters. We even got to the point where there was absolutely no appeal from a Speaker's ruling in the House of Commons. We know that. We know the reasons for it, too. It is because some members of the opposition—and I was never one of them—abused the system so badly that Stanley Knowles, myself and others, spent half our time discussing procedural matters, hour after hour and day after day. That is the reason for those changes.

• (1430)

However, although we do not have those rules here, we do have Rule 33 in our *Rules of the Senate*—and everyone has a copy of that publication in their desks. There is no qualification in Rule 33 as to whether a senator has the right to make that motion without notice. That is clearly stated in that rule. However, our committee, in bringing back that recommendation, did spell out the situation clearly, and we, as a Senate, accepted it. There is no question at all that Senator Frith, or any other senator, has the right to call for such a motion.

Senator Murray has that look on his face. I think he has found something that I might have said at some time in the past. Every once in a while I forget myself and I address this chamber by saying, "Mr. Speaker." I regret it right away—not because I do not like to address the speaker, but because I know that it is wrong.

Senator Frith: Remember Mencken's rule!

Senator Olson: I know that several other senators from the other side of the house jumped to their feet when I said "Mr. Speaker." They shouted, "Point of Order! That senator is not addressing the chamber. He is obliged to address the chamber and not the Speaker." But we know that.

Honourable senators, we must accept our responsibility. The reason the rules in the Senate are designed the way in which they are is so that this chamber will be in charge of its own procedure. We have not given the Speaker the authority that the Speaker in the House of Commons has.

Hon. Jean-Maurice Simard: We have the numbers!

Senator Olson: We should maintain that situation. Therefore, I suggest that Senator Frith's motion should be accepted and placed on the Order Paper, because that is what is provided for under Rule 33 of our rules.

Senator Murray: Honourable senators, I wanted to have one word. Senator Olson did intervene on September 25, at page 2231 of the *Debates of the Senate*, where he said:

> Honourable senators, I will try to be brief, but I want to point out that there is no question of privilege that ought to be brought here on the matters that have been raised. There is no *prima facie* case of privilege either, because, honourable senators—or Mr. Speaker, since you are being asked to take this into account—the fact of the matter is that what happened in the committee yesterday—

And so on. My friend was clearly raising the question of whether there was a *prima facie* case of privilege, and he was addressing "Mr Speaker."

Senator Olson: I was not!

Some Hon. Senators: Oh!

Senator Murray: There was also a brief citation from an even more eminent authority, the Honourable the Leader of the Opposition, which is found at page 2246 of the *Debates of the Senate* September 25, 1990, this past week. Honourable Allan J. MacEachen, Leader of the Opposition, said:

> Certainly it has been alleged many times, both in the House of Commons and here, that privileges of individual members have been abridged. Usually the Speaker adjudicates as to whether there is a *prima facie* case. If it is found that there is a *prima facie* case, it is open to the individual member or senator to put a motion.

I will repeat that. He states:

> If it is found that there is a *prima facie* case, it is open to the individual member or senator to put a motion. Ultimately the Senate or the House of Commons must decide whether, in fact, a breach of privilege has occurred. That is the procedure. It relates to a possible deprivation of rights or privileges of members of Parliament, and that procedure is now in process.

The honourable Senator MacEachen referred several times to the Senate and the House of Commons, to Members of Parliament and to senators. There was no doubt in his mind as of September 25, any more than there was in the minds of Senator Frith and Senator Olson, that a *prima facie* case of privilege has to be made out before a motion can be put, and that it is up to the Speaker—

Senator Frith: In spite of Rule 33. Are you reading it out of the book, then?

Senator Murray: I have read the book. I have read Rule 33. I am telling you that there was no doubt in your mind, in the mind of your leader or in the mind of Senator Olson on September 25 last that a *prima facie* case has to be made out, and that it has to be adjudicated by the Chair.

Senator Frith: It does not say that in the rule.

Senator Murray: I have just read three citations from eminent authorities on the front bench—

Senator Frith: You are only able to cite flimsy authorities like me. The rules are more important than my opinion.

Senator Murray: Let me make it very clear—

Senator Frith: I appeal from my earlier position. I renounce it. I repent. *Mea culpa.*

Senator Murray: Your Honour, just so that there is no misunderstanding on the part of anyone, I am asking Your Honour, after due consideration, to rule on the point of order that I have raised.

Senator Frith: What is the point of order again?

Senator Murray: That the motion cannot be put, unless a *prima facie* case has been made out.

Some Hon. Senators: Oh, oh!

[Senator Murray.]

Senator Stanbury: Honourable senators, all that the Leader of the Government has said is most interesting. It is fine to poke fun at each other, but when we come down to it we have to go by the rules.

I associate myself particularly with the question of privilege raised by Senator Frith because my privileges were offended as well. I was in the middle of a speech on this matter. However, that is all behind us. What we are talking about now is a fresh question of privilege which arose out of something that happened not more than half an hour ago in this chamber. It is that privilege which was offended. It is that privilege which is the point upon which Senator Frith has made a motion, based upon a rule which is incontrovertible, which is easily read and which has nothing in it about a *prima facie* case or anything else.

Hon. L. Norbert Thériault: Honourable senators, my point of order is fairly simple. I heard today a very humble senator, namely Senator Frith, admit that he was wrong.

Some Hon. Senators: Oh, oh!

Senator Thériault: Therefore, it seems to me that if someone such as Senator Frith can admit that he is wrong in this case, then the Leader of the Government should stand up in his place to say that what he has just said is also wrong.

Senator Perrault: Have the courage to do the same!

Hon. Gerald R. Ottenheimer: Honourable senators, if both gentlemen are wrong, then we are in absolute *terra incognita*. I do not think that both gentlemen can be wrong.

I have a couple of matters to raise. One deals with the authority of the Speaker of the Senate. There was a comparison made between our Speaker and the Speaker of the House of Commons. It was pointed out that those authorities are not the same. I think everyone agrees with that proposition. The method of coming to that office is quite different in the two houses. The Speaker in the Senate is appointed by the Governor in Council, whereas the Speaker in the House of Commons is elected. I have been corrected a few times for commencing my remarks with the words "Mr. Speaker", which came from force of habit. However, it is appropriate to say "honourable senators", and I endeavour to accommodate myself to the conventions.

• (1440)

An important distinction in its consequences is that a ruling of the Speaker in the Senate is appealable, whereas in the House of Commons it is not. We do not maintain that one can ignore a decision of the Chair in the Senate, but the point is that one may appeal it. Our rules permit that procedure. This would not be a new or untried course of action for honourable senators opposite or, to the best of my knowledge, this side. That is one remedy which honourable senators in the opposition have used in the past and may wish to use again today.

The point I am endeavouring to make is that it is not appropriate to ignore a ruling of the Speaker. However, under our present rules we have the option of appealing it. In the past, honourable senators opposite have frequently appealed a

ruling of the Chair and have usually been successful. Often this success has momentum, and perhaps they would be successful again. Certainly the mechanism is there.

That is not the main point I wish to make. Much ado has been made with respect to our rule 33. The thrust of the argument is that the whole consideration of *prima facie* is not relevant, and two reasons have been put forward. The first reason is that this is a procedure only in the House of Commons or other legislatures; the second reason is that there is no reference to it in our rules. I should like to deal with the second reason first.

To the best of my knowledge—and I have never read them in their entirety—I do not believe the words *prima facie* are mentioned in the standing orders of the House of Commons.

Senator Olson: Yes, they are.

Senator Ottenheimer: Perhaps they are. I said "to the best of my knowledge". In many legislatures the words *prima facie* are not mentioned because their currency was developed in commentary by experts in parliamentary law with respect to the whole question of privilege. The non-mention of the words *prima facie* is not in itself indicative of anything.

The other argument is that the procedure of establishing a *prima facie* case is applicable only in the House of Commons or other legislatures. In my opinion, that is without foundation. There are many differences between one legislature and another—such as the question of numbers for a quorum or how long one may speak. Almost every legislature has a time period—30 minutes, 45 minutes, an hour—for questions. We, in the Senate, have no time period for questions.

There are many areas where the rules are different. However, I would suggest—and I have said this before when arguing a different point—that there are certain principles which inhere in a parliamentary body as a parliamentary body; for example, the right of everyone to speak within the rules. That inheres in a parliamentary body as such. A decision, even if it is carried by a majority, that only members of the government will be heard, that nobody will hear anyone in the Opposition or vice versa, is invalid. Perhaps technically such a rule could be passed by the majority. I do not think that such a body would remain a parliamentary body because that rule goes to the very heart, the very intrinsic nature of what is a parliamentary body.

In my opinion, the procedures and practices in forming questions of privileges are of a similar nature. They are intrinsic in parliamentary tradition and are as operative in the Senate as a parliamentary body as they are operative in the House of Commons or other legislatures as parliamentary bodies.

May I direct some comments specifically to rule 33. It has been maintained that rule 33 is there and that, therefore, that is the end of the matter. Of course, all rules are there, and tomes have been written about them. *Erskine May* puts out about 700 pages every year and a half to update the editions, much to the chagrin of librarians working under close budgets. However, there is more to those publications than just the rules. Rule 33 reads:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen, a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the Orders of the Day.

Senator Stanbury: Absolutely!

Senator Ottenheimer: I submit that rule 33 is descriptive and perhaps prescriptive of what happens when a *prima facie* case has been made.

Senator Frith: Where does it say that?

Senator Ottenheimer: It is not immediately operative.

Senator Frith: Nice try, Gerry!

Senator Ottenheimer: Let us look at the effect if it were immediately operative. If it were immediately operative, one means of postponing the conduct or public business would be to have a senator get up and make an allegation that there has been a breach of privilege and immediately put a motion on the order paper. Notice would not have to be given. That motion would precede any other motion and would continue until it was resolved.

Senator Frith: Or adjourned.

Senator Ottenheimer: Or adjourned.

Senator Frith: Isn't that what it says?

Senator Ottenheimer: Or adjourned, but that could in theory continue *ad infinitum*. There would be no modification of rule 33. It would be possible for a senator to make an allegation—

Senator Frith: That proves that you don't like the rule! That's what it says.

Senator Ottenheimer: That is what it says, but it is my contention that that rule is prescriptive of what happens when a *prima facie* case has been made because that is exactly what happens in such cases. The person is recognized, moves a motion—of which he does not have to give notice—and that motion takes priority on the order paper and continues to hold that priority until it is adjourned or resolved.

Therefore, honourable senators, it is my submission that Senator Frith's motion is not in order, there having been found that there is no *prima facie* case, and the subject matter of the motion is identical to what was debated yesterday. The Chair has found that there was no prima *facie case*. Rule 33 describes what happens when there is a prima *facie case*, and since there is no *prima facie* case, the motion cannot become operative.

Hon. Edward M. Lawson: Honourable senators, I cannot tell you how earth-shattering and disillusioning it is for an independent member of this chamber to discover that his rights and privileges are subject to error on the part either of

government members or of opposition members. In the face of that discovery all I can rely on as an independent member are the rules as prescribed here.

● (1450)

Some Hon. Senators: Hear, hear!

Senator Lawson: The rules are very clear and specific and I insist that the rules that apply to the Senate apply.

Some Hon. Senators: Hear, hear!

Hon. Philippe Deane Gigantès: Honourable senators, it seems to me that Senator Ottenheimer is doing what he did the other day, which is what he says we should not be doing—discussing issues and trying to avoid the substance of Senator Frith's complaint.

What I am about to say about the divisional senators, I beg them to believe, is nothing personal. I think they are admirable human beings.

Senator Perrault: Hear, hear!

Senator Gigantès: Nor will I use any wounding words.

Senator Barootes: Sit down then.

Senator Gigantès: Senator Barootes is from a part of Greece where they behave in that fashion. Perhaps they were under the influence of the Turks for too long and he learned bad manners.

I always suspected that Madame Thérèse Lavoie-Roux was truly, at heart, a Tory ever since the day she and her husband demolished my car in Montreal. I remember asking her, "Why did you do this to me? Why did you not do it to a Tory?" Now I know why she did it to me. She, herself, somehow knew that she would end up as a Tory.

Honourable senators, I would like to read to you the opinion of a legal scholar.

[*Translation*]

The author is a lawyer who holds a Ph.D. in constitutional law and teaches law and political science. He is quoted as saying in *Le Devoir*:

> The current situation in Canada in connection with the recourse to section 26 of the 1867 BNA Act concerning the appointment of four or eight senators to the Upper House and with the position of the Queen in this matter must be considered in light of the law and the precedents.

It is a very interesting article. If Senator Beaudoin has not seen it yet, he might listen to my comments before he gets a chance to read it.

> To understand the question it is necessary to quote the non-official French version as well as the English text of section 26, the latter alone having force of law.

Here is the French version of section 26:

> Si la Reine juge à propos . . .

These are very important words which will be repeated.

> Si la Reine juge à propos, sur la recommandation du gouverneur général, d'ordonner que quatre ou huit membres soient ajoutés au Sénat, le gouverneur général pourra, par mandat adressé à quatre ou huit personnes (selon le cas) . . .

[*English*]

Hon. C. William Doody (Deputy Leader of the Government): Is the honourable gentleman quoting from *Bourinot* or some particular rules of the House? Is the honourable gentleman speaking to the point of order?

Senator Gigantès: I am speaking to the substance of the point of privilege.

Senator Doody: It is a point of order.

Senator Gigantès: We have a point of privilege on the floor which takes precedence over everything else.

Senator Doody: We do not have a point of privilege on the floor.

Senator Frith: Of course we do

[*Translation*]

Senator Gigantès:

> . . . ayant les qualités requises et représentant également les quatre divisions du Canada, les ajouter au Sénat.

Now here is the official English text, according to Professor Langlois.

[*English*]

> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight Members be added to the Senate, the Governor General may by Summons to Four or Eight qualified Persons (as the Case may be), representing equally the Four Divisions of Canada, add to the Senate accordingly.

[*Translation*]

> But could Section 26 have simply become obsolete? In other words, Canada's situation, both constitutionaly and legally, having changed so much since 1867, Section 26 would have lost its original meaning and become obsolete. Some may argue that point. From the almost colonial status it had in 1867, Canada has progressively moved towards full sovereignty, especially with the Imperial Conferences of 1926 and 1930, through the Status of Westminster in 1931 up to the Constitutional Act of 1982. Legally, the status of the Crown has changed a lot; for instance, the kingdom has been canadianized. The Queen is no longer Queen of Canada because she is Queen of Great Britain; She is Queen of Canada through the will of the Canadian people and her role as the Queen of Canada is protected by Section 51 of the Constitutional Act of 1982.

As to Canadian affairs, she is no longer seeking the advise of the British Government: she must rely on the Government of Canada. On this, we all agree. The role of the Governor General has also changed in the same direction. From the representative of the British Government in Canada he was once, he has become the personal representative of the Sovereign of Canada.

> Section 26 of the Constitutional Act should be interpreted by giving its terms the meaning they had in 1867 and not the meaning they have now. Although the status of the kingdom may have changed, this Section 26 has never been amended. It must always be assumed that the Legislator does not speak idly. On the other hand, his silence may be eloquent.
>
> For the full understanding of Section 26 and clear all misconceptions, this section should read:
>
> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight—

That is Professeur Langlois' interpretation of Section 26.

> As it was established later on that the Queen of Great Britain—

Senator Murray: I rise on a point of order. I have listened quite attentively to the remarks made my friend Hon. Senator Gigantès. He is involved in a debate on a motion on which the Chair has not yet ruled whether it is acceptable.

[*English*]

I would like to ask Your Honour—and I will do it in one sentence, whether Your Honour intends to rule now on the point of order that I have raised concerning Senator Frith's motion; or whether Your Honour wishes to hear other honourable senators speak to the point of order; or whether Your Honour intends to reserve his judgment.

Senator Frith: There is before us a point of privilege, not a point of order.

Senator Murray: There is before us a motion which my friend moved. I raised a point of order as to its receivability given that His Honour had already ruled on the question of a *prima facie* case of privilege.

Senator Frith: That was another question of privilege. It is not this one.

Senator Murray: Then my point of order is very simple. If it is another point of privilege then His Honour has to decide whether that point of privilege is a *prima facie* case.

Senator Frith: No.

Senator Murray: This is a point of order. It is a very simple proposition. My friend understands it. He has moved a motion. I have raised a point of order. I would like to have a ruling from the Chair either now or after the Chair has heard other honourable senators or at the Chair's convenience. However, because my friend, Senator Gigantès has now entered into a discussion on the substance of a question of privilege, I would like to know what is the standing of my point of order on Senator Frith's motion.

● (1500)

Senator Frith: Honourable senators, the point of privilege that I raised, and which is before us at the moment—namely, the subject matter of a motion under rule 33—is clearly in order. I do not know why you have to go for precedents. The rule says that if a point of privilege has been raised, a motion may be made at any time. I do not know what more authority we need—tables of stone, or the Charter of Rights? The rule deals with a situation where a point of privilege has been raised. One has been raised, and it is a different point of privilege based on something that happened today, not on something that happened yesterday. That point of privilege has been raised. Surely no one is arguing about whether a point of privilege has been raised.

The rule then clearly says that a motion may be made at any time. How can there be a question in the course of a point of privilege where a motion has been made that is absolutely four-square within rule 33? Is there any question about the fact that it is a point of privilege that has been raised on an event that took place today and a motion that can be made at any time?

Senator Murray: To assist Your Honour, let me repeat that—

Senator Frith: I am sure this will be of great assistance to him.

Senator Murray: My point of order is—

Senator Frith: You want to move an amendment to the rule.

Senator Perrault: That is what he is trying to do.

Senator Murray: No. My point of order is that before the senator can do that he must make out a *prima facie* case of privilege acceptable to the Chair.

Senator Frith: It does not say that at all.

Senator Everett: Honourable senators, Senator Frith asked me to straighten out the record, and I would like to do so. I have the blues here from yesterday. At the end of the sitting, at eight o'clock last night, I asked the following question:

> Honourable senators, I would like, for the sake of clarification, to find out if the point of privilege will still be an issue tomorrow.

Senator Frith answered:

> Yes; nothing is changed. Everything is exactly as it stands at this moment and will stay that way until Wednesday, October 3, except that the motion about strangers has evaporated.

Senator Cools: See?

Senator Everett: That is the record that exists, but I would like to go on to say that in respect of the point of privilege, it seems to me that when Senator Molgat rose yesterday, he might well have made a motion under section 33. He did not do so, and there was widespread discussion throughout the chamber on the point of privilege that he raised. The Honourable Speaker ruled on that at the beginning of today's sitting. Therefore it would seem to me that one of the questions the Speaker would have to rule on now, if Senator Frith proposes his motion, would be whether it is in order, in light of the fact that there was full discussion, or ample discussion, as far as the Speaker was concerned. The Speaker made a ruling on the discussion that perhaps would have ensued had Senator Molgat made his motion and therefore the Speaker is seized of

all the knowledge he requires to make a ruling that the motion is out of order. That would be one view.

Senator Frith: On the old point of privilege.

Senator Everett: On the old point of privilege.

Senator Frith: Not on today's.

Senator Everett: But the ruling, in effect, that since your motion would duplicate what he has already decided, the decision has been made.

Senator Frith: No, because there was no motion made, as you yourself have said.

Senator Everett: That is correct. I am merely saying how I can see one interpretation of what the Speaker will have to rule on now. Alternatively he will have to rule on the point raised by Senator Murray that before you can pose a motion under section 33 you have to have established a *prima facie* case, and if that case is not established, then the motion is out of order. However, those are the two elements on which the Speaker has to rule, and I would call on him to rule on them now.

Hon. Joan Neiman: Honourable senators, I think we really ought to clarify one point. Whatever the question was that Senator Molgat raised yesterday, it was as to the general eligibility, if you will, of the eight appointed senators. The motion today, whatever it is, goes much beyond that, and it speaks to a specific point, which simply is that until there is a legal decision made, they should not be allowed to vote in this chamber. That is an entirely different matter.

Senator Murray: That was Senator Molgat's point.

Senator Frith: He never made a motion. You cannot have it both ways. He did not make a motion.

Senator Gigantès: Honourable senators, the reason I have been reading to you this text is to demonstrate, as does this professor, that, indeed, article 26 may be caduque, in French terms, and therefore the motion of Senator Frith, asking that they not vote until the courts decide on this issue as to whether or not section 26 is valid or has been rendered totally inoperative by history, is important. That case is going to be before the courts and may also have to be decided otherwise. This is a new point, a new question of privilege, a new motion, put forward by Senator Frith, and it is to that one that I am speaking.

Senator Ottenheimer: Honourable senators, I would submit that the pith and substance of the argument put forward yesterday by honourable senators opposite is the same as the substance of the motion put forward by the Deputy Leader of the Opposition today.

Senator Stanbury: Not at all! The circumstances are different.

Senator Ottenheimer: It all deals with the right of eight senators to sit and speak and vote in this House. That is what it is all about. One can phrase a motion on that subject, I am sure, in hundreds of different ways. Both the English and French languages are capable of an infinite variety of words and phrases and adjectives and verbs and everything else.

[Senator Everett.]

Senator Gigantès: Don't forget the prepositions!

Senator Ottenheimer: I leave the honourable prepositions to my honourable friend.

Senator Gigantès: Thank you. I like that.

Senator Ottenheimer: But the essence of the motion today, and the essence of the submissions of honourable members yesterday, dealt with the right of eight senators to participate in the deliberations of this House. I would therefore support Senator Everett's request for a ruling by the Chair as to whether or not the motion before the Senate is in order. I think it would be helpful also—although this is at the discretion of the Chair—to determine whether or not it is required to establish a *prima facie* case, and whether the finding earlier today with respect to there not being a *prima facie* case in terms of what was debated yesterday may still be operative, because we are dealing essentially with the same question in different words and forms, that question being the right of the eight senators to sit and to vote here.

In closing, there has been a fair bit of opinion back and forth with respect to standing order 33. Some maintain that it is immediately operative, that it has no qualification, no antecedent, that it is all-governing and that it is almost divine in its nature and immediate applicability and non-dependence on anything. There is another point of view, which I share, and which I believe others share, namely, that rule 33 prescribes or describes or directs what may or will happen if there is a finding of a *prima facie* case. I will just point out what is, I suppose, the most obvious of all our standing orders, and that is standing order 1, headed "Interpretation":

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

I would submit that the practice in the House of Commons is not totally irrelevant, since it is one of the Houses of the Parliament of Canada.

If there is obscurity, ambiguity, doubt, inconsistency, contradiction, a variety of practices from which one cannot glean a consistent pattern of decision, or of jurisprudence, for lack of a better word, in the Senate's procedures, then obviously the procedure in the House of Commons should be a guide. Indeed, Standing Order No. 1 makes that point.

It is debatable, in my opinion, that there may be a *prima facie* case, but until there is a ruling that it has been made, one cannot proceed with a motion taking precedence, even under Rule 33, because my interpretation of that rule is that it describes what happens after the *prima facie* case.

It may be argued that our practices are inconsistent, inconclusive and ambiguous. Obviously, if that is the case, I think it is in everyone's interest to have a clear and consistent pattern. If that is the case, then surely the practice followed in the House of Commons should be a guide—not the sole guide, but an important one.

I believe that before proceeding further it would be helpful and necessary—in order that we know where we are going and what is transpiring, and with some certainty of the rules under which we are operating—that the Chair make a ruling on these matters after having given whatever deliberation and thought it feels necessary.

I think that if we proceed without a ruling, we are drifting about in a turbulent sea with a number of shoals and not enough navigators to keep us away from them.

Senator Thériault: Honourable senators, I rise on the point my colleague from Newfoundland is trying to make. Surely anyone here who has had experience in a legislature, and who can read French or English, can easily see that Interpretation Order No. 1 does not apply to a rule as clear as Rule 33.

I quite agree with the honourable senator from Newfoundland that in some cases an interpretation of Standing Order No. 1 may have some bearing when there is no other guide, but Rule 33, honourable senators, is crystal clear.

I will not repeat it since it has been read into the record. It is clear in the English language, and it is possible "encore plus clair dans sa version française".

Honourable senators, it may well be that Rule 33 should be changed. I can honestly tell honourable senators that when I first came to the Senate I had a hard time adjusting to the rules. First, I was tempted to address the Speaker; secondly, I thought that the Opposition members—I was on the government side—were very childish; but I became accustomed to that.

When it was first suggested to me that the Speaker of this House should be the Chairman of the Internal Economy Committee, I said "of course"; but then I was reminded by my experienced colleagues that I was not in the New Brunswick legislature or the House of Commons and that the role of the Speaker in the Senate is quite different in that he is appointed by the Prime Minister. Let us not kid ourselves by thinking it is simply an Order-in-Council appointment. I have lived under three or four Speakers since coming to the Senate, and those appointments were always made by the Prime Minister. Because of that, the Speaker of the Senate does not have the same authority as Speaker in the House of Commons, or, for that matter, a Speaker in any of the provincial legislatures. Because of that I have learned over the years that we are governed by the rules.

The rules are changed every once in a while. Should the Supreme Court of Canada decide that the eight senators who were sworn in behind closed doors have equal rights to those who were sworn in in public, then the government members will have a majority and the rules can be changed. Surely, honourable senators, until that is done we must abide by the rules.

Senator Frith: Honourable senators—

Senator Barootes: Are you closing the debate?

Senator Frith: I do not think that applies, so I cannot.

Honourable senators, I want to make something very clear and remind honourable senators that the question of privilege that occupied us last week, and on which the Speaker gave a ruling this afternoon, was started by Senator Ottenheimer. He launched that question of privilege on the basis of his understanding of the—

Senator Murray: The Speaker did not give a ruling on that this afternoon.

Senator Frith: Yes, he did.

Senator Murray: The Speaker ruled on a question of privilege raised by Senator Molgat.

Hon. Duff Roblin: It was not Senator Ottenheimer's question of privilege that was ruled on, it was Senator Molgat's.

Senator Frith: I am pleased to be corrected by another paragon on the other side. I have been wrong twice today; I am having a bad day, I suppose. I hope I will not be wrong three times when and if the Speaker makes his ruling.

The question of privilege that occupied us last week was raised by Senator Ottenheimer and put on the basis of asking His Honour to decide on a *prima facie* case.

What is before His Honour now is a motion —-

Senator Murray: And the point of order.

Senator Frith: Yes, and the point of order that was raised on that motion.

The motion does not start with the words "Pursuant to the practices of the House of Commons". It starts with the words "Pursuant to Rule 33".

Is it too much to ask, then, that when a motion that starts with the words "Pursuant to Rule 33", we look at Rule 33 before looking anywhere else?

If the motion starts with the words "Pursuant to Rule 33", let us see if it is pursuant to Rule 33. Let us see if it meets the tests.

• (1520)

What is the first test?

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen . . .

Senator Barootes: It has been decided!

Senator Frith: Is there any doubt? Can the record be changed? I stood on a point of privilege raised today on proceedings that arose today—

Senator Doody: Yesterday!

Senator Frith: No, based on the fact that something took place today that was a breach of an understanding of yesterday. So it was an event that took place today.

Let us review. Is there any doubt that a question concerning the privilege of a senator—I said I was rising on a point of privilege—has arisen? Is there any question that it has arisen?

An Hon. Senator: No.

Senator Frith: It has arisen. Then:

> . . . a motion calling upon the Senate to take action thereon—

which is exactly what it says. It says that the following action be taken, so it is qualifying so far.

> —may be moved without notice . . .

It was moved without notice, and then the consequences follow:

> . . . shall, unless the debate be adjourned, suspend the consideration . . .

et cetera. Had a matter or question directly concerning the privileges of the Senate, a committee or a senator arisen? Yes, it had arisen. Was a motion made calling upon the Senate to take action? Yes, it was. Was it properly moved without notice? Yes, it was properly moved without notice.

Why is there a need to turn to anything else? In all the time that I have been involved in this practice, I have never had a situation any more four-square within the black and white words of a rule or statute than this. I do not see there being any room to turn to any other practice. Perhaps points of privilege can be raised and motions put under some other practice, but that is not the point. This is made pursuant to a rule, and it is clearly in order under the terms of every word, letter and comma of that rule.

Senator Ottenheimer: Honourable senators, I hesitate to pursue the matter, but Honourable Senator Frith's submission is essentially that the rule, taken literally, without the application of anything further, is self-executing.

Senator Frith: If it is clear, yes. The interpretation rules in any court will tell you that. You do not have to go anywhere else if the words are clear. You may if the words were not clear, but they are clear.

Senator Ottenheimer: Honourable senators, I wish to make an—

Senator Bonnell: Brief!

Senator Ottenheimer: —accurate comparison of certain rules. I wished to listen to Senator Frith's remarks, so I was unable to scan our whole rule book. But in that brief period I was able to identify a few rules that are not immediately self-executing or operative without interpretation, modification, understanding or some limitation. As I say, in that brief period I located four examples, and I will refer to them briefly for comparative purposes.

The first is Rule 32, which says:

> A debate shall not be in order on an oral question, but brief explanatory remarks may be made by the senator making the interrogation and by the senator answering the same. Observations upon any such answer shall not be allowed.

We all know from attendance at one day's Question Period that that rule is not applied without modification or interpretation.

Senator Guay: Privilege is different!

[Senator Frith.]

Senator Ottenheimer: Everything is different. Senator Frith referred to Rule 33, and I just referred to Rule 32. Another one that is different is Rule 20B on page 10, which says:

> A preamble to a question, whether it is asked orally or in writing, is out of order.

That is not an immediately self-executing rule of the Senate. There is an interpretation applied to it, otherwise there would be few questions. My esteemed friend, Senator Perrault, has been known to give the occasional preamble.

Senator Perrault: An explanatory operation!

Senator Ottenheimer: I am sure it was that, yes.

Senator Perrault: You are slow learners so we have to go over everything in detail.

Senator Ottenheimer: Rule 22:

> A motion or inquiry prefaced by a written preamble shall not be received by the Senate.

I am sure we have had inquiries preceded by preambles. I only have one more example because time did not permit a thorough reading of the rules. In any event, I cannot read my own writing with respect to it, but it is evident that the rules are not automatically, literally, immediately self-operative without interpretation, precedent and the surrounding relevant material. If that is the case with Rule 32 with respect to the preamble to a question not being permitted, I suggest that Rule 33 must be equally understood in its context.

Senator Thériault: Surely Senator Ottenheimer, who has had experience in another house, knows better than to try to make the point he has just made. The rules he cited are here for the protection of the Senate. To my knowledge it has never been proven that they are not operative. I am not saying that they are being put into operation every day, but he has not proven that they are not operative.

Senator Roblin: Question Period! Come again!

Senator Thériault: He has not proven that they are not operative.

Senator Roblin: Come again!

Senator Thériault: To my knowledge he has not tried, since he has been here, to make them operative. But that does not take away from another rule that is clear and seems so simple that it is not worth debating. Surely for once the Leader of the Government can eat a little humble pie and admit he is wrong.

Hon. Michael A. Meighen: Honourable senators, I would not wish to take an undue amount of your time, but I, along with the eight others who have come here, have now been sitting in this chamber for one day and a half listening, as Senator Ottenheimer has said, to the same debate, which is really a matter of our privileges as much as anyone else's.

Some Hon. Senators: Hear, hear!

• (1530)

Senator Meighen: We, surely, have as much right as anybody else to suggest that those privileges—our own—have

been abused, as they have been as much as anybody else's privileges.

Some Hon. Senators: Hear, hear!

Senator Perrault: Hang around for awhile!

Senator Meighen: We received the same invitation as that extended to other honourable senators to become a member of this honourable body. It came from the same authority. We swore the same oath of allegiance. We swore the same oath of qualification. We entered this chamber and took our seats.

We heard today that the Clerk has reported that our qualifications have been accepted, that they are being published and that His Honour the Speaker has so reported to this chamber. What more, honourable senators, should we be required to do before we can take our part in the deliberations of this chamber?

Senator Doody: Nothing!

Senator Meighen: Surely, if our status is in any way in question, looking no further—in the absence of any clear direction perhaps in our rules—than to the House of Commons, where a similar situation arose after the last election, surely the procedure is that we can take our seats and participate.

It is the courts that will determine our status—not the Leader of the Government, not the Leader of the Opposition, and not, with great respect, you, Your Honour. And if the courts rule that we are not eligible to sit in this chamber—which I cannot conceive of—then, of course, we will be obliged to withdraw.

In the meantime, however, can the people of this country expect that the Senate should fold its arms and do no further business?

Senator Perrault: We are not suggesting that!

Senator Meighen: Can the people of this country expect that we should continue for an indeterminate period of time not to do the nation's business but, rather, to haggle over questions of privilege, and mainly our own privilege as senators of this honourable chamber?

[*Translation*]

Honourable senators, we have been here for two days now. For two days we want to take part in the debate. I would respectfully ask you, Mr. Speaker, to rule on that point and to allow us to take full part into the deliberations.

If it was ever decided elsewhere that we have no rights, which seems unbelievable to me, it goes without saying that we will comply without opposition nor hesitation. Meanwhile, Mr. Speaker . . .

[*English*]

Honourable senators, we eight find it distressing and, I must say, humiliating not to be participants in the deliberations of the Senate of Canada!

Some Hon. Senators: Hear, hear!

Senator Frith: Honourable senators, it seems that someone in the chamber has started the debate on my motion, so I assume that it is in order.

Senator Gigantès: Honourable senators, returning to the point of Senator Ottenheimer, he discussed Standing Order 32 in comparison to rule 33. In Standing Order 32, after reference to the brief explanatory remarks, one sees that the operative verb is "may be made". Rule 33 states:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen, a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall . . .

Turning to Part I of the *Rules of the Senate*, under the heading "Interpretation", it states:

> "shall" is to be construed as imperative, and "may" as permissive;

It seems to me that the points made by Senator Ottenheimer were specious, although he himself is not a specious person. I attribute this to a temporary and involuntary lapse on his part, because he is the most estimable, agreeable, wonderful person, like the eight who have come here and who properly feel uncomfortable about this situation. It is not of their doing, nor do we enjoy putting them to any discomfort personally.

Honourable senators, I should now like to continue the remarks I began earlier.

Some Hon. Senators: Oh, oh!

[*Translation*]

> Since it has already been estalished that the Queen of Great Britain could not intervene any more in Canadian affairs, and that the Governor General had become her personnel representative only as Queen of Canada, one can argue that section 6 is no longer valid probably since 1931, certainly since 1982.
>
> If section 26 is no longer valid, what latitude did Her Majety have with regard to its application?

This is a very important discussion.

> Assuming that section 26 is still valid, we must look closely at the parameters within which Her Majesty could act. Section 26 gave her plenty of room to maneuver because it says . . .

● (1530)

[*English*]

Senator Doody: Honourable senators, on a point of order, the honourable gentleman is completely out of order. In his speech he is making constant references to the Queen. Reference 316 of *Beauchesne,* at page 103, states:

> Besides the prohibitions contained in S.O. 35, it has been sanctioned by usage that a Member, while speaking, must not:
>
> (g) use the Sovereign's name for the purpose of influencing a debate;

The honourable senator is completely out of order in discussing the Sovereign in this house.

Senator Gigantès: Honourable senators, first, I have not used the Sovereign's name, I have only used the title. Second, I have not used it to influence a debate. I am reporting the views of a constitutional expert who is interpreting section 26 of the British North America Act, which mentions the Sovereign. There is no way is which one can discuss section 26 of the British North America Act without discussing the central person to this section, who is the Sovereign.

I will continue.

[*Translation*]

> Her Majesty's decision was not a simple ministerial act performed at the request of the Canadian Government; the Queen had to judge the opportunity of this act and this judgment is part of her very own sphere in which the government does not interfere. The Queen had to follow precedents, if any, and, if not, to set one in motivating the act.
>
> We are unaware of any precedents with regard to Section 26, as it was never enforced. However, one important precedent exists in Great Britain pertaining to the House of Lords, but it must not be used in Canada, given the first whereas clause in the preamble of the 1867 Constitution Act.

He quotes the whereas:

> Whereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their Desire to be federally united into One Dominion under the Crown of the United Kingdom of Great Britain and Ireland, with a Constitution similar in Principle to that of the United Kingdom:
>
> Therefore, the Senate is to Canada what the House of Lords is to the United Kingdom. The only differences are that no senators are hereditary and that the number of senators is set in the Constitution, while the number of Lords is not.
>
> Two sovereigns contributed to the establishment of this precedent: Edward VII and George V, in 1910. What was the situation then? In 1909, the Chancellor of the Exchequer, Lloyd George, introduced a budget in the House of Commons. This budget was of populist inspiration and aimed at taxing the wealthiest people more heavily. It was passed by the House of commons, but rejected by the House of Lords, a non-elected body whose members did not represent anyone. Faced with the rejection of its budget, the Asquith government, seized this opportunity to assert the power of the House of Commons and called a general election which was naturally weighted against the House of Lords.
>
> Everybody thought that the electorate, having to choose between a populist budget and the aristocratic House of Lords, would not hesitate. They were wrong. Asquith's Liberals hardly retained power, to do so they had to conclude an alliance with the Irish members who, in return, demanded Home Rule for Ireland, nothing less than the reinstatement of the Irish Parliament which had been abolished in 1801, when Ireland was united with Britain.
>
> Home Rule for Ireland was unthinkable, because the House of Lords had been systematically blocking every such bill for about thirty years. To have the Home Rule Bill pass through the House of Lords, either the number of Lords had to be greatly increased or their power had to be diminished. Since the government wanted to diminish the power of the House of Lords not only for the Home Rule Bill, but for all bills, they presented the Parliament Act allowing for a suspensive veto of one month for money bills, and of three sessions for all other bills. The Parliament Act seemed doomed in the House of Lords.
>
> Therefore, the Asquith government asked the King to add enough new non-hereditary members to the House of Lords to ensure the Parliament Act would be passed. Edward VII refused, informing Asquith that he would only do so if the Asquith governement were reelected at the next general election and repeated its request.
>
> Asquith requested the dissolution of both Houses and another election was called. For all practical purposes, the situation was the same as it was after the election held a few months earlier. Asquith managed to remain in power but was still dependent on the support of the Irish members. Edward VII died and was succeeded by George V. The Asquith government had the Parliament Act passed by the Commons, and the House of Lords, duly informed by George V that he would appoint all the peers required to adopt this measure, passed the bill.
>
> The situation in Great Britain was far more serious than the present situation in Canada. A non-elected House had completely rejected the entire budget of a government that had a majority in the House of Commons. This was unprecendented. Nevertheless, the King refused to intervene unless a general election was called.
>
> In Canada, the Senate is blocking a bill that is very important to the government, Bill C-62, which introduces the goods and services tax, but the situation is a minor one compared with the situation in 1910. Why did the Queen grant the Mulroney government what her great-grandfather denied the Asquith government and Lloyd George? Politicians come and go, but institutions remain.

Before a court, this kind of argument could be interpreted by the judges to mean that Section 26 of the British North America Act is no longer operative and that the eight distinguished individuals who were recently appointed should not have been appointed. Consequently all bills on which they voted would be voted on unlawfully.

There is also the weight of the House of Commons where New Brunswick's representation is now unconstitutional. Thank you, honourable senators.

• (1540)

[*English*]

SPEAKER'S RULING RESERVED

Hon. Gildas L. Molgat: Mr. Speaker, are you proposing to rule now?

The Hon. the Speaker: I will take the matter under advisement and rule tomorrow.

Senator Molgat: Before you do, I wonder if I might add a few points. Quite frankly, I hate to do so in light of the extended debate. I am sure the new senators wonder what we are doing. Nevertheless, because of the present circumstances in Canada, the matter before us is indeed of substantial importance and we cannot escape it.

I do not blame Senator Ottenheimer in the least for the problem we are dealing with. I am sure his intentions were absolutely proper. However, when he presented his statement on privilege last week, the first thing he did was to read to us two sections of *Beauchesne* to set the stage for what he was about to say.

The problem is that he was importing into this house a rule that does not belong in this house, and with very good reason. This house does not want to give Mr. Speaker authority, because he is not elected by senators. The Speaker in this house is appointed by the Prime Minister of the country and traditionally this house has refused to give its Speaker the same authority as that given to the Speaker in the House of Commons. It is not the fault of the Speaker who is sitting here now, or of his predecessors. It is because of the composition of this house and the whole background and history of the Senate. We were not prepared to give the Speaker authority because he was not our choice. That is the basis of it.

Two years ago I presented a bill asking that we have an elected speaker. It was talked out and never passed. I give notice now that I will reintroduce the bill, because I think that is the direction in which we have to go.

Senator Ottenheimer, I am sure with the very best of intentions, introduced into the debate that day procedures from the House of Commons. Quite frankly, we should have stopped him at that time. We should have said to Senator Ottenheimer that we understood he came from another house with another background and that those were his rules, but here in this house there is a clear rule. The reason for the rule here, and the reason for not asking the Speaker to make a finding of *prima facie* is quite clearly because we think senators should decide that. That is why Rule 33 is written in the manner it is written in. If a senator feels it is a point of privilege, he or she rises and explains the point of privilege and then the other senators determine whether or not there is a point of privilege. It is the senators who decide, and that is the history of this house.

Senator Ottenheimer read sections of *Beauchesne* and all the rest of it. We only deal with *Beauchesne* and with what goes on in the other house when we do not have a clear rule. Rule 33 is a very clear and direct rule. However, Senator Ottenheimer asks us to look at the other rules, for example, those relating to oral questions.

Senator Ottenheimer, it is true that we do not follow our own rule in that regard, but we do not go to those of the House of Commons. Those of the House of Commons are very strict rules. We have our own procedures, practices and past experience.

We have to set aside what Senator Ottenheimer stated, set aside what Senator Frith stated, set aside what was stated in the speeches and return to our own rules and precedents. I am prepared to live by the precedents of this house. I say to those senators who feel that there is an extended debate this week, you should have been here last week. The shoe was on the other foot. If you find the speeches repetitious this week, you should have listened to them last week. I invite senators to read *Hansard*.

To return to the point I raised, we are moving in a bad direction by importing a rule that we do not need and which we have not had in the past. Let us go back to our own precedents and rules and base it on that.

• (1550)

Hon. Efstathios William Barootes: Honourable senators, last week I could see the people on the opposite side salivating, almost like the wolf in *Little Red Riding Hood*.

Senator Perrault: Keep it non-political!

Some Hon. Senators: Hear, hear!

Senator Barootes: Today they seem to have a different attitude.

As I listened to their presentations on the point of privilege, it was quite obvious that they objected to certain members being admitted to the Senate. That was going to detract from their own privileges. Rule 33 states:

> When a matter or question directly concerning the privileges of the Senate . . . has arisen—

In my opinion, it has arisen and has been decided; the ruling is here. That finishes it for us. I look at rule 47(1), and exactly the same issue arose today concerning the eight senators. In fact, their names have been read into the record. Rule 47(1) states:

> A motion shall not be made which is the same in substance as any question which, during the same session, has been resolved in the affirmative or negative—

I submit that it is exactly the same situation, and, therefore, the decision that has been made by the Honourable Speaker shall hold, namely, that rule 47 is operative and that rule 33 has already been cleared.

Hon. Jerahmiel S. Grafstein: Honourable senators, I should like to rise in partial response to the honourable gentlemen and ladies who have recently entered this chamber and bring to the government's attention—and to the attention of all honourable senators—a serious problem relating to the consequences of proceeding with matters in this chamber, as well as matters on the other side, if some serious question arises with respect to the constitution of both this and the other House.

Senator Murray: Oh!

Senator Grafstein: I see that the Leader of the Government in the Senate is smiling. Let me, with some seriousness, address an issue that was brought to my attention by learned counsel today. I asked—as have all of us—legal counsel and others about the consequences of proceeding if there is some taint, either in this place or the other place, with respect to legislation or votes that might go forward. I am sure that if all honourable senators would seek their own counsel on this, they might also find that there are several serious consequences.

The first one, in particular, is the consequence of the government's proceeding with a tax measure. The tax measure carries, and a court subsequently finds that the tax measure is *ultra vires* because of the Constitution of this place or the other place. The dire consequences for all taxpayers in Canada is the following—and this took place in British Columbia.

Air Canada proceeded to challenge legislation introduced in British Columbia to put a tax on airplane gasoline. The Supreme Court of Canada this year found that that tax measure was *ultra vires*. However, the consequence was that the Supreme Court of Canada found that Air Canada could not collect from the government the money it had paid under a law that was *ultra vires*—that is, unconstitutional.

The consequence here could be that the Canadian taxpayers could, in due conscience, proceed to pay tax pursuant to tax measures passed either in this place or the other place, and a year or six months from today it could be found that this house or the other was not properly constituted and the tainted tax measures, as a result, were unconstitutional. Each Canadian taxpayer would then be in a position of not being able to claim back the moneys that he had paid. That surely is a serious question for all citizens of this country.

An even more serious question concerns another pending vote that we have, which deals with the most controversial legislation we will see in this decade—not on the GST but the abortion legislation, which includes criminal consequences. Think, honourable senators, as I have tried to do in the last few days, of what will happen if subsequently such a measure comes forward, as it will; if such a measure is proceeded with, as it will be; if a vote is taken, as will be done; and subsequently a court finds that this house was controverted due to its constitution.

Senator Murray: I thought that you were going to call for a vote on that!

Senator Grafstein: Think of the consequences and the concern that every Canadian citizen would have with respect to law and order in this country; respect for peace, order and good government.

I raise this not as a whimsical matter. I am very sympathetic toward the honourable gentlemen and ladies who have recently entered this place and, more specifically, toward the comments made by my friend to the far right.

Senator Murray: That is Senator Meighen.

[Senator Grafstein.]

Senator Grafstein: This is a matter that should be of concern not only to members on this side but to all members and to the Honourable Speaker.

[*Translation*]

Hon. Gérald A. Beaudoin: Honourable senators, if I may reply to that point of law.

I was listening very carefully what Senator Meighen just said. If the question of the unconstitutionality of a nomination may be raised following a report by the Clerk of the Senate, which is an obvious proof that a senator is sitting here in a perfectly legal way, well, the same thing could be said for every senator here.

I find surprising that a question of privilege can be raised immediately following a ruling made by the Speaker of this House.

Rule 33 says: ". . . has arisen". What happened since the Speaker made his ruling? It is simply that some senators here do not aggree with it. One cannot raise a question of privilege because one does not agree with the Speaker's ruling. The Speaker made his ruling. Now it is this House's ruling. On that point, I think I agree with what the Governement leader has just said, that it is a repetition of the same argument which we heard yesterday following the Speaker's ruling. I think this behaviour is contrary to the rules of this Chamber.

About the point of law that has just been raised, you ask: what would happen if we find out in six months that eight senators are seating here illegally? This would not invalidate their work. What they would have been doing would be absolutely valid. There is such a thing in law as the principle of de facto. Should there be ever a judicial hearing, the courts would deliver a verdict in due time.

I say once again that the eight senators have the right to sit in this Chamber. The eight senators who have been appointed, and we have the report from the clerk, sit here in conformity with the law and the Constitution. I think we must get on with the debate on the matters before us. If later on the courts give a ruling, then it would be another matter. It would be another debate.

I will also reply briefly to Hon. Senator Gigantès who read at length from a long newspaper article. The person who wrote the article says section 26 is null and void. To prove his point, he goes back one hundred years and re-writes the section to show what it means. There is no stopping history! The Queen of the United Kingdom was our Queen in 1867. She is today the Queen of Canada.

The Governor General who was the representative of the British government in the past represents now the Queen of Canada. Section 26 cannot be changed. It remains what it is. Everybody knows, and the Supreme Court said so many times, that constitutional law is constantly evolving. The Constitution cannot be interpreted today as it was in 1867. Keep playing that game and we will revert to colonialism. We will revert to the status we had in 1867. How preposterous.

The eight senators that have been appointed are Canadian senators. They are not "British" senators:

Senator Frith: You are substantiating my motion. Keep up the good work, Senator Beaudoin.

Senator Beaudoin: You started the debate.

[*English*]

Senator Grafstein: Would the honourable senator allow a question?

Senator Beaudoin: Yes.

Senator Grafstein: Would the honourable senator not agree that it would be in the national interest to have the question of uncertainty put to rest as quickly as possible?

Senator Beaudoin: No. I disagree strongly on that point, senator. I have not seen thus far any opinion from any expert in this country which has clearly demonstrated that section 26 is obsolete. If there is such opinion, I would like to see it.

Even the article which the honourable senator opposite has quoted is not entirely affirmative. If it were, it is clear that it could not be said about section 26, "Okay, the Constitution is frozen at 1867. The Queen is not the queen of Canada." I regret to say that our history is there. The Queen is the Queen of Canada. The advisor to the Queen is the Prime Minister of Canada.

The Clerk says that the new senators qualify as to property, and that they have sworn the oath of allegiance. That is the end of it. You may go to the Supreme Court, but you will lose.

Senator Grafstein: The decisions of the courts are obviously difficult to predict. There appears to be serious divided opinion on this issue, not just in this place but in some of the regions represented by honourable senators. The provinces of British Columbia, Alberta and Ontario are raising these serious issues. Those are uncontroverted facts. I see that the former Premier of the Province of New Brunswick is agreeing with me when I say that there are provinces which are contesting this matter. Thus, there is serious division in the country on important constitutional matters.

It is quite true, as the honourable senator has said, that it might be, in his view, clear. Obviously, it is not in others.

Since this place and the other place are now being held in some disregard in the country, would it not be in the national interest for the government, through the Leader of the Government in the Senate, to bring these matters to a head as quickly as possible, and to agree to a reference as quickly as possible so that provinces and individuals would not have to pursue their courses of action which might take months or years in the courts? Senator Beaudoin, as a distinguished Dean of Law, would you not agree that that would be in the national interest? In order to facilitate that, would you not impose upon your side to bring the matter forward? I am sure that this side of the Senate and the Opposition in the other place would concur in order that we could, in the national interest, bring these matters to a head. If we are wrong, that will be the end of it. However, if you are wrong, there are serious consequences.

Senator Beaudoin: I will add one last comment. When something is clear cut, there is no need to refer it to the court. If matters that are clear cut are referred to the court, we will always be before the courts. We make a reference to the Supreme Court when we have a doubt. We just do not have a doubt.

Hon. John B. Stewart: I should like to ask Senator Beaudoin a question. It is helpful to have the benefit of his professional advice.

In the memorandum prepared by the Library of Parliament, we are told that when the British North America Act was being prepared, Lord Carnarvon noted—

Senator Roblin: We have heard this about 15 times before.

Senator Stewart: Yes, but this afternoon we have the opportunity of having genuine expert guidance on its interpretation. I do not think we should let that opportunity slide by.

Senator Balfour: Are you being sarcastic?

Senator Stewart: If an honourable senator on the government side is questioning the credentials of Senator Beaudoin, I certainly do not concur with that honourable senator.

Senator Roblin: Come on, you can do better than that.

Senator Stewart: I take Senator Beaudoin quite seriously. I am asking a serious question on which he may be able to give us guidance.

Lord Carnarvon, we are told, noted two other conditions added by the delegates from British North America: that the appointments should be made by the Crown, rather than the Governor General, and that their number should not exceed six. He added that:

> The intervention of the Crown is to my mind a doubtful proposal: but it is designed to be a check upon popular feeling and the action of the Local Government and I do not see that we can take exception to it.

Those were his Lordship's words. They are, of course, not statute law.

I should like to turn now to the British North America Act, as it was then called. The scheme explained by Lord Carnarvon is embodied there. Provision is made in section 24 for the summoning of ordinary senators by the Governor General on the advice of the Prime Minister.

If we then turn to section 26 we find an entirely different procedure. Section 26, in part, reads:

> If at any Time on the Recommendation of the Governor General the Queen thinks fit . . .

It is clear that different tests are being applied in the case of the senators to be summoned under section 26.

Nevertheless, Senator Beaudoin tells us this afternoon that, in effect, the two sections say the same thing. The Prime Minister advises; the Governor General summons. In both cases, there are limitations as to the numbers to be summoned; in both cases there are requirements as to where the senators may come from. The fact that the Act contains these two separate sections led me to believe that an attempt was made—and I believe a successful attempt—to ensure that there was, as Lord Carnarvon said, a desire that the Crown—

which at that time menat the Queen as advised by Her British ministers—would exercise a check upon the Canadian Prime Minister. That is why we have the two sections and not one. That is my interpretation. I believe I see Senator Beaudoin giving a nod to that.

Senator Beaudoin says that now "the Queen" in section 26 means the Queen as advised by Her Canadian ministers. He said that yesterday and he repeated it emphatically today.

There are two quite distinct processes. The second process seems designed to achieve impartiality. I think Senator Beaudoin is correct when he says that "the Queen" now means the Queen acting on the advice of Her Canadian ministers. However, the intention of section 26—the manifest purpose of which is an appeal to an impartial body when there is an alleged stalemate between the ministers and the Senate—can no longer be achieved by reason of the changes to which Senator Beaudoin has made reference. Has section 26 become a limited version of section 24? I need assistance on that point, and I will listen carefully to Senator Beaudoin's reply.

Senator Beaudoin: We are debating a question of privilege and a point or order. I do not want to postpone the decision of the Speaker; on the contrary.

What I have to say has already been said. The only point I should like to make at this time is that the Supreme Court is interpreting the Constitution of Canada today; we are in 1990. The Constitution was written in 1867.

An Hon. Senator: Oh, oh!

Senator Beaudoin: There are many cases which say that the Constitution is essentially an evolutionary document—a living tree. We could speak for hours and hours on that, but that is not the problem.

We have to interpret section 26 as it is today. It is clear-cut that it is the Queen in right of Canada, and the Prime Minister has the right to advise the Queen. He was justified to do that, having regard to the deadlock that we are facing here. We have to get rid of this deadlock. I have nothing else to say.

Senator Stewart: I understood Senator Beaudoin when he said that the first time. I should like to ask him another question.

Senator Beaudoin dealt with the prospect of this matter going to the courts. He said that there was no doubt in his mind as to how the judges in the courts would decide. However, he also said-and I believe I wrote down his words correctly—that if the court should rule otherwise, then there would be no serious *de facto* consequences.

• (1620)

Allow me to take up the point to which Senator Grafstein referred earlier. I refer to the abortion bill. Let us look forward to the situation, the quite possible situation, in which that bill passes this house with most government senators supporting the bill while most senators on this side vote against it. The bill may pass by reason of the votes of some of the eight new senators, the bill becomes the law of the land and goes into effect. Months pass and abortions are performed under the provisions of the bill. What remedies are available to the children who have been destroyed?

[Senator Stewart.]

Senator Murray: Oh, come on! Sit down; enough of that!

Senator Stewart: Senator Murray dismisses it!

Senator Murray: I certainly do! This is nonsense!

Senator Stewart: He says that this is nonsense. He is not concerned. It is trivial; it is beneath his sublime dignity and importance!

Senator Murray: Sit down and save that stuff!

Senator Stewart: I am directing my question to Senator Beaudoin because he is an expert. I ask him: What is likely to happen? What remedies are available? I put the question to the honourable senator, not as a debating point but as one which is of deep concern to many people in the province that I represent in this chamber.

Hon. Douglas D. Everett: Honourable senators, I would like to try to set Senator Grafstein's mind at ease with respect to the point he has raised. I suppose it is possible that a court may find that the appointment of the eight senators was improper. However, I believe that, given that they were duly sworn in and took the oath, a court would be loath to invalidate the acts of the legislative body. Let me give, as an example, the situation experienced by Manitoba. Manitoba came into Confederation on the basis that French would be used in the courts and in the legislature. In 1890, and again in 1916, the legislature invalidated the use of French—

Senator Gigantès: Shame!

Senator Everett: —both within the legislature and the courts—

Senator Roblin: And the schools.

Senator Everett: That is correct. Eventually, in the 1980s, the matter came before the Supreme Court. The Supreme Court could have invalidated all the acts of the Manitoba legislature going back to 1890 had it chosen to do so. However, it did not. It validated those actions and merely said that the statutes that had been passed had to be translated into French.

I therefore suggest to honourable senators that if the court were to or find that the appointment of the eight senators was improper, it would in no way invalidate the actions of the Senate during that period because, indeed, those senators had been duly and properly sworn in. The courts are loath—and I defer to the expertise of Senator Beaudoin on this point—to frustrate the work of a duly constituted legislature. So, to address Senator Grafstein's point, I think he will find that the court will take a similar course, even if the action that is contemplated here were to succeed in the court.

Senator Grafstein: I have another question for Senator Everett.

Senator Doody: Give us a break!

Senator Grafstein: I raised the question, not only in terms of the legal consequences but also in terms of respect for law and order, respect fo4r peace, order and good government by the

public. Is the honourable saying that the francophones of the province of Manitoba were happy and satisfied with that result?

• (1630)

Would it not have been better in those circumstances to deal with the matter—if they could have dealt with the matter—expeditiously? Would that not have been in the national and public interest? It is not only a question of legalities; it is a question of respect for law and order.

Senator Everett: Surely it is also a matter of a balance between the legality of the situation and the fact that legislatures have to perform. If I took your point, you could then frustrate any legislature in the country by merely creating some sort of action that would be brought to the courts and then saying that the matter is *sub judice* so that the legislature cannot deal with it.

Senator Murray: Exactly.

Senator Everett: That is an impossible situation and it is my guess—although I would not put money on it—that the courts would take the same view.

Senator Grafstein: I think, honourable senators, the question is not just one of immediate consequences; it goes to the whole question of clear and present danger. This is not a matter of triviality.

The purpose of the so-called "appointed eight" has to do with a matter of national consequence: a deadlock between two Houses. This is not a trivial matter of some negligence over the years; this is a matter of national debate between two Houses, and the allegation made by Senator Beaudoin is the apprehended or real deadlock between two Houses. It is not a trivial matter.

Clearly, you have to elevate this and segregate it from trivial cases and include it with cases of great national importance. If this is not an issue of great national importance, why is it that the government of the day called upon an extraordinary provision—that some senators say has never been used—in order to deal with this matter?

If this is not a matter of national emergency and national consequence, I do not know what is. It is not a trivial matter about which the courts may say, "We do not want to frustrate the will of the legislatures because there has been negligence on the part of some legislators and a particular matter was not proceeded with in a proper fashion." Surely it is beyond that?

Senator Everett: Believe you me, the question of whether or not French or English was spoken in the legislature and in the courts of Manitoba was not a trivial matter.

Some Hon. Senators: Hear, hear!

Senator Grafstein: Surely, senators, we are still paying for the consequences of that neglect.

Some Hon. Senators: Hear, hear!

Senator Simard: A Liberal government did that.

Senator Molgat: Honourable senators, I think one of the important points in the decision that Mr. Speaker will have to make—and I do not envy his position, because such decisions have always to be dealt with during periods of great tension and they are hard to make—is that the events of last night are pertinent to any decision made. I regret that I do not have the printed transcript of the *Debates,* but I do have a copy of the blues. I should like to recite what went on last night. "At 8 p.m. the sitting was resumed". There then follows:

> **Senator Stanbury:** Honourable senators, I was speaking when we adjourned for dinner, but I do not propose to proceed further.

Senator Murray: Right. That settles that little controversy.

Senator Molgat: The transcript then goes on as follows:

> **Senator Frith:** Honourable senators, I have had a short discussion with Senator Doody, and we propose the following: That you grant me unanimous consent to withdraw my motion dealing with the strangers, and that we then adjourn until Wednesday, October 3 at 2 o'clock to give both sides an opportunity to confer with their caucus colleagues; and that we start a new session on Wednesday.
>
> **Senator Doody:** A new sitting?
>
> **Senator Frith:** A new sitting, not a new session, although that is a solution you might consider. We propose that we start a new sitting and that everyone's position, including the Speaker's, remain exactly the same; that we commence on Wednesday at 2 o'clock with the "strangers" motion no longer before us, gone, and that we continue from where we are at present. Senator Doody will make the motion, and I recommend that we support it.
>
> **Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators, what Senator Frith has said is substantially correct, with the clarification he made about the new session. We at no time agreed to a new session, but we have agreed that we would adjourn this evening to return at 2 o'clock on Wednesday, October 3. I am not sure if Senator Frith has to make a formal withdrawal, but leave is granted.
>
> **Hon. Douglas D. Everett:** Honourable senators, I would like, for the sake of clarification, to find out if the point of privilege will still be an issue tomorrow.
>
> **Senator Frith:** Yes; nothing is changed. Everything is exactly as it stands at this moment and will stay that way until Wednesday, October 3, except that the motion about the strangers has evaporated.
>
> **The Hon. the Speaker:** Is leave granted, honourable senators?
>
> **Hon. Senators:** Yes.

Honourable senators, it is clear that the position—including the position of the Speaker—was to remain exactly the same and that the matter of privilege was still to be before the Senate.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Did I understand earlier from Your Honour that the Chair was reserving the decision on the point of order and the question of privilege before the House this afternoon? If Your Honour is reserving the decision, we could proceed to other matters on the scroll that we would like to attend to before 6 o'clock.

Senator Frith: Is Your Honour reserving?

The Hon. the Speaker: Yes.

THE HONOURABLE JOSEPH-PHILIPPE GUAY, P.C.

TRIBUTES ON RETIREMENT FROM THE SENATE

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, the statutory or constitutional resignation of our colleague, Senator Guay, today brings to an end a distinguished political career spanning 35 years.

Hon. Senators: Hear, hear!

Senator Frith: I should say that the notes I am reading were prepared for Senator MacEachen who is unable to be here at the moment. I will read them, so please imagine that they are the words of Senator MacEachen. I will then add some comments of my own.

In 1955, Senator Guay was elected to St. Boniface Council, and went on to serve as Mayor of St. Boniface from 1960 to 1968. In 1968 he was first elected to the House of Commons and served the constituency of St. Boniface until 1978, when he was summoned to the Senate.

While a member of Parliament, Senator Guay served as Minister Without Portfolio, Minister of State for Multiculturalism and Minister of National Revenue.

Senator Guay's contribution to the Senate has been significant, as evidenced by his work on numerous committees such as the Special Committee of the Senate on the Northern Pipeline, the Standing Joint Committee of the Senate and the House of Commons on Official Languages—which is of particular note—the Standing Committee on Internal Economy, Budgets and Administration, where he served long and loyally, and membership in various parliamentary associations and friendship groups.

No one can accuse Senator Guay of not having a sense of humour. In February of 1973, the "scrappy Liberal" from St. Boniface entered the House with big white bandages on his face. Earlier in the week, two Nova Scotia Conservative MPs had hinted that Senator Guay might be in for a bit of a beating if he kept badgering a certain MP about the province's rusting heavy water plant. In fact, one of the eight divisional appointees, who have occupied so much of our attention—I cannot resist saying "my friend"—Michael Forrestall, suggested that Senator Guay take out insurance "against fattened lips and a flattened nose."

Senator Murray: Senator Forrestall?

Senator Frith: "My friend." When Senator Guay rose and stripped the bandages from his face and chin, he gave no explanation other than his famous huge grin.

[The Hon. the Speaker.]

• (1640)

On a more serious note, Senator Guay has been a tireless advocate for unity. During an impassioned plea for Canadian unity in a visit to Portage Collegiate Institute, he was moved to tears as he tried to relate the feelings of Quebecers toward Canada. The same passion and commitment was brought to his work as Minister of State for Multiculturalism. Senator Guay argued that it is in Canada's interest to recognize the cultural richness which ethnic diversity brings. He was always able to see the broader picture. He said:

> There is a richness which Canada will always have, which not too many other countries have: multiculturalism in a bilingual country. It's got to work.

If I may make a parenthetical comment on Joe's remark about the richness that not too many other countries have, I had the occasion, along with two other members of Parliament, to spend about an hour and a half with the Dalai Lama when he was here. He mentioned how impressive he found the fact that we had a Department of Multiculturalism. This was, perhaps appropriately, just before Gerry Weiner was scheduled to see him. He, in his own way, said, "A separate ministry of multiculturalism? That is very good, very, very good."

Senator Guay has received a wide array of honours and awards. However, I would suggest that Senator Guay's most coveted reward is having had the opportunity to serve the people of his province and country for more than three decades.

Let me add just one more point—a personal one, although not individually personal to me. It is not hard to understand why Joe Guay has always been elected to whatever he wanted to get elected to. It is absolutely impossible not to like him.

Hon. Senators: Hear, hear!

Senator Frith: However, the reason, I am sure, people elected him, is not just because they liked him. If you have spent any time with Senator Guay, you know that he is always telling you that he was home or that he was talking to someone and had been told this or that. One can imagine him, in his beloved St. Boniface, being greeted with a "Hi, Joe" on the street, in houses, in public places, or wherever he was, and I am sure he would always answer, but then he would start listening. Everyone knew that Joe Guay always listened to the people of Canada and the people he represented.

We are certainly going to miss you, Joe, but we are glad that the people of St. Boniface might get to see a little more of you, for which I am sure they will rejoice.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Lowell Murray (Leader of the Government in the Senate and Minister of State (Federal-Provincial Relations)): Honourable senators, as the Deputy Leader of the Opposition just mentioned, our friend and Manitoba senator Joe Guay will be celebrating his seventy-fifth birthday tomorrow. He is therefore leaving us today and going back to his countless friends in Saint-Boniface.

It is at occasions such as this that you realize how time flies. Even though he is still hale and hearty for a man almost seventy-five years old, senator Guay's career nonetheless spanned thirty-five years, from 1955 to 1990, as senator Frith mentioned. Considering how demanding public life is, there is only one conclusion one can reach: that is absolutely remarquable!

Looking back at the course of senator Guay's political career, we realize that it is characterized by a great stability.

His political life can be divided in three approximately equal periods: twelve years at the municipal level, a little more than twelve years in this House and, in between, ten years or so in the House of Commons.

Everywhere he met success. He started by becoming mayor of Saint-Boniface and I was told that he was tremendously popular throughout his four mandates. In the Commons, he was Parliamentary Secretary and Chief Government Whip. Allow me to digress for a moment to point out that the job of the whip, as our friends senator Phillips and senator Petten can confirm, is one of the most difficult and demanding. The key to success is talent as a conciliator and a sense of humour. And senator Guay is really a master of these two skills (the typical iron hand in a velvet glove) which enabled him to fulfill his task with great success and honour, without making enemies of his opponents.

Senator Guay was then sworn in as Minister of State for Multiculturalism and later as Minister of National Revenue in the government of Prime Minister Trudeau. Here in the Senate, in addition to discharging his ministerial responsibilities for a while, he made an outstanding contribution to the proceedings of a number of parliamentary associations. He was also very active in many committees, and it is on this point that I should like to put some emphasis on his work as member of the Joint Committee on Official Languages. I have had the privilege of being co-chairman of that committee with our colleague Senator Corbin, and it is in that respect that I want to convey to Senator Guay my deep admiration for the work he did there.

Senator Guay has always been very proud of his Franco-Manitoban origin. Son of an old-stock family, he has always been the champion of the interests of French-speaking people outside Quebec and the relentless and courageous defender of their rights. As mayor, member of Parliament, minister or senator he has always been the dignified representative of the people in his community.

In conclusion, honourable senators, may I say to Senator Guay that we will miss him and that this chamber will never be the same without his ringing voice.

Honourable senator, on behalf of all members of the Senate, and more particularly my colleagues the Progressive Conservative senators, I can tell you that you have nothing but friends in this chamber. Personally and in the name of the Prime Minister and of all our government colleagues on this side I wish you a long and happy retirement.

[*English*]

If I may return for a second to the vernacular, let me tell my friend, Senator Guay, that we will miss him. We will miss very much the pleasure of his company in this place. I wish him goodbye and God's speed, au revoir, good luck and a happy retirement.

Hon. Senators: Hear, hear!

Hon. Duff Roblin: As a fellow Manitoban, I claim, perhaps inadvisedly, the right to speak next on this occasion to wish Senator Joe Guay well in the next stage of his career, as I am sure he still has a great deal to contribute.

Honourable senators, in spite of the fact that Joe Guay and I have been on opposite sides of this chamber, I have never found it difficult to work with him in the interests of our native province of Manitoba when in any way they were in question.

I think that reflects an aspect of Senate life which is often overlooked: that members with different political views can work together; and I am happy to have had the privilege of working with Senator Guay on matters that have affected our native province, perhaps not in unison, but certainly in close companionship.

I cannot speak for his work during his time in the House of Commons because I was not there, but I have to tell honourable senators that the record that has been recited today is, indeed, impressive. I am sure he fulfilled an important role in that House representing, as he did, the constituency of St. Boniface.

My reflections go back even further than that. Joe Guay and I were labourers in the same vineyard a long time ago. He and I were partners in work which we thought important that was going on in the province of Manitoba in the field of reform of municipal government at that time. He was the mayor of St. Boniface. I am sad to say that city no longer exists as a municipal entity. It has been absorbed, which I think is a great pity, because it did represent the Franco-Manitoban spirit and soul in our province. Joe Guay made sure that was the case when he was the mayor of St. Boniface.

We worked together on reforming the system of municipal government in that province. We worked together on problems of language, which were referred to earlier by Senator Everett, and we were able to make some changes, which I hope were advantageous. I found Joe Guay to be a splendid workmate and a good man to have on your side if you wanted to get things done. He was always able to bring intelligent, informed and non-partisan views to issues that were, in essence, political. He was always able to bring a wider view to bear on the subjects nabefore us.

I am particularly mindful of the fact that he spent five years in the Navy, and I have no doubt that it was certainly a formative experience in his life.

Joe Guay has been one of the keenest supporters of the Canadian idea, with all its ramifications respecting the two languages in our country.

I know that Senator Guay is a Knight of St. Gregory the Great which, in itself, speaks loudly for his stature in the community. We know that we are talking about a member of the Senate who has made his way through the institutions of politics and is able to look back upon a career of great importance. He has made contributions of no insignificant nature.

I particularly salute Senator Guay now for his work in the province of Manitoba when he and I were a great deal younger.

[*Translation*]

I wish my dear colleague, the Hon. Senator Joe Guay, good health, good luck and a long and happy life.

[*English*]

Hon. H.A. Olson: Honourable senators, I will be brief.

I was already on Parliament Hill when Joe came here in 1968. Through a coincidence, his office was number 218 and mine was number 217, so I quickly became acquainted with Senator Guay.

I can say to all honourable senators today that the next four years were some of the most satisfactory years, in terms of personal relationshipsm, I have had with the members up and down the corridor. He was very agreeable. His staff and my staff shared a lot of common interests, and relations between us were carried out very amicably.

I should tell Senator Murray that Senator Guay advised me that he was born at 11:04 p.m. on October 4. So, it may be that he can vote up until 11:04 p.m. tomorrow, but that would be simply a technicality.

I will not go into the record of his achievements. Many senators have done that before me, but, on a personal note, it has been a great pleasure to work with Senator Guay. He takes with him a great record of achievement, not only respecting the positions he held, but in human relations.

Senator Guay is an extraordinary human being in the manner in which he can get along with people. We will miss Senator Guay and we wish him well in the future.

Hon. Dalia Wood: Honourable Senators, it is my pleasure to rise in this chamber to thank and congratulate our distinguished colleague from Manitoba who will be leaving the Senate today for a well-deserved retirement.

As some honourable members of this place will provide you with numerous examples of Senator Guay's accomplishments over a long career in public life, I will, for my part, concentrate on one aspect of his political action.

As co-chairman of the Standing Joint Committee on Official Languages, of which Senator Guay was a founding member and a regular member since, I can testify to the profound conviction of Senator Guay to this major component of our institution: official bilingualism and the protection of our linguistic minorities of official languages.

Senator Guay had a great love of Canadian history and the early history of Franco-Manitoba and its contribution to the Canadian development in the west. His knowledge of and dedication to the history of his people can only be exceeded by his love and devotion to them.

Himself a product of the fragile and proud Francophone community of St. Boniface, Senator Guay never forgot his roots. The long historical struggle of his community to preserve its linguistic and cultural identity has obviously shaped his determination and persistence in the defence and promotion of Canada's linguistic duality.

He is a great lover of Canada and its deep traditions, which now, more than ever, must come to the fore. It was upon the Joe Guays of the world that this country was built with room for everyone.

I must thank Senator Guay for inspiring me and assisting me in some of my difficult moments of being on the Official Languages Committee.

He will always have my endearing respect and the committee members and I shall miss him greatly.

[*Translation*]

Hon. Jacques Hébert: Honorable senators, Senator Guay's presence contributed to make this place more humane. It often needed to be humanized a little!

We will all miss Senator Guay's spontaneity, his good humour and even his roaring, healthy and fair outbursts, his sense of companionship, his good judgement and his merry loyalty.

Without him, and I beg to use Senator Murray's words, if I may for once, the Senate will never be the same. It will miss a proud representative of the Francophones outside Quebec, and an honest man. I have kept my comments short but they come from the heart.

• (1700)

[*English*]

Hon. Raymond J. Perrault: Honourable senators, I know a number of us were hoping for a miracle such as the one that occurred a few years ago. I recall it well. Two days before his official retirement, one of our colleagues discovered by some incredible miracle that he had an incorrect birth certificate. Not only did he have an incorrect birth certificate; fortuitously it listed him as being two years younger than he was supposed to be.

Senator Murray: It was the other way around.

Senator Perrault: That is right. It was the other way around. He thought he was 75, but his birth certificate said he was 73. He brought this joyous news to me, and I acknowledged that that was one of those rare miracles that occur from time to time. He said he still had the nursemaid who looked after him the day he was born, who was around 98. We were hoping that that miracle would occur again; that lightning would strike and Joe would produce a birth certificate listing him as 65 instead of 75. That has not occurred.

However, I want to say that British Columbians will miss Joe Guay. His reputation goes far beyond the boundaries of Manitoba. Joe Guay is a senator who gives politics a good name. Those of us who have been around for a few years agree

that in politics there is nothing wrong with having a heated difference of opinion with the party on the other side of the aisle, but one must maintain one's perspective and sense of humour, and have the capacity to forgive any insults, real or imagined, when you walk out of the chamber.

I am sure Senator Flynn misses this day. Joe was something of a speech terminator. With his well-developed baritone voice, he would have done well at the Metropolitan Opera had he chosen another career, but he was able to interject a remark that would stop Senator Flynn in his tracks. He would recognize Senator Guay and then, of course, a discussion would ensue.

Senator Frith: Discussion is one word for it!

Senator Perrault: That is one way to describe it. Senator Guay gave politics a good name because he had a zest and a joy about him that is necessary for survivors. He always put his people first.

In coming to public life, some people immediately want to immerse themselves in the problems of the world. They feel as if they are speaking in a world dimension and that they are all natural diplomats. One's first responsibility is to look after one's people, and that is what Joe has done consistently, as stated so eloquently by Senator Roblin a few moments ago. No matter how heated the battle, he has put passion in this place, and he has always been a good friend to us, regardless of on which side of the chamber we sat.

I have been associated with Senator Guay on many projects designed to help this country, as have members of the other party, and we have invariably found him to be a colleague who always puts the interests of the country first. We will miss him, and I still nurse the remote hope that a birth certificate will show up that will enable him to stay among us. If not, let us create the post of senator *emeritus* so that he may continue to give us his good, earthy advice on a continuing basis.

Hon. Len Marchand: Honourable senators, I would like to take a few minutes on behalf of my good friend Joe Guay. I met Joe back in 1968 when we were both backbenchers in the Trudeau government. Then we were both promoted to the Cabinet—Senator Guay to National Revenue and I as the Minister of Small Business. I think my softball team even beat yours, Joe. We have always been good friends and worked hard together on some of the committees. We tried to make Parliament as much fun as possible. Joe always tried to make Parliament fun. We can become awfully serious and caught up in our own importance in this place, but Joe had a good way of keeping things down to earth and making serious situations more human. He is a decent, caring person and I know we will all miss him.

In listening to previous comments about his baritone voice, I am reminded of many incidents in the House of Commons. The timing always had to be right, and then Joe would say "What about the heavy water, Bob?" He always knew when to say the right thing for the occasion.

Joe, as your seatmate for the past while, I will miss the conversations we had and the advice you have given me on a number of occasions. Good luck to you and your family, and I hope you have a long and happy retirement.

When I found out a few days ago that Senator Guay was coming so close to retirement, it did not seem right. You do not look like you are reaching 75. I guess the birthdays do come around, unlike Senator Williams who found an extra couple of years before he retired. Among our people birth dates were difficult to record in the early days. That is true. We never knew my mother's real birth date, and the same thing happened in the case of Senator Williams.

It is not commonly known, but Joe told me one day that he is related to Louis Riel. Perhaps that is where he gets his feistiness. We recall the feisty and combative nature of Louis Riel, and Senator Guay may have had some of that passed on to him. Joe, I wish you good luck and good health.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Maurice Riel: Honourable senators, I want to say just a few words, although I realize that after all those speeches, everyone must be feeling very thirsty.

Joe Guay has been my seat mate in the Senate for at least five years. I will not repeat all the words of tribute that have already been said, but I can vouch for his personality and his generosity. He is frank and forthright.

He is a good, pleasant and inventive speaker who knows how to entertain his audience and has the common touch. He served the community of St. Boniface well, before going on to the federal government.

I personally met him in the Town of Mount Royal about 25 years ago when the two towns were twinned. He had come to visit our mayor, Redgie Dawson. We were introduced and we had a great evening. He offered me a Red River cart, which I still have. He reminded me at the time that my Western cousins (Senator Marchand also referred to this) used this means of transportation which could float and be taken apart every night to make shelters when people were moving.

Senator Marchand said Joe was probably related to Louis Riel. Of course, in that part of the world everybody is related, like in our parishes in the Province of Quebec. This is not new.

I went to visit, and as far as I am concerned, Louis Riel is a very distant relative, but we have a common ancestor who stayed in the province of Quebec. So we are the Riels from Quebec, and I suppose that is how I am an even more distant relative of Joe's!

I must mention the day I went to Winnipeg and St. Boniface. Of course I visited the grave of Louis Riel, across from the cathedral that burnt to the ground several years before. I saw that the next gravestone bore the name "Guay". Joe Guay told me the monument marked his grandfather's grave.

We have been neighbours in the Senate but his grandfather will go into eternity next to Louis Riel. I hope we meet in heaven, Joe, where we will have plenty of time to talk about "old times" in the Senate.

• (1710)

[*English*]

Hon. Nathan Nurgitz: Honourable senators, I rise to speak briefly in tribute to Senator Guay. I am probably the only one in this chamber who has an association with Joe Guay that goes back to the early 1960s in municipal politics in greater Winnipeg, where he served, as Senator Roblin said, with distinction as the Mayor of the City of St. Boniface.

In those days of 13 area municipalities there were many mayors, but not many like Joe Guay. Indeed, he had a reputation for getting things done. There were always complaints about how things got done in the municipalities that comprise Winnipeg and they always referred to doing things the way they were done in St. Boniface. Joe Guay gave that kind of leadership to his community.

Honourable senators, as I have said, I have a long association with Senator Guay. We have spent many hours talking about the old friends we both had in those days—some with us still, some not—and that has been a great joy to me. I know the kind of pride Senator Guay has brought to his family and to his community. He has had a distinguished career as a mayor, as a member of the House of Commons, and then, of course, as a senator here in the Senate.

I say to you, Joe Guay, and to Mrs. Guay, who has had to endure another long, difficult day as the spouse of a politician: I wish you a long, happy and healthy retirement. It has been a pleasure to serve with you, Joe.

Hon. Philippe Deane Gigantès: Honourable senators, there is an aspect to Joe Guay that you may not know of, and that is Joe Guay the coach.

I arrived here with two handicaps for the life of a senator. One is that I was—and in many ways still am—a journalist, and we believe in the peculiar myth that we must comfort the afflicted and afflict the comfortable. The other is that I was brought up by my father to think that the "comfortable to be afflicted" are Conservatives. He told me that Conservatives have black hearts because their hearts are wallets.

Let me say immediately that, to my great surprise, I have found sitting opposite many Conservatives whom I liked very much. I am surprised, but they are admirable and kind people. However, they are on the other side and I have had occasion to stick-handle past them—not very successfully, but that is not Joe Guay's fault.

Senator Guay took me under his wing at the beginning, when I first arrived here, and told me about the moves of the other people on both sides of the house. He said that this particular person's bark was worse than his bite, that that other person was really a sweet guy, that yet a third one had a very thin skin and I would enjoy getting under it, and these remarks applied to people on both sides of the house.

I think Senator Guay took off some of my rough edges. If he did not take off all of them, it is not his fault. I want to say that when one comes into a new situation, one appreciates having the generous help of someone like Joe Guay. I will always remember him with affection.

[Senator Riel.]

Hon. Douglas D. Everett: Honourable senators, I have known Joe Guay since he became an alderman in 1955, when I would appear before the council. Joe and I crossed swords many, many times. Although he was a terribly good attender, I was always happy on the few occasions when he could not be there. Indeed, I would know when he was in attendance because I could hear his voice from out on the parking lot. Senator Guay has always made his points forcibly. You never have to wonder what it is Joe is thinking or what side he is taking; he takes a side and that's all there is to it.

Senator Guay was four times Mayor of St. Boniface.

Senator Roblin: Unbeatable.

Senator Everett: He went into federal politics the hard way. He actually took on a sitting minister, contested the nomination, won that nomination, went on to be re-elected three times, then to be Whip and then to be minister. Honourable senators, there is no one in politics that I have found to be more forthright and tough to deal with, but essentially fair.

Senator Guay dedicated himself to the world of politics. He was five years in the navy and he also, incidentally—and nobody has mentioned this—ran a shoe store in St. Boniface for many, many years. Had he dedicated himself to the navy the way he did to politics, he would have been an admiral, and had he dedicated himself to the shoe business the way he did to politics, we would never have heard of Tom Bata!

• (1720)

Hon. Edward M. Lawson: Senators, what a wonderful age we live in: an automated machine can do the work of 50 men, a computer can do the work of 500 men, but the machine has not yet been invented that can do the work of one extraordinary man like Joe Guay. One would think that the accomplishments of his career were achieved by a committee of many men.

As Senator Everett stated, Senator Guay started out as a salesman selling rubber boots. However, whether he was selling rubber boots or selling Canada, he was always just that: a great salesman; perhaps Canada's greatest salesman.

Senator Guay's most redeeming feature, I found, was that he was very quick, as a warm, decent, caring human being, to extend the hand of friendship and fraternalism regardless of party, or even if one were not a member of a party. Joseph, I wish to add my voice. We all appreciate that friendship and wish you success and happiness in a well-deserved retirement.

Hon. J. Michael Forrestall: Honourable senators, I do not want to presume on your time, but I do wish to say to the retiring senator that I, too, will miss him, although I have not been associated with him for a couple of years. When I entered the other place, Joe was not far behind me. As has been said here this afternoon, he brought a warm, adaptive feeling and a sincerity that made me feel very welcome in that chamber, although I had been there two years before.

Honourable senators will realize that Joe was a sailor. I rise in part because most of my life I, too, have been one, and my sons are sailors. I have a deep admiration for anyone who not only followed the sea but who served through the sea. To me, it

explains the depth that Joe brought to everything. He served selflessly, together with his brother. Indeed, two of his brothers gave their lives in the RCAF during World War II.

Those who served with Joe in the RCN—and there are many still around who remember him, in much the same way as honourable senators have remembered him here today—would want me to say that it was a good job and it was well done.

So also have your years been in municipal politics in Manitoba, in St. Boniface, Joe, and your career in the House of Commons. You were among the first of the multi-cultural ministers in our country, which I believe was a very wise move on the part of government. It speaks well that in his tenure as Minister of State for Multi-Culturalism, Joe Guay so laid down and firmed up the groundwork that indeed that portfolio continues to be very much a part of our structure today.

Honourable senators will permit me to remind them, and perhaps Joe will not be too mad at me if I recall that some of his great contributions were to his family and to his church. He is a Master of one of the orders of the church, has also been decorated by the Holy Father, and is a Knight of St. Gregory. He has been decorated by the Queen. Now Mrs. Guay can have him back home in Manitoba and the family will be the beneficiaries. St. Boniface will welcome you back, Joe. As your colleagues of some years here in this chamber have stated, you will be missed. As one from the other place, I will miss you indeed.

[*Translation*]

Hon. Arthur Tremblay: Did you call my name, Your Honour? It is not always easy to hear you from this distance. Anyway, honourable senators, although it is late, I wish to join previous speakers who paid tribute to Senator Guay.

I am doing it, of course, because of the fine relationship that we had ever since I came to the Senate, notwithstanding, if I may add, the rare occasions when his particularly loud and perfectly audible remarks gave me the impression that he did not totally agree with what I was saying in this chamber.

As a francophone senator representing Quebec, here in the Senate, I want first of all to pay tribute to his role on the Joint Committee on Official Languages, which was also mentioned by Senator Wood.

For years, I witnessed his hard work and the excellence of his accomplishments on that committee. His distingins had services had a profound influence on the implementation of the linguistic policies contained in the two successive Official Languages Acts that we had.

His accomplishments had an even more profound meaning for the Franco-Manitoban minority of which he was, for many years, one the most distinguished representatives and leaders. Senator Guay, we could have paid tribute to you for numerous other reasons, many of which were mentioned today. The one I referred to is highly important to me and that is why I wanted to emphasize it on this day. In conclusion, I want very simply to wish you and your family many years of accomplishments in the new career that you are starting today.

Hon. Roméo Leblanc (Beauséjour): Honourable senators, on the day of his retirement, I can pay tribute to our friend, Senator Guay, on many grounds. Of course, we were colleagues in the House of Commons, we were colleagues in the Cabinet and, most of all, we were brothers, as members of the French-speaking community outside Quebec. I have a vivid memory of the emotion I felt when I visited the Red River Valley and Louis Riel's grave for the first time.

[*English*]

But for the new senators, contested or otherwise, who perhaps are wondering what is this liturgical ceremony in which we appear to be participating, I would like to say a word about Senator Guay's role as a member of the Standing Committee on Internal Economy. It is not a dramatic committee and it does not put out great controversial reports. Some four or five years ago, that committee proclaimed the very important principle that all senators were appointed equal, and I am not referring to the present situation. The Internal Economy committee, with people such as Senator Guay and all those who served quietly and modestly, has improved the lot of every senator sitting in this institution.

Senator Guay was always faithful at meetings. He participated strongly, especially at the time we studied the Estimates for the subsequent year, and he would not hesitate to lift the corner of any veil if he thought there was information there that the senators of the committee should know about.

Senator Guay, you and Senator McElman will always stand out in my eyes as chairmen of that committee, Senator McElman quietly sitting on the right and Senator Guay not so quietly sitting on the left of the rear seats. Your voice was heard, and not only that, your advice was often followed. Thank you very much for having served our committee so faithfully.

[*Translation*]

Hon. Louis J. Robichaud: Honorables senators, being a comrade, a personal friend and a neighbour of his at the East Block, I would like to salute senator Guay for the last time. Many things have been said of him, and I won't repeat any of it.

I only wish to mention his obsession with the work well done, not tomorrow nor the day after, but right now. For example, there is the question of bilingualism which has been the subject of much discussion. I know of his sense of dedication, it has been said and I won't repeat it. I would like also to mention that he opposed strongly the construction of a dam on the Garrison River in Manitoba, which flows through Manitoba and in the United States. We know that the Americans have proposed the construction of a dam which would flood thousands of square kilometers of Manitoban lands. Joe is categorically opposed to that scheme.

He asked many questions in the Senate on this matter. I remember one day, three or four years ago, when I entered into the Senate. He occupied the same seat as now. I stopped at his seat and said: Joe, I just heard on the radio that the Americans have decided to build a dam. Last night, after

sunset, they went and started to build it, with the result that the river has already risen 17 feet.

It takes three or four years to build such a dam. Anyway, Joe thought they had started it the night before and, being so indignant, he left in a great hurry to check if, during the night, the Americans had really built a dam worth $50 million or so on the Garrison River.

I am telling you this to illustrate how he was dedicated and obsessed when he was fighting for a particular cause.

Clearly, we will all miss senator Guay in the Senate. As for me, in particular, I will miss seing him on the second floor of the East block.

I wish him and his wife, who is here in the Hall, and their family a very happy retirement.

● (1730)

[*English*]

Hon. Jack Marshall: Honourable senators, I should like to add a few words of tribute to Joe Guay. His military service was alluded to by two or three of my colleagues, but they failed to record some of his work on veterans affairs, with which we were associated over the years.

I entered the House of Commons with Joe in 1968, and we were immediately assigned to the subcommittee on Veterans Affairs. Through all those years there was an impartiality that one should jealously guard in this Parliament, when we see the degree of hostility associated with the debates these days. That was one committee, Joe, where there was no such thing as party affiliation. Everyone was working for a common cause, namely, the veterans of Canada.

That should be recorded, honourable senators. I pay tribute to you, Joe, for that assistance to me and our work together. I wish you well in the future.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, I stand before you as a senator and a francophone outside Quebec, who is somewhat troubled, and I intend to take a few minutes to talk about our friend, Senator Joe Guay. I am troubled because I have these feelings of ambivalence.

You all know Joe Guay as a man who is known for his forthright speech. I am sure he would be disappointed if I did not live up to my reputation as someone who is equally forthright. I promise you I will not prolong the sitting until midnight, which might otherwise lead to a motion to clear the Chamber of strangers!

Part, of me is delighted to see a Liberal senator leave this Chamber, allowing the supremacy of the House of Commons to triumph or helping to confirm that supremacy, but on the other hand, I am sad that this senator should be Senator Joe Guay.

It has been said repeatedly that Joe Guay became a valiant member of the Canadian French-speaking community, after he had proved his mettle and made an invaluable contribution to the Franco-Manitoban community.

[Senator Robichaud.]

During my first years in this Chamber, I had a chance to sit with the senator from St. Boniface, and I know he continued to sit on committees and outside committees. I remember some very eloquent images of Senator Joe Guay in the area of official languages. In his own way he brilliantly defended the interests of all Manitobans and those of the minority of Franco-Manitoban community, and we owe him a great deal.

I wish to join my other colleagues in extending our sicnere wishes for good health and a well-deserved retirement. I earnestly hope he will consider another career so that he can continue to serve the community. I am sure he will find a way, because Senator Joe Guay has shown, throughout his life, that the duties of a mayor, a member of the House of Commons or a senator were not a hardship but a real pleasure. I therefore wish him many good years serving the Manitoban and Canadian community.

[*English*]

Hon. Joyce Fairbairn: Honourable senators, I, too, want to say bon voyage to Senator Joe.

Senator Olson noted that he had already been on the hill for a while when Senator Guay arrived. So had I. I had the pleasure of knowing Joe and working with him in a different capacity than others in this chamber, because when Joe arrived in 1968 I was a journalist in the Parliamentary Press Gallery with F.P. Publications. The flagship newspaper of that organization was the *Winnipeg Free Press*. Naturally, the new member of Parliament became, thankfully, one of my sources.

One of the delightful characteristics about Senator Guay, from a reporter's point of view, was that one never had a "no comment" from Senator Guay. He always had a point of view. He always had something to say and he really was a journalist's dream. After that, we continued to be friends and associates in the capacity in which I worked in the former Prime Minister's office, where I worked very closely with the cabinet and the caucus.

Joe served with great effect in Mr. Trudeau's cabinet in the 1970s. But I remember him best as the Chief Government Whip. I listened to Senator Murray, who is absolutely right. I think one of the most difficult jobs of political leadership on Parliament Hill is that of whip. I say that because it is a job that is very personal. The person who holds it, if he is to be a success, has to have the qualities that promote respect, confidence, friendship and, indeed, affection. Joe had all of those in large measure during what were difficult years in the mid-1970s.

He has had a passionate commitment, as other Senators have said, to his country, to his province and to his community of Saint-Boniface. He has shown great devotion to both houses of Parliament. All of this has been accompanied by an unflagging loyalty to the political party with which he has been associated and has supported for so many years.

I will miss Senator Guay. I fondly wish him good health and great happiness with Marguerite and his children during the years ahead in his retirement.

Some Hon. Senators: Hear, hear!

Hon. Jerahmiel S. Grafstein: Honourable senators, Joe Guay, Joe Guay, Joe Guay, Joe Guay. What a pleasant musical name to match an even more pleasant and musical personality.

Each senator brings many qualities to this house, but usually one singular quality emerges from his many to separate that senator from his peers. In Joe's case, for me at least, it must be his voice, his magical, wonderful voice.

One can debate, as one should, who has the greatest voice in this house. Was it the hon. senator from Quebec who nagged us with his gnawing voice from time to time, a senator who has since departed? Is it the roaring thunder of Senator Ray Perrault? Is it the decent, quiet, persuasive down-east dialect of Senator Doody? Is it the dulcet tones of Senator Royce Frith? Is it the graceful francophone rhythms of my friend Jacques Hébert? Is it the broad Celtic range of Heath Macquarrie? Is it the Celtic rage of our leader, Senator MacEachen? Is it the elegant depths of Finlay MacDonald? Is it the staccato voice of Senator "Staf" Barootes?

No, senators, it is none of these. The greatest voice in this chamber belongs to Joe Guay.

Some Hon. Senators: Hear, hear!

Senator Grafstein: Splendid, golden, soft, gentle, sweet, harsh—that great voice and acclaim belongs to our friend, Joe Guay. Honourable senators, we will miss Joe. We will miss his courtesy, his wise counsel, his most pleasant personality and, above all, that golden voice that has spoken up so eloquently for his province of Manitoba and for all Canadians. We will miss you, Joe.

Hon. Robert Muir: Honourable senators, I make no apologies whatsoever for paying tribute to Joe. I know many of you are saying, "not another one", but he deserves every speech made in his honour.

We have heard much in the last few days about *prima facie* cases. The new senators in the chamber will be amazed to know that you hear your own eulogy when you retire from this place. When you are stretched out in a metal box, you do not hear a thing. It is much better to hear it in this place.

I was in the other place for 11 years when Joe came in 1968. Senator Joe and I fought back and forth, but after putting through estimates at 1.00 a.m. or 2.00 a.m., he would put his hand on your shoulder and say, "You were in great shape tonight."

Honourable senators, Senator Guay was appointed Sir Knight of St. Gregory the Great in 1957. He also has had the highest degree in Tae-Kwon Do specially awarded to him. Senator Frith said that one day Senator Guay had bandages on his face, that he was fooling the members of the House of Commons. Do not try anything with him, because he has that wonderful degree in Tae-Kwon Do.

Senator Guay, you have had your spats with the Right Honourable John Diefenbaker. Mr. Diefenbaker said to me, "Some people come to the Senate or the Commons and some swell and some grow. But Guay, he grows all the time." Honourable senators, I could not pass this moment without saying to Senator Joseph Guay: May you have many more years ahead of you, and may you and your wife enjoy good health. Do not forget to come back often and see us, because we are certainly going to miss you.

[*Translation*]

Hon. Norbert L. Thériault: Honorables senators, in spite of the hour, I insist to say a few words about senator Guay's departure.

I mentioned the late hour, but Mrs. Guay, who is here tonight, knows very well that, since I joined the Senate, Joe and I have spent some pleasant evenings in the office we share.

If the senators and the Senate are loosing a colleague, I, for one, am loosing a special friend. Since my arrival here, I have had the chance to be near "Joe" Guay nearly without interruption. I was given an office in the Victoria Building in 1979. I got there and the first colleague I saw in a spacious office, well furnished and very clean was Senator Guay. We have never parted since, even when the senators had to move out of the East block because of the Economic Summit Conference, and even then I moved with him in another building called "La Promenade", I believe.

More over, honorable senators, because of all the good time I have spent with "Joe", we got to know each other well. I came to know his family like he came to know mine, not physically, but because we went through almost the same stages with both large families whose members have lived all sorts of experiences.

I feel like I am "Joe" Guay's brother. Yet I have many brothers! I saw him when he did not feel very well, I have seen him almost constantly for twelve years.

More particularly, "Joe" has taught me many things. He has taught me it is nicer to have a clean desk! It has never been my strong point to have an immaculate desk! Joe would remind me: Norbert, it does not look good to keep your desk in such a mess! I like to walk around in a sweater and if my shoes were not shining, he would tell me from time to time: a senator should not be seen dressed like that!

I have learned more than that from Joe Guay. I have learned that his family and his wife come first. Every night, calling his wife would be one of the last thing he would do. He is the ideal husband, the father every child would like to have, Joe, I salute you!

Honourable Senators, I think that the section of the Constitution was amended in 1966. That is when it was decided that senators should retire at 75. Like many of you who were not here (and who never had contemplated coming here), I thought it was a good thing since I was under the impression that senators were a group of old timers who did nothing and then retired.

We realize now that maybe the Fathers of Confederation knew better when they decided that senators should be appointed for life.

As for me, I find this amendment to the Constitution most regretful, especially when it makes me lose my best friend.

Hon. Azellus Denis: Honourable Senators, I come just in time to say goodbye to my colleague, the Honourable Senator Guay who unfortunately is leaving us and whom we will really miss.

Most of us do not say that the honourable Joseph Guay is leaving. We simply say that Joe is leaving. He is a friendly and jolly man and he will be remembererd as a noisy and bright colleague.

I extend my best wishes to him. If anybody ever deserved a happy retirement, it is my friend Joe. But retirement will not prevent him from helping those people in St. Boniface and in Manitoba whom he loved so much and still loves and in whom he always takes pride.

I wish him a long retirement, but I am sure he will go on working for people around him. Once again, dear Joe, I wish you a happy retirement: heureuse retraite, my best wishes, ad multo anno.

Hon. Eymard G. Corbin: Honourable senators, I will not take more than sixty seconds. Even if I had been the first one to take the floor, I would have used no more.

Joe Guay has been described as a French-speaking citizen outside Quebec, as a member of the community of French-speaking Canadians who live outside Quebec.

I am not sure Joe Guay relishes those descriptions. The Joe Guay I know and worked with in public and behind the scenes always considered himself a Canadian. He never defined himself in reference to Quebec.

• (1810)

[*English*]

First and foremost, that is Joe Guay. Yet, Joe Guay would respect everyone. He would respect other languages, other cultures, the first peoples of this country, and I always liked and respected that about Joe Guay.

[*Translation*]

Joe, I join others in telling you that I will miss you. You have many friends in the Madawaska area, people who have known you at the Conference of Mayors and Municipalities. I told them that you were retiring. They have asked me to convey their best wishes to you. I join them in wishing you a well deserved rest. Good bye.

Hon. Gildas L. Molgat: Honourable senators, I would have like to be the first to rise to pay tribute to my good friend, my fellow citizen, my representative in the House of Commons for many years since we live in the same riding.

Since I know I could not be the first, I decided to try and be the last, if possible, to speak about my friend "Joe".

Much has been said today, and I do not want to repeat what has been stated. I will try, nonetheless, to talk about some aspects of our colleague's personality which have not yet been dealt with. Some of you have mentioned Joe's resounding tone of voice. You should have known him when he was a Navy chief instructor in Manitoba. I can assure you that all those who served under him still remember it. Even today, when travelling around the country, Joe sometimes comes across some former students.

But Joe and I did not meet when he was in the Navy. It was a short time after his return to civilian life, after a brilliant career in the Navy. We worked in the same sector; we were in business. He was selling shoes, I was buying.

I must say that I never met a more aggressive salesperson, all the while reliable, convincing and honest. I was working for a rather big company who usually bought only under contract. With Joe, there was no need for a contract. We had his word, and it was enough.

I want to say a few words about Joe Guay in St. Boniface. You would have to walk the streets of St. Boniface with Joe to realize what this man meant to his community. He was really part of the community. Everywhere you go, people refer to him as "Joe".

Today, the big thing in politics is polls. Polls are ordered to find out this and that. I have never met a single politician who had the political instincts of Joe Guay. He knew exactly what was going on. He knew exactly what people were thinking because he was close to the community.

Despite all his political activity as counsellor, mayor, member of Parliament and Minister, Joe's first focus was always his family. He was dedicated to his family. He not only raised his own children but also the nieces and nephews who became part of the Guay family. Today, Joe will go back to St. Boniface, to a region that admires and appreciates him, and thanks him for what he has done.

I am particularly pleased that his wife, Marguerite, is able to be with us in the gallery today. For years when Joe had to be away from home, Marguerite had to run the household and support Joe, which she did with enthusiasm during all that time.

Joe, in concluding I would like to repeat some of what was said by Senator Azéllus Denis. Please note that the majority of those who spoke before did not refer to the honourable Senator Guay. They did not even refer to Senator Guay but to Joe Guay. I think that is the biggest compliment anyone can make, reflecting the warmth and dedication of a dear friend. We are very sorry to see you leave.

We wish both you and Marguerite a healthy and prosperous life.

[*English*]

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, may we agree to not see the clock for just a few moments? I think it would be a pity to interrupt the well-deserved and fulsome tribute to Senator Guay.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Joseph-Phillippe Guay: Honorable senators, leader of the government, senator Lowell Murray, listening to all the comments, I really wonder if I deserve them all.

[*English*]

I have noted the names and comments of those who have said a few words about me, and I was going to respond to almost all of them. I then thought that it would surely take too long, because I am quite sure we all want to go next door. The thought then occurred to me that I should make use of the *Hansard* of tomorrow so that when we have an elected Senate I can use it to become a member of that new House.

Hon. Senators: Hear, hear!

Senator Guay: Honourable senators, I am proud to have been a Liberal senator. In order to keep my comments today brief, I prepared some notes which I will try to follow. I will then not be inclined to exaggerate, and I will be in a position to keep my comments short and sweet.

[*Translation*]

It is with some bitterness, but also with great pride that I rise for the last time in this House to speak to you. Unfortunately, I have reached the respectable age that our parliamentary predecessors felt, as far back as 25 years ago, was the retirement age for the members of the Senate, at least for those called from that time on. I must abide by this requirement today and, so to speak, take my leave! If you detect a bit of humour in my words, it is because, having sat in the other House before my appointment to the Senate—as it is the case for several of my colleagues sitting presently in this House—I wonder if the opposite would have been more advantageous for me, since there is no mandatory retirement age in the House of Commons!

It is therefore with deep regret that I leave the Parliament, that bastion of democracy. I always felt respect, admiration and loyalty for this institution during the 22 and a half years that I spent my energies and my talents as a politician to build a great, strong and united country. I largely owe my long political career to the Right Honorable Pierre Elliott Trudeau. I have been elected member for Saint-Boniface, Manitoba, in 1968, as you often mentionned tonight, when Trudeaumania was at its height across the country, from east to west, and it is he who appointed me to the Senate, ten years later.

Many great men and women won fame in the Senate and in the House of Commons. I could not forget to mention the admiration and the gratitude I owe to the Right Honorable Pierre Elliott Trudeau. That is why I repeat it. This great Canadian appointed along with me other senators from the ranks of the Progressive-Conservative Party—we dont see that happening too often now a days with Prime Minister Mulroney. I refer to honourable senator George Muir and above all to honourable senator Duff Roblin, colleague and former premier of my province of Manitoba where senator Molgat was sitting at that time. But I would like to give him credit for opening the door to the restoration of the educational and linguistic rights of Franco-Manitobans, and I show him my gratitude for that.

I have had a wonderful career in Parliament paved with interesting and captivating moments and pitted with humour and loyalty to alike friends, partisan and non partisan.

The most important problems and issues for me during all those years of active politics have been the economic development of my province, the precarious social and economic conditions of the native and the Metis people, the status of French and English as official languages of Canada and the cultural and ethnic diversity of our country. As you know, those issues were the object of special and innovative policies in the successive governments of Mr. Trudeau, policies I have supported firmly during all those years because they contributed both socially and economically to our common wealth.

● (1820)

[*English*]

I have always felt at ease and close to the many people I have had the pleasure to serve through all my years in politics—at the municipal level, where I always had an open door, and in the federal government. I have made myself available to my electors and constituents, regardless of their political opinions or convictions. When I served as representative from the riding of St. Boniface, as an elected member of the House of Commons and as a minister of the Crown, and even since I was called to the Senate, I have always made a point of returning to my constituency on every weekend to meet and listen to my constituents. In all sincerity, this was the promise that I made to my constituents in 1968, because I believe strongly that a people's representative, whether elected or appointed, has important responsibilities and pressing duties toward his or her constituents.

Hon. Senators: Hear, hear!

Senator Guay: I think my sedulous presence and dialogue with my constituents have had their worth in gold.

[*Translation*]

Besides, for all those who know me, it is clear that I am proud of my French origin. In spite of the setbacks and difficulties suffered by the French community in Manitoba, as was mentioned previously, during its history full of epic and courageous struggles to perserve its distinct language and culture. The vitality of that community was evident during the general assembly held in 1988 for the purpose of bringing out the priorities selected by the whole French speaking community for the improvement of the quality of life in the future.

[*English*]

I have always appreciated your fellowship and the good and hard work done by all of you, whether in this chamber or at the committee level, and I wish you all well and hope that you continue the excellent work in committees and in the Senate as you have done in the past. So many people have yet to understand the work that is being done in this House, in the Senate, which is for their benefit.

In closing, I should like to give thanks and praise to all of the people who have provided me with their support, advice and assistance during all those years, in both the Senate and the House of Commons—to my fellow MPs and senators, and also to my personal secretary, Mrs. Collette Favreau, who happens not to be here but who has been with me since I was

elected to the House of Commons in 1968. She was with Mrs. Guay earlier this afternoon but had to leave.

I also want to thank the support staff, the messengers, cleaners, maintenance staff, pages, security staff, and those doing a great job reporting for *Hansard*. I recall that at one time I criticized them, but I think they are doing an excellent job. May I say that if I have forgotten anyone, I wish them well also. Thank you.

Hon. Senators: Hear, hear!

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I move that all remaining orders, inquiries and motions stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, October 4, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

BANKING, TRADE AND COMMERCE

PROCEEDINGS OF COMMITTEE—QUESTION OF PRIVILEGE—SPEAKER'S RULING

The Hon. the Speaker: On Tuesday, September 25, 1990, questions of privilege were raised by Senators Ottenheimer, Poitras, Robertson, Simard, David, Barootes and Doody. Many senators took part in the ensuing debates and I want to thank them all. I said I would examine the issues very carefully and that after reading the official report for that day I would make my ruling at the earliest opportunity. I am now ready to make my ruling.

Many of the points raised by honourable senators had to do with the proceedings of September 24, 1990 of the Committee on Banking, Trade and Commerce. It was alleged that certain members of the committee had been prevented from performing their parliamentary duties. Some senators felt they did not have enough time to examine thoroughly the issues before them and said they had not had access to the committee's draft report on Bill C-62. Some senators found it unacceptable that committee staff were not available for the vice-chairman of the committee and other members. There were protests that a motion had been withdrawn without the unanimous consent of the committee and that no debate had been allowed on a given motion. Some senators were critical of the way the steering committee's sittings had been conducted and also of the manner in which the draft report was distributed more specifically, both versions of the report did not reach the senators' offices at the same time. There were also complaints that a draft report was released to the press before it was tabled in the Senate.

It is the Chair's opinion that these points may be grounds for a grievance, but I do not think they are genuine questions of privilege. Beauchesne defines parliamentary privilege as "the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals." Although certain parliamentary rules may have been broken, and I repeat "may have been", there does not seem to have been a breach of rights or privileges.

Some senators criticized certains actions and decisions by the chairman of the committee.

In this connection, I may refer honourable senators to Beauchesne's, Fifth Edition, Citation 607, which reads as follows:

> "607.(1) All decisions of the Chairman may be appealed by the committee.
>
> (2) There is no appeal to the House from the Chairman's ruling except by way of a report from the committee.

Since these matters were not raised in a report from the Committee, they should not be debated in this House.

In addition, a number of the points that were raised seemed to deal with questions relating to committee rules and procedure. Beauchesne is quite clear in this respect. I have here Citation 608: "Procedural difficulties which arise in committees ought to be settled in the committee and not in the House."

For these reasons, I must conclude that when they raised these points last Tuesday, honourable senators did not raise genuine questions of privilege.

[*English*]

QUALIFICATION OF SENATORS

MOTION TO DISENTITLE TO VOTE—POINT OF ORDER—SPEAKER'S RULING

Hon. Royce Frith (Deputy Leader of the Opposition): Are you about to deal with yesterday's point, Your Honour?

The Hon. the Speaker: Yes, I am.

Senator Frith: Your Honour was good enough to give me a copy of that.

The Hon. the Speaker: Yesterday, Honourable Senator Murray raised a point of order when Honourable Senator Frith proposed to move a motion pursuant to Rule 33 to enable the Senate to take action on a matter which Senator Frith asserted was a breach of privilege.

Rule 33 reads as follows:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen, a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the Orders of the Day.

In discussing the point of order, some senators felt that any snator, at any time, could propose a motion under Rule 33 which would take priority over all other business of the Senate.

Other Senators argued that the procedure under Rule 33 would require that the Chair, if asked, should first determine

that a *prima facie* case of privilege had been established. If the Chair agrees and there is no appeal to the ruling, the motion should be permitted to proceed. Furthermore, it was contended that the motion proposed by Honourable Senator Frith should not be received inasmuch as the Chair had previously ruled on the same matter, that no such *prima facie* case existed.

After careful reflection and study, it seems to me that the terms of Rule 33 are rather laconic. Therefore I have first to be conscious of the Senate's Rule 1:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

Citation 84, at page 25 of *Beauchesne's* Fifth Edition is particularly enlightening as to the limited function of the Speaker in matters of privilege:

> (1) Once the claim of a breach of privilege has been made, it is the duty of the Speaker to decide if a prima facie case can be established. The Speaker requires to be satisfied, both that privilege appears to be sufficiently involved to justify him in giving such precedence (or as it is sometimes put, that there is a prima facie case that a breach of privilege has been committed); and also that the matter is being raised at the earliest opportunity.
>
> (2) It has often been laid down that the speaker's function in ruling on a claim of a breach of privilege is limited to deciding the formal question, whether the case conforms with the conditions which alone entitle it to take precedence over the notices of motions and Orders of the Day standing on the *Order Paper*; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the House itself.

Secondly, I underline that Rule 15 of the Senate places a duty on the Chair to "preserve order and decorum", which is not presently the case; but more important in this instance, "to decide points of order, subject to an appeal to the Senate." Since there is an appeal residing with the Senate on any decision of the Speaker as to a *prima facie* case, I feel that the procedure outlined in citation 84 best preserves the orderly conduct of Senate business and the rights of the Senate as a whole.

Otherwise you would have to accept that the moving of a motion under Rule 33 would not be subject to any point of order and remain in the absolute discretion of any member even if the motion is futile and not based on a *prima facie* case. That discretion would give any honourable member the power to delay the proceedings of the Senate even under any pretence.

Honourable Senators, I believe that this lays out a practice which is directly applicable in the case of Rule 33 and the role of the Speaker under Rule 15. This rule preserves for the Senate itself the final word to determine if a *prima facie* case of a breach of privilege has been established. The Chair's role, as outlined in citation 84, is the same as established in Rule 15, that is limited to determining whether the facts placed before the Senate meet the conditions necessary for a *prima facie* case of a breach of privilege, subject again to the decision of the whole Senate.

[The Hon. the Speaker.]

● (1410)

The interpretation that I submit, and which has been accepted by the Chair on many occasions, is one which provides for the orderly conduct of parliamentary business. In the absence of such a procedure, the Senate might quickly fall into disorder.

Therefore, it is my decision that the procedure outlined in citation 84 shall be followed for any proposed proceeding in the Senate pursuant to Rule 33. Accordingly, the motion proposed by Honourable Senator Frith yesterday is not receivable since it raises the same questions about which I ruled yesterday that they do not constitute a *prima facie* case of privilege.

Senator Frith: Honourable senators, of course I am disappointed with the ruling. I am particularly disappointed because I think it is so clearly an attempt to strain the clear words of Rule 33 and turn to other rules based on the word "laconic". The very clarity of the section is what makes it not necessary to refer to other rules.

However, I think the most important result of His Honour's ruling for the Senate is the consequences of it, and that means that something that is concerning a lot of people, is concerning the provinces, is apparently concerning a former Justice of the Supreme Court of Canada, and appears to be concerning the media—and, according to my mail and telephone calls, concerning a lot of people—is not receivable. That is the question that we should clear up, namely, the status of the eight additional senators. I should think they would want this matter cleared up, and it appears that a lot of people do want it cleared up. It is the subject of law suits. It is the subject of a law suit that is in the process of being brought today, as I have said to the press and I am saying here now. That action is being brought by some of our colleagues in the Senate because people are so concerned that the matter should be clarified by the courts before we go any further.

Those are the serious consequences of His Honour's ruling—that, in effect, we are prevented in the Senate from dealing with this.

I believe this matter should be cleared up. We cannot properly do business in this place until the situation is clarified. Everyone is concerned about it. It keeps coming up again and again. We have to give ourselves time to get this matter clarified by reference to the court.

I move that the Senate do now adjourn.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): When Your Honour calls the division on this matter, my colleagues and I will be standing and calling for a recorded vote.

The Hon. the Speaker: It is moved by the Honourable Senator Frith, seconded by the Honourable Senator Perrault, that the Senate do now adjourn.

Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion please say "nay"?

Some Hon. Senators: Nay.

And two honourable senators having risen.

The Hon. the Speaker: Please call in the senators.

The Senate resumed at 5:25 p.m.

The Hon. the Speaker: Let the doors to the chamber be locked.

Motion negatived on the following division:

YEAS

THE HONOURABLE SENATORS—0

NAYS

THE HONOURABLE SENATORS

Atkins	Keon
Balfour	Kinsella
Barootes	Lavoie-Roux
Beaudoin	Lynch-Staunton
Beaulieu	MacDonald
Belisle	(*Halifax*)
Berntson	Macquarrie
Bolduc	Marshall
Buchanan	Meighen
Carney	Molson
Castonguay	Muir
Chaput-Rolland	Murray
Cochrane	Nurgitz
Cogger	Oliver
Comeau	Ottenheimer
David	Phillips
DeWare	Poitras
Di Nino	Robertson
Doody	Roblin
Doyle	Ross
Everett	Rossiter
Eyton	Simard
Forrestall	Spivak
Grimard	Sylvain
Hatfield	Teed
Johnson	Tremblay
Kelleher	Twinn—54.
Kelly	

ABSTENTIONS

THE HONOURABLE SENATORS

Macdonald (Cape Breton)—1

The Hon. the Speaker: Let the doors be opened.

Hon. John M. Macdonald: I did not vote, because I was paired with Senator Derek Lewis.

QUESTION PERIOD

STOPPING OF DIVISION BELL

SPEAKER'S LETTER—QUESTION OF PRIVILEGE

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, on a question of privilege, at approximately 5:00 o'clock I was delivered the following letter—

Hon. D. G. Steuart: What a joke!

Hon. J. Michael Forrestall: You added to the joke, let me tell you!

Senator Steuart: Any respect I ever had for you I just lost.

Senator Frith: This letter is dated October 4 and is on the letterhead of Senator Guy Charbonneau, the Speaker of the Senate. It is addressed to the Honourable Lowell Murray, P.C., Leader of the Government in the Senate of Canada; the Honourable Allan J. MacEachen, P.C., Leader of the Opposition in the Senate of Canada; the Honourable William Doody, Deputy Leader of the Government in the Senate of Canada; and the Honourable Royce Frith, Deputy Leader of the Opposition in the Senate of Canada. It reads as follows:

> Dear Senator,
>
> In light of the failure of the mechanisms established by the political parties within the Senate to assemble Senators for a division within a reasonable time, I will be stopping the division bell and will proceed to put the question now before the Senate at 5:30 p.m. this day.
>
> I have taken this decision after much reflection to protect the rights of individual Senators to perform their duties.
>
> Sincerely,

It is signed Guy Charbonneau and it has copies to the Honourable Orville H. Phillips, the Honourable William J. Petten, the Honourable Hartland de M. Molson, the Honourable Daniel Lang, the Honourable Edward M. Lawson, the Honourable P.M. Pitfield, P.C., the Honourable Douglas D. Everett and the Honourable Stan Waters.

Honourable senators, I was on the telephone when this letter was handed to me at, as of now, less than half an hour ago. I

was in the process of dictating the following letter addressed to the Honourable Guy Charbonneau, Speaker of the Senate.

Senator Charbonneau,

I was handed your letter of October 4th, at 5:00 p.m. about the presently ringing divisional bells, and of your decision to stop the bell and proceed to put the question before the Senate at 5:30 p.m. today.

You have no authority to do so and will be in a direct breech—

And that is misspelled, which indicates just how little time I had to do this.

You have no authority to do so and will be in a direct breech of the procedures established by the Senate as set out on page 70 of the Senate Rule book. "When the division bells are rung and the whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote . . ." the vote is taken.

I tell you now that our Whip is not ready to enter the Chamber and indicate his readiness to proceed to the vote.

I urge you to reconsider your decision because the consequences of such a blatantly illegal attempt to exercise powers which you do not have are very serious."

I will now take the time to sign the letter.

As senators know, there is a listening device in our offices that enables us to hear what is happening in the chamber or in some of the committee rooms. I did not realize that it was tuned in to the Senate chamber, but it was. I was on the telephone consulting about what we were to do, and suddenly, with this letter still in the typewriter, I heard the words, "Let the doors be locked".

I knew our Whip had not gone in. This is the rule book. This is the Senate of Canada I am in, isn't it? I think it is. I must say that it feels more like a Tory caucus room. However, this is the rule book of the Senate, and yet I heard the words—I still have not had a chance to sign the letter, but I assure you I will. My intention was to come in and raise a point of privilege over this letter and Senator Charbonneau's attempt to hijack the Senate of Canada.

I believe this is not the Tory caucus, but is the Senate, and we look at the rules which were not referred to, we notice, in this letter at all. It is not by authority of anything. It does not state "pursuant to the rules". It does not say, "I interpret the *Rules of the Senate* to allow us to do this". There is not a word about it. What does it say? It says, "In light of the failure of the mechanisms established by the political parties within the Senate to assemble senators for a division within a reasonable time . . ." Says who? We know who says. Senator Charbonneau says, that is who says it, not the rule book.

Senator Simard: That is good enough.

Senator Frith: That is good enough for Senator Simard, but I know it is not good enough for us and I do not think it is good enough for the people of Canada.

[Senator Frith.]

Let us look at this rule which is still the rule of the Senate of Canada.

Senator Steuart: You should hang your heads!

Senator Frith: On page 70 of our rule book in Appendix I, which is a rule in the rule book establishing—

Senator Haidasz: This is a coup against the Senate, an unlawful power grab.

Senator Frith: The heading is "Voting", and it states:

Voting in the Senate is described in Rules 49 and 50.

At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising,

—which happened—

the Speaker calls for a standing vote.

—which he did—

The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked".

Which he did—not after, according to the rules, that the Whips have entered the chamber and indicated to the Speaker that they are ready to proceed to vote. No! Not according to the rule book.

What is the Speaker here for? Is he not here to apply the rules. In his ruling today he told us that the Speaker is here to maintain order according to the rules.

Senator Haidasz: He is a servant of Prime Minister Mulroney.

Senator Frith: He should be the bishop. He should be the Pope of this rule book, not somebody that probably must not have even opened the book to look and see what he could do. No. Why should he bother? What is he going to do?

Senator Steuart: It is a disgrace.

Senator Frith: He says he knows what he is going to do. "I am going to come up with something that talks about the mechanisms established by the political parties within the Senate to assemble senators for a division bell within a reasonable time." What is a reasonable time? We did not get out of here until about 3 o'clock.

Let us face it, on the question of what is reasonable, we now know that our present Speaker, the Speaker of the Senate of Canada, says that a vote in this place is taken in accordance with Charbonneau's rule.

Senator Steuart: Right!

Senator Frith: Not the rule book.

Senator Hastings: Mulroney's rule!

Senator Frith: Not the rule book. That is all they think about the rule book: "I will be stopping the division bell and will proceed to put the question . . ."

I say to some individual senators that you will be interested to know that the tearing up of the rule book, having it replaced by decrees—and that is all that it can be—is literally what happens in a *coup d'état* when someone wants to take over the Reichstag or anything else; they say from now on, you parliamentarians—

Senator Haidasz: Sounds like Hitler, that's what.

Senator Steuart: You should hang your head and get out of here. Leave!

Senator Frith: What I have here, honourable senators, is a decree by one person, one senator.

Senator Olson: We never gave him that authority to make those rules.

Senator Frith: He has never had that authority; it is not in the rules.

Senator Grafstein: What did the Privy Councillors in the house say about this?

Senator Frith: Yes, and there are Privy Councillors here who stood and voted for it.

Senator Grafstein: I did not even have notice of this vote. I want to know what the Privy Councillors of this country have to say about my vote in the Senate. I had no notice of this vote. What about my vote? Senator Buchanan, Senator Hatfield, Senator Roblin, what about my vote? I was not even given notice of this vote. They are Privy Councillors. They are not members of this government, they are Privy Councillors. What about peace, order and good government?

Senator Haidasz: I did not receive any letter either about this vote, no notice whatsoever.

Senator Barootes: Where is your whip?

Senator Steuart: Shut up, for God's sake! You are a disgrace to this country.

Senator Olson: A disgrace to everything this government stands for, you and the Speaker too, now.

Senator Grafstein: Did the new senators read the rules? The first thing I was handed, senators, was the rule book. That is the first thing I was given by the Speaker, by the Clerk. Where was the Clerk?

Senator Frith: Honourable senators, you must understand that what you are taking objection to—

Senator Grafstein: Where were the Table Officers?

Senator Frith: You do not get notice of decrees. I at least got the letter. The notice I got was approximately 20 minutes. Now we understand how the present Speaker of the Senate, Senator Charbonneau, believes he should uphold the rules of the place and the rights and privileges of the members of the Senate.

• (1730)

I want you to take note—all of you, and all of you—that this was done after much reflection.

Senator Hastings: Oh, oh!

Senator Frith: You must be reassured by that.

Senator Hastings: Instructions?

Senator Frith: None of which, I assume—

Senator Steuart: He should be elected dogcatcher, that thing over there—the Leader of the Government!

Senator Frith: This much reflection, I assume—

Senator Hastings: He got orders!

Senator Grafstein: Do not call on the rules!

Senator Olson: Rules are no good anymore in here!

Senator Grafstein: Rules are not good in here!

Senator Frith: The "much reflection" that preceded this decision obviously did not include reading the rules.

Senator Charbonneau, during his period of reflection and meditation, either read the rules and said, "To hell with them, because they are clear—

Senator Steuart: Shame!

Senator Haidasz: Shame!

Senator Frith: —or he did not read them. There is no other possibility. Do you know why he did this? He says that he did this to protect your rights.

Senator Grafstein: Not my rights!

Senator Frith: Yes, he did it to protect your rights!

Senator Hastings: Thank you very much!

Senator Haidasz: He trampled on my rights!

Senator Frith: He did it to protect your rights to perform your duties.

Senator Steuart: A tradition of 120 years is gone! You are a disgrace to that Chair!

An Hon. Senator: You're duty is to be here!

Senator Frith: He did it for our benefit. The "Pope" did it. It was all in our interest.

Senator Steuart: Leave the Chair!

Senator Frith: He took a vote. Let us understand what is being said here. He took a vote on his own decision, directly contrary to the rules. Surely it is a reasonable presumption that a Speaker of the Senate know something about the rules. But he took that vote on his own initiative and he locked the doors in the absence of the people that he thought he was protecting. That is the kind of protection that we can expect now in the future in this chamber.

Let us make it clear. Let us have no misunderstanding about this. There is no limit whatever to the powers of Senator Charbonneau as he sees them. So that no matter what happens in here now, there is no point in raising a point of order. What is to stop them if the rules do not apply? The very rules that are supposed to be here to protect us he totally ignores!

Senator Simard: Your premise is wrong!

Senator Steuart: Listen to him gabbing over there, the great Canadian. He wants to be protected!

Senator Frith: We have the great Cartesian logic of Senator Simard.

Senator Steuart: You are a disgrace!

Senator Frith: Keep talking, Senator Steuart—

Senator Steuart: You are a bloody disgrace!

Senator Hastings: A pipeline!

Senator Frith: The Speaker did not even give me a chance to sign my letter, so keep talking, Senator Steuart, for a minute while I sign my letter.

This is the only opportunity I have had to deliver this letter. The doors were locked while it was being typed. I now ask a Page to take this to the Speaker.

Senator Simard: Too late!

Senator Frith: "Too late," he says. Right! "Too late"—that was the scheme! Ah ha!

Some Hon. Senators: Oh!

Senator Hastings: Too late? It was all a setup!

Senator Frith: What else will we do? He knows! I should like to know with whom the Speaker consulted before he made this decision.

Senator Haidasz: With Lowell Murray!

Senator Frith: We do not know. I hope some day that this Senate, when it investigates this blatant breach of its privileges, will find out what went on at the time the bells started to ring. I can tell you what happened with us. We were in caucus trying to decide—

Hon. Lowell Murray (Leader of the Government and Minister of State (Federal-Provincial Relations)): How to vote on your own motion?

Senator Steuart: Never mind smirking. You will go down in history as a bloody disgrace to voters!

Senator Frith: —when to respond to the bells.

Senator Hastings: Pipeline!

Senator Frith: What was happening elsewhere? May I have a Page take this, please?

That remark is interesting. "Too late." Just think about what that means: "Too late!" What must have happened? Well, there must have been some consultation. They must have said, "How will we handle this? How are we to get this thing done so that it is done the way only "we" want it?" By "we" I mean the Conservative senators. Remember, Senator Charbonneau is a Conservative senator.

Senator Austin: A partisan senator!

● (1740)

Senator Steuart: He has paid off his appointment!

[Senator Simard.]

Senator Frith: What must have happened? Let us try to figure out what must have taken place. They must have asked, "How are we to handle this?"

Senator Barootes: How are you—

Senator Steuart: Barootes, be quiet! You are a shame! You should hide under the bloody table! I watched you fighting Tommy Douglas on a point of order and now privilege. Now crawl under the table, because you are a despicable little bugger!

Some Hon. Senators: Hear, hear!

Senator Steuart: That is what you are.

An Hon. Senator: Withdraw!

Senator Steuart: I will withdraw you!

Senator Hastings: Pipeliners!

Senator Steuart: Do you want to come over and tell me to withdraw? I will throw this table at you! Withdraw, indeed!

Senator Frith: Honourable senators, may I also ask the Table to have a Page make a few copies of my letter? I did not have a chance to even have a copy made.

Senator Steuart: Disgrace!

Senator Frith: What must have happened—

Senator Barootes: Watch your blood pressure,—

Senator Steuart: Shut up!

Senator Barootes: —Senator Steuart!

Senator Steuart: I have no respect for you. I do not want to hear that!

Senator Frith: I want to continue with this question of "Too late." That is an interesting remark.

Senator Hastings: Who said that?

Senator Frith: Senator Simard, or someone over there, said "Too late."

Senator Olson: Senator Murray said it.

Senator Steuart: Look at the smirk on Murray's face!

Senator Haidasz: What a shame!

Senator Stollery: Mr. Meech Lake!

An Hon. Senator: Where is Senator Doody?

An Hon. Senator: Doody is disgraced!

Senator Frith: This letter was sent and received by me. I happened to be in Senator MacEachen's office, so I got the one that was addressed to him and my secretary brought mine up.

Senator Simard: Where is he? Where is Senator MacEachen? He was here last night!

Senator Frith: Does that matter?

Senator Simard: Is he in England, or what?

An Hon. Senator: It is too late!

Senator Olson: It is too late, anyway.

Senator Frith: Were you trying to suggest that you care about anyone's privileges or rights but your own? You care about no one's rights. Do not be silly!

This is literally what happened. It was approximately three or five minutes after five—that is, about 5.05. This letter suddenly comes in. I was on the phone, but I kept talking on the phone while trying to dictate an answer to the letter. By now it is about 5.15. Then, 5.20 comes around. I do a correction of the draft, while still talking on the phone. Perhaps the clock was wrong, but it was not 5.30—5.30 was short enough, but I still did not have a chance to deliver the letter—when I heard the Speaker saying, "Let the doors be locked."

An Hon. Senator: Right!

An Hon. Senator: Shame!

Senator Frith: The doors were locked.

Senator Hastings: They let a senator in!

Senator Frith: And I do not know what it must have been. I do not know whether the press was in here and saw this—I certainly did not see it—but what a shameful show. They all stood up—

Senator Barootes: Are you saying—

Senator Frith: —with no one here except themselves. There was no one in here but "us Tories." Ain't it lovely! "We can get whatever we want," they must have thought.

Senator Simard: Wrong again!

There were two other members here.

Senator Frith: Tell me about it, because I was not able to get in; the doors were locked!

Senator Simard: There were two independents in here.

Senator Grafstein: Who else was here? Do you mean that someone else got notice and I did not? Who else was here?

Senator Steuart: What a sad show! What a joke!

Senator Frith: If I am to believe what was said by members opposite—

Senator Petten: You might win the battle, but you have not won the war!

Senator Frith: —there was no one in here but "us Tories and us Independents," I take it.

Senator Austin: How many Independents?

Senator Frith: But that is still pretty delicious for a Tory. There were no Liberal senators, that's for sure.

Senator Hastings: No whip!

Senator Frith: There was no whip from that side!

Senator Steuart: They balked out!

Senator Grafstein: What about Senator Waters?

Senator Hastings: What about the elected senator; where was he?

Senator Grafstein: Where was the elected Senator? Where was Senator Waters?

Senator Frith: I do not know. You will have to ask.

Senator Hastings: Did he get notice?

• (1750)

Senator Grafstein: Did he receive notice?

Senator Frith: We could not get in. I will tell you about the letter.

An Hon. Senator: Did the elected senator get notice?

Senator Frith: Yes he did. I will tell you who got them. Just so that everyone will know who did not get told about what was going to happen, I will tell honourable senators who did.

Senator Grafstein: Did Senator Molson receive a notice?

Senator Frith: Yes.

Senator Steuart: He is now walking out. He bloody should walk out. He sold his rights out. Get out!

Senator Frith: I will tell honourable senators who received it: The Hon. Lowell Murray, P.C., the Hon. Allan J. MacEachen, P.C., the Hon. William Doody, the Hon. Royce Frith, the Hon. Orville H. Phillips, the Hon. William J. Petten, the Hon. Hartland M. Molson, the Hon. Daniel Lang, the Hon. Edward M. Lawson, the Hon. P.M. Pitfield, P.C., the Hon. Douglas D. Everett, and the Hon. Stan Waters received it. That is a list of the senators who received the notice that the bell was going to be—

Senator Haidasz: What about me? I am a senator, too.

Senator Frith: I do not know if other senators received the notice. I can tell honourable senators that I received one at about 5:05 p.m. today.

Honourables senators, if I have any privileges they are protected by the Constitution and by the rule book. If I do not have the Constitution, the rule book, or the Speaker, I do not know of a more classic case of a breach of privilege. It is staggering.

Senator Grafstein: Ask Senator Ottenheimer if this is a *prima facie* question of privilege.

Senator Frith: If one were to ask someone in a political science class to come up with the most outrageous breaches of privilege they could think of, a fairly intelligent student would say, "Let's see, what is the greatest privilege that is given? There are a great many privileges, but what is the most important? It is the vote". That is what lead to this adjournment in the first place. We wanted to clarify what the position is with regard to the right to vote of certain additional senators who are the subject of court actions at this time. The vote is a vital privilege. The student would say, "I have it. How about a situation in which you have a legislative chamber in which there are two parties represented, as well as some independents, and when the bells are ringing for a vote you tell a few of them with about 20 minutes' notice that you will be having a vote in spite of the rules?" This is a vote by decree, something

which we have here, and not a vote by the rules. I take it that we are not running this place by the rules anymore. We are running it by decree of Senator Charbonneau.

Senator Grafstein: It is lawless!

Senator Frith: That would be the most outrageous breach of privilege you could imagine—at least until today. We know that the truth is stranger than fiction. The very worst imaginable breach of privilege of any parliamentarian took place about half an hour ago.

Some Hon. Senators: Shame!

Senator Frith: Where do we go from here? Perhaps we will go to the *Order Paper*, providing there is not a decree which states, "In light of the failure of the mechanisms established by the political parties a member of one of the political parties, Senator Charbonneau, has decided that there has been a breakdown". Apparently, that is all that he needs. He can decide that at any time. I do not know what evidence he used for it. However, he can decide it at any time. He does not say that he consulted with anyone. He has simply said, "I have decided I will be stopping the division bell and will proceed to put the question in light of the failure of mechanisms established". Where was the failure of the mechanisms established? The rule book was there. Everything was being done in accordance with the rule book.

Senator Grafstein: When was the letter drafted?

Senator Frith: I have no idea.

Senator Grafstein: Was it drafted yesterday?

Senator Frith: I have no idea.

How do we know where we go from here?

Senator Hastings: There are no rules.

Senator Frith: If it were a matter of there being no rules, then, of course, anyone in this place could do anything. But that is not really how far we have gone. We have not gone to anarchy, although—

Senator Haidasz: It is a dictatorship.

Senator Frith: We have gone to a dictatorship—the rule of one man. He does not even say that he has consulted with anyone.

Where do we go from here? We have an *Order Paper*. I take it that Senator Charbonneau will call the next order of business. However, he may not. It does not matter.

I guess there is no point in standing up and saying that something is against the rules. After all, what rules? From now on the only chance we have—and there is no reason to believe that it would swing any weight—is that somebody might stand up and say, "Mr. Speaker, in accordance with your decree numbered 1 which you issued on October 4"—and maybe he has issued more decrees, we do not know—"then this is what will happen". If we try to have a vote, and if the division bells ring so that we can make a decision on what we want to do with respect to a motion, Senator Charbonneau will decide when he will have the vote. He will decide when to lock the doors and have the vote.

He must have walked in here and saw the place full of Tories and, apparently, independents and said, "Lock the doors".

Senator Murray: Will you be calling it six o'clock, Senator?

Senator Frith: Let it be noted that it is six o'clock and that I am on my feet. I do not know whether or not that will make any difference, since Senator Charbonneau might come back at eight o'clock and say, "Sit down. I have a new decree for you".

It is six o'clock. I take it that Senator Charbonneau will be back at eight o'clock.

The Hon. the Speaker: According to the rules, I will now leave the Chair till 8 o'clock.

The Senate adjourned until 8 p.m.

At 8:00 p.m. the sitting of the Senate was resumed.

Hon. D. G. Steuart: Honourable Senators, to begin with I am having some problem with using the term "honourable senators".

Senator Doody: You have a problem all right!

Senator Steuart: I first got involved in politics after World War II. I came back from overseas, and I decided to get involved in politics. Why? I got involved in politics because they had elected a CCF government in Saskatchewan, a socialist government, and I did not like the idea. When Tommy Douglas passed on, I remember saying, "Some of us came to score", such as Dr. Barootes, "but we stayed to play." Tommy Douglas turned out to be a very interesting man. While I did not agree with a great many things he did, he did many great things.

I got involved in politics because I thought one individual could make a difference. I ran a little corner grocery store. I did not even run it very well, but I ran it. I got elected. I got re-elected and we defeated the CCF. We had help from people like Dr. Barootes.

The CCF had brought in Medicare, which turned out to be very popular. However, at that time, the methods they used to bring it in were considered Draconian. Staff Barootes, who is sitting over there right now, fought it. He made a great speech against Tommy Douglas. We were all thrilled, those of us who thought government should not use their power to dragoon people or to force the medical profession to do its will.

Well, some changes were made, but we had defeated the CCF because of that policy. Can you imagine defeating a government because they brought in Medicare? We did, and Senator Barootes helped us. A lot of other people helped. Eric Berntson—one of the ho-ho-ho senators because we do not know where they stand, but a friend of mine—helped. Why did these people help? Because they did not like the way it was

done. We held a big rally in Regina. Police were brought in and they ran us off the place. They were like storm troopers. I was there. I was not very big, but I got out in a big hurry. I stayed on and got elected along with all the others who got elected, because I thought that one individual could make a difference. I believed in Canada. I believed in the democratic system.

Eventually we were defeated, and perhaps we deserved it. Then I was invited to come to the Senate. I was proud to be a senator and I still am. I know that the Senate is not considered such a great institution by a great many people. In fact, I am finished at the end of the year, so this is my farewell, my good-bye speech, my last hurrah.

Some Hon. Senators: Hear, hear!

Senator Steuart: They're happy over there. Why are they happy?

Senator Murray: We'll miss you.

Senator Steuart: Perhaps you will miss me, but I will miss you people like a hole in the head, the way you have been acting lately!

I am not unhappy to be getting out of politics because in the last few years—I do not know exactly when—politicians and political parties have been looked upon with scorn. That is a tragedy. When I look around this chamber, at all sides, I see some of the most distinguished Canadians that you can find. They have been invited by various Prime Ministers, according to the parliamentary system we live under, to come here to serve, and they have done that. By and large, regardless of their politics, they have done a great job. For my money, the Senate has been a great institution. Maybe it needs to change and maybe it should be an elected body; I do not know. I am leaving; I am on the slippery slope. I am so far down the road that I am not even buying green bananas these days because I do not know how long I will be here. The Senate has done a great job for the people of Canada.

Senator Austin: Up until now!

Senator Steuart: Now what has happened? We are seeing governments being defeated after one or two years or after one term in office. Why? Because the people of Canada are cynical about politicians. They do not believe us any more. We do not tell it like it is. I see a doctor over there who should be off with his skills performing some miracles on sick people. For God's sake, he is sitting here as a senator; we do not need more senators; we need more doctors like him. Someone said that you should not shake hands with those new doctors. I said, "Hell, I wouldn't be here to shake hands with anyone if it wasn't for people like him." He has come to serve. He is not a political animal. In fact, I do not believe that he is even a Tory and that says quite a bit for him. What did he come here for? He was asked by the Prime Minister to come in here and make sure that the goods and services tax was railroaded through the Senate and forced upon the people of Canada even though 80 per cent of them do not like it. That is what he is doing here.

Senator Bosa: 85 per cent.

Senator Steuart: I am sorry, 85 per cent. I was out by 5 per cent. That is why people are cynical about politicians. They say that they will play any kind of a game, do anything to get their way. They do not listen to the people. The government takes polls every week. They are supposed to listen to the public, but they do not care what the public says. I can guarantee that the new senator from Saskatchewan, if he ever gets a proper seat, is against the GST. I know that he is because the government of Saskatchewan is against the GST. Grant Devine is against the GST. Staff Barootes is shaking his head. I hope that it does not rattle too much, because he is against the GST too. Eric Berntson is against the GST. Why? Because the Premier of Saskatchewan is against it. He is saying that he cannot stand the GST because the people of Saskatchewan face real trouble. He is saying that they do not need more taxes, that they need less taxes. Yet here are you people, packed in here to do one thing: get this bill through.

Let me tell you something: there are a lot of people like me who went through World War II. Some of them came out with little bits and pieces missing, but they believed in what they were doing. I believed in what we were doing. Suddenly we have a situation where the rules do not apply anymore. Up until today we had a lot of respect for that chap sitting in the Chair.

Senator Murray: And we still do.

Senator Steuart: Suddenly he has bent the rules.

Senator Thériault: Bent them, he has destroyed them!

Senator Steuart: He has destroyed the rules to get this damned tax through!

Senator Lucier: On the instructions of Mulroney!

Senator Steuart: I was saying the other day that the Liberals do not know how to act in opposition, because every now and then we agree with the government, and that is a disgrace. I also said that the Tories do not know how to act when they are in power. They could have waited. For God's sake, look at us. Do you think that old D.G. Steuart would last very long if a campaign were mounted to get the vote?

• (2010)

A week ago we wanted a vote, and you would not give it to us. You used every trick in the book to stop us from having a vote. Then you kept saying all across Canada, "Have the vote. For God's sake, don't hold this up!". We said we would have a vote and then it was "Oh, don't have a vote, it's a point of privilege, a point of order, a point of whatever-the-hell!" Most of you wouldn't know a point of privilege from the point of a pin.

Then all of a sudden the Prime Minister put in the famous eight - the infamous eight. They are some fine people. I look over there and I see the great grandson of Arthur Meighen, one of the great figures in Canadian history. I see Forrestall. Somebody told me he punched old Joe Guay out. I wish I had seen that; it would have been a great thing. He was a member of Parliament with a great and distinguished record. I see an independent like Senator Molson.

Senator Molson: Don't point your finger at me.

Senator Steuart: I will point five fingers at you, Senator Molson, because you walked in here today.

What happened today? We did not have a chance to vote on this bill. You people have the majority.

Senator Murray: It was the adjournment motion.

Senator Steuart: I do not know why you did this. It is the same kind of little sneaky deal you tried with Meech Lake. The Prime Minister said, "We'll fool these donkeys and we'll push it through." But, unfortunately, you are not dealing with a bunch of donkeys; you are dealing with a bunch of independent people. We have all had good careers. I am not ashamed to be in the Senate. I am not ashamed of my record in public life or in my individual life. I'm proud of it. I don't have to be pushed around or manoeuvered or trampled on.

I was sitting in my office with Senator Denis, who was elected in 1935. He has been here since 1935.

Some Hon. Senators: Hear, hear!

Senator Steuart: He is a distinguished senator from Montreal. All of a sudden I said, "The bells have quit ringing." We opened the door and found that we were right. He was not sure whether I was talking about the bells in my head or what. I said, "Let's go down; something is happening." We walked down and we could not get into the chamber. I looked in and I saw Senator Everett, and I'm very disappointed I saw him. I saw that great mass of Tories over there but nobody else. I said, "What the devil is going on? What is happening?" The speaker was there saying, "The bell's have quit ringing and we are going to vote. We are going to change the rules."

It's in the book, for God's sake. What do we go by? It is like the bible. It is what we live by in Parliament. If you don't live by the rules, what, in the name of God, do you live by? The rule of law.

Look at the lawyers sitting over there. Look at Barootes—he is hanging his head today. Look at Nurgitz. Look at these people; they are ashamed of the part they have played in this farce. It is disgraceful. Look at the Privy Councillor. What the hell does "Privy Councillor" mean? It means he is a counsellor privy to the Queen. He is supposed to be a very, very respectable person. Pat Carney is another one. They are supposed to be very respectable people, yet they have allowed themselves - unless they get up after I speak and denounce it - to be part of this charade, because that is what it is. It is a disgrace.

I am ashamed to be a senator, and I was never ashamed before. Then there is Duff Roblin, a man whom I really respect, a former leader of the government in the Senate. Then there is Senator Doody, one of the great senators.

Some Hon. Senators: Here, here!

Senator Steuart: Look at Senator MacQuarrie over there. Honest to God, Senator MacQuarrie, how can you hold your head up after this? You can't; you wont! The new senators can be excused because maybe they are green and they think this is the way; but this is not the way it works. We obey the rules.

[Senator Steuart.]

I make no bones about it. Of course we were stalling this vote, because we know that you are going to win the vote.

Some Hon. Senators: Hear, hear!

Senator Steuart: Look at them applauding. They are going to win the vote, so we are doing exactly what the *Rules of the Senate* allow us to do, and that is to stall for time. Hopefully the people of Canada will get it through to you and say, "For God's sake, don't put this tax in." It is the wrong time and it is the wrong tax. It is going to hurt Saskatchewan, the province I come from, far more than it is going to hurt Ontario and Quebec, because we have to pay freight and pay tax on the freight. It's going to hurt B.C. If you people from Alberta try to win an election on the GST, you will be swamped, and you know it.

Let the Prime Minister go to the people on this great tax. He would not win 15 per cent of the bloody population; he would be lucky if he got 5 per cent.

What are we doing? This is a democracy. Because someone is elected Prime Minister and he has a majority, does that mean he can be a dictator for four or five years? I hope not. We are the last defence—those of us in the Senate—against a tax that people hate. You know they hate it. Everyone of you knows that. I am not telling you anything you don't know. Look at them all sitting there with their heads down, and I don't blame them; I would be hanging my head today if I were a Tory. The great Conservative party of Canada has been reduced—look at him waving his hands— to trampling on the rights of Parliament. We are members of Parliament.

If the Prime Minister didn't like the Senate and he thought we had too much power, he has had a majority for six years and he could have changed it. Why didn't he change it? I do not know why he didn't change it, because we could not have stopped him. Under the Constitution we could only have stopped it for six months. Don't let anyone tell you that the Prime Minister could not have changed the powers of the Senate; of course he could have.

I think we have too much power. Finally we use it. It is in the law. It has been said, "You haven't got the right." Why has it been the law for about 120 years? We are using it, and Mulroney is outraged, and he has ordered you people—and I am ashamed of you, for God's sake—to do this. That man over there, a highly respected man, a great citizen, has been reduced to these kinds of shenanigans.

No wonder the people of Canada are upset and do not have any confidence in our Parliamentary institutions. No wonder that new movement out there lead by young Manning is going to sweep through. You better watch out because he is coming. He is saying that he believes in mother love, low taxes, and decency. Who the hell doesn't? I do, but I cannot get elected on it; but he is going to get elected on it. You may ask why. It is because the people do not believe in us any more. You have a chance over there right now to strike a blow. You were put in the Senate to strike a blow for democracy. Well, strike one! Show your independence! Show what you are made of! Show that you believe in your region! Show me a region in Canada

that is not against this tax. You cannot. If you people from Alberta went out and tried to get elected on the GST you would be trampled under so badly you would not even know your own name, and you know it - I am not telling you anything you don't know. Strike a blow! Show the people of Canada that there is some decency left, that there is some feeling left, that democracy can work, that we can listen to the people. Don't let this man, who is taking his orders, unfortunately, from the Prime Minister, trample on the rights of the democratic institution. Thank you very much.

● (2020)

Some Hon. Senators: Hear! Hear!

Hon. H.A. Olson: Honourable senators—

Hon. Lowell Murray (Leader of the Government and Minister of State (Federal-Provincial Relations)): Honourable senators—

Some Hon. Senators: Order! Sit down! Sit down!

Hon. Jerahmiel S. Grafstein: Sit down! Your privileges have not been violated. It was a gang violation of our privileges. Let people whose privileges have been violated speak before we hear from you. Your privileges were not violated. Senator Waters' privileges were violated; he was not allowed in this chamber. Let the senators speak whose privileges were violated by you and, with due respect, others.

Senator Murray: "With all due respect," yes, Jerry.

Senator Grafstein: Sit down and let the people whose privileges were violated speak.

Senator Olson: Honourable senators—

The Hon. the Speaker: Order! Senator Murray has the floor.

Some Hon. Senators: Resign! There new rules!

Senator Olson: You want the rules? I have the rules here. They mean nothing to you.

The Hon. the Speaker: Get back to your seat.

Some Hon. Senators: Resign! Sit down! There is no order!

Senator Perrault: You have no more authority here!

An Hon. Senator: Sit down! You are a disgrace, a goddamned disgrace!

The Hon. the Speaker: Senator Murray has the floor.

Senator Frith: Don't refer to the rules of the Senate!

Senator Perrault: Sit down! Get out of here! New speaker!

The Hon. the Speaker: I am in the Chair.

Senator Perrault: You're not fit!

Some Hon. Senators: Go away! You do not have the right to speak.

Senator Murray: Honourable senators—

Some Hon. Senators: Sit down! Sit down!

Senator Murray: I yield to Senator Olson.

Senator Olson: I wanted to say at the beginning that I did not want to start an outrage. I rise more in sadness than anything. I was outraged when I heard what the Speaker did to our rules, and I can tell him right from the start, make no mistake about it, we do not have any confidence in you any more.

Now let us get to the question of privilege. I was in my office and I did not get a notice that the Speaker was going to change the rules.

Some Hon. Senators: Nobody did!

Senator Sparrow: Senator Everett did!

Senator Olson: There was a "cc" list of ones that did, but I did not. I came down here nearly as quickly as I could. I could not believe what I heard on my television set, but I came down here nearly as quickly as I could and the door was locked. There was not even enough time even if I had run from the time the Speaker walked in here and announced that he was going to violate the rules, or change the rules, and was going to interrupt what is on page 70 of our rule book and call the vote. My office is close. I am on the third floor in the corridor right near the chamber. Yet I could not get here before the door was locked.

An Hon. Senator: Of course you couldn't!

Senator Olson: No Way. What now? It is the most outrageous action I have ever seen. We hear some saying that they have been here quite a while. I have been in Parliament most of the time since 1957. We now have here a situation in which we did not even know the vote was going to be taken. We had some idea as to what was going to happen, because, whatever else you want to say, there is a reasonable doubt that there are still strangers in here. Why? Because they were notified under a section of the BNA Act, namely section 26. We all know that, but we also know that that section says—I do not think I brought it with me, although I should have—that the Senate shall decide when there is a question involving a vacancy for a senator.

The Senate did, in fact, deal with that in 1877. That is the last time the Senate said anything about Section 26. So it stands. They passed a resolution saying, among other things, that it has to be demonstrated that there is a stalemate. Well, of course, that has not happened yet, although there might have been an apprehension of its happening. It has to be demonstrated that there is no other remedy for resolving the stalemate, and it has to be an emergency. Well, honourable senators, none of those conditions are met, so it is unconstitutional.

The reason I bring that up again now is that it is before the courts in this country. I guess the government has no respect for the courts either, no respect at all for the fact that there is a doubt.

One thing we have done in the Senate when there is a problem, whatever the rules are, is that we respected those rules until a ruling has been handed down, and then go on with the business. However, not here! They do not even give us time

to have a caucus so that we can consider all the factors that are involved.

I want to tell you, Honourable Senators, That my privileges have been violated very, very seriously. As I say, they did not notify me. They changed the rules. They locked the doors so I could not get in here to vote. There are several other Senators in the same position.

Senator Murray got up to speak, and I understand that. I suppose he wants to make some comment, but I have a hunch that he is behind all this. However, his privileges were not violated in the same way as mine were, because he at least got a letter.

Some Hon. Senators: He wrote the letter!

Senator Olson: He probably wrote the letter, but I think he had it prepared. Anyway, now we have reached the stage where I wonder if this place can do any business. I am not prepared to accept that this place can do any business when we do not have a rule book, when we have the kind of partisan demonstration that went on here this afternoon with the Speaker changing the rules. I tell you that I believe that we have a very serious obligation to make certain that no business is conducted under these conditions.

So, as I say, we have to change a couple of things. We have to re-establish that everybody in here, including the Speaker, is going to respect the rules. That is first. I am afraid—and I am very sad to have to say this—but I do not believe that you can preside over this chamber any more. I do not believe that there are enough people who have confidence, that you are going to respect the rules in this place that we should carry on any business. I seed the smirk on Senator Murray's face right now and it reminds me of what Diefenbaker used to say. I just reminded Senator Murray a few minutes ago. "I heard the voice of Essau but I saw the hand of Job."

Senator Steuart: Hear, Hear!

Senator Murray: Jacob.

Senator Olson: Well, you would rather be Jacob. I understand he was the crook of the two brothers.

Senator Steuart: He was not a Tory, either!

Senator Olson: I do not know whether he was a Tory or not. In any event, that is the situation. It is the worst violation of the rules and destruction of the right and privileges of members of Parliament—that is the members of Parliament who are in this chamber—and I really do not believe that I can be part of carrying on any more business under this situation. So we had better get to the business of trying to resolve it. I can see faces on the other side there that are just as sad as I feel over the fact that we have seen such a terrible trammelling of the rules by—well, by the Prime Minister in the first instance, but then, more specifically, what happened this afternoon.

● (2030)

I seriously hope that all of us can come up with a resolution so that we can get back to dealing with the business before this

[Senator Olson.]

House. Let me say, though, that I do not ever want to hear any Tory talk about the rules of democracy again.

We know what happened to this bill in the other place. Two members from my province who voted against this bill, Mr. Kilgour and Mr. Kindy, were kicked out of caucus.

Senator Perrault: They were thrown out.

Senator Olson: Yes, they were thrown right out.

What happened next was that closure was invoked to get the bill off to committee. Then the government refused to hear those who wanted to make representations on the bill. Hundreds of people and many groups from Alberta wanted to appear before that committee, but what did the chairman of that committee do? He told them that they did not understand it, that they were like a bunch of grade three school kids, and he continued to insult them. That was Blenkarn's committee.

When they closed all stages of debate over there, the bill was sent to the Senate, and what happened here? We referred it to a committee, because we knew that Canadians across the country had not had their say in what is a democracy—and that is why we have committees of parliament.

At the first meeting, and particularly the meeting of the committee in Halifax and St. John's, Newfoundland—I was there—the Tory members moved in and disrupted the meeting and tried to kill that committee. They had a bunch of flunkies from Senator Murray's office and from the office of the Minister of Finance, and they did everything they could conceive of to disrupt the meetings.

After you sit and listen to that sort of thing for a while you get suspicious. They did not want the people to talk about Bill C-62 because they were so ashamed of it. They did not want hearings. They raised points of order and other garbage all the time. I see some of those senators sitting opposite, and I can tell them that I was never so ashamed.

That is the history of Bill C-62. Whether it is going to destroy the Senate or not, I do not know, but I hope we can patch things up and again have some dignity in this institution, but I am not too sure of that. However, I am sure of one thing, which is that I am going to do whatever I can to make sure no more business is conducted in the Senate until we get some honour and respect regarding the rules that apply to all senators. Don't deprive me of my privileges!

I am sorry to say this, but I do not think there are very many senators who have confidence in the Speaker, enough confidence to allow him to carry on, and that is sad. But that is the situation.

Hon. Paul Lucier: Honourable senators, I should like to express the feelings I have on this matter. I have been in this chamber for 15 years. I have never risen in this place because somebody said anything about my rights; I have never heard anyone talk about them before.

Quite frankly, I have never been impressed by the rules or understood them very well, but I have always been amazed by people like Senator Doody, Senator Frith and others who have a capacity to understand the rules. I have always had great

respect for them because I know that institutions such as this do not work well without rules.

Whatever you do in any aspect of your life, you have to have rules, and if you do not have rules you will not get anywhere. It is sad for me to see a person sitting in the chair, a person appointed by the Prime Minister, who is putting through one of the most unpopular measures ever placed before the country, and feeling he has the right to take instructions to ram this thing through regardless of the rules. He could eventually have done that, I am sure, within the rules, had he been smart enough to sit back and wait; but he was not; he had to take sides. He has experience. He has his name in this great book about the Speakers of the Senate. All of a sudden he has become a disgrace.

It seems to me that something as basic as the rules under which we operate—well, for God's sake, if you do not follow your own rules, who else will follow them? We are the rule-makers. As Canadian senators, we are law-makers. If we do not follow the law, why should anyone else?

Some Hon. Senators: Hear, hear!

Senator Lucier: I have heard many nice things said about Senator Keon in the past week. I have never met the gentleman—I hope I will, although I do not know if he will want to speak to me. I hope he does. I have never heard of a person held in such esteem in this country.

I would like to ask him this: If Lyin' Brian had called on him and explained, when he asked him to sit in the Senate, that he could not get this legislation through without his support, and gave him one other small detail—not a big one, just a small one—that being: "By the way, doctor, the people of northern Canada will pay a higher percentage of GST on a pair of shoes than people in Toronto will pay on the same pair of shoes" whether he would have accepted his appointment.

The people of the north have a hard time earning a living. Their cost of living is already so bloody high. A litre of milk in Hall Beach is now $3.86, but there is no GST on milk. However, there is GST on freight. The cost of a litre of milk in Calgary is the same as it is in Hall Beach, but there is GST on freight. If the Prime Minister had told you that, Senator Keon, would you be here explaining to the people of Canada that you are going to jam this down their throats? I do not think so. I think you are too much of a man to do that. I can only say one thing to you, and then I promise I will leave you alone. I have the greatest respect for you, but Canadians, the people of this country, have a right to be wrong. If the GST is wrong and they do not want it, and if it is right for them, and they do not want it, do not give it to them. If they choose to be wrong, and Brian Mulroney and his group over here choose to inflict it on them, so be it; but you, Senator Keon, are above that kind of behavious and always have been. I think you should stay above it.

Some Hon. Senators: Hear, hear!

Senator Lucier: There are a couple of other senators in whom I am rather disappointed. There are many senators on that side, as there are on this side, who have had to follow the line. That is the way it has always been done; that is the way it always will be done. However, there are senators sitting over there who are really good friends—at least, I thought so, and I hope they will be after this. I am thinking of Senator Muir, Senator Marshall, Senator Rossiter and Senator Spivak. I know where they come from. I know that the people in their areas despise this tax. I know their jobs have always been undertaken with great respect, and that they have always been ready to fight anyone who might say otherwise. If anyone ever stepped between Bob Muir and someone from Cape Breton, he would get his head knocked off, because his people always come first.

• (2040)

Jack Marshall's veterans always came first. For some reason, which I do not understand, these great people—and they were great people before this, and I think they will be after—have been conned into thinking that in this particular instance they should abandon their people and their greatest friends and follow the Prime Minister, who does not even have 15 per cent support in the polls. In fact, in Newfoundland he is probably at 9 per cent. You sure are not doing it on behalf of the people of your area, so you have to be doing it for some other reason. You are not doing it for security. All of you are here and safe. You are going to be here for a long time. If they kick you out of their caucus, you are welcome in ours. So they cannot get you. What the hell is going on?

I want to say to you the same thing I said once before: The people of Canada have the right to be wrong! If they are wrong in rejecting the GST, so be it! But they have the right to be wrong. There is one thing we have to come back to: What has happened in this house? I strenuously support my colleagues who spoke previously. I do not understand how this chamber could do any business from here on until an established set of rules are followed. We have some rules. If you do not like them, you have the majority and can change them. But until you change them they must be followed. Unless they are followed, I do not understand how we, or the people of Canada, can be expected to accept any legislation that passes through this chamber. I do not think it is possible. I will do everything I can to fight it.

I just want to end, honourable senators, by saying to our Speaker—I no longer like calling him the Speaker, because I can hardly look at the man—that I think, sir, you are an absolute disgrace to this chamber. You are a disgrace to the Canadian parliamentary system, and you should hang your head in shame, sir. The day you step out of that chair I may be prepared to retract my words, but, until then, I want to tell you that I think you are a Brian Mulroney flunky and should be ashamed of yourself, because I am ashamed of you. Thank you.

Some Hon. Senators: Hear, hear!

Hon. Raymond J. Perrault: Honourable senators, what can only be described as grievous damage has been inflicted upon the parliamentary system this day. Historians are going to write about this day, and those who voted for this undemocratic action can only be charged by history with complicity for a

deed that I never thought would occur in any parliamentary assembly in this country.

I have served in three parliamentary assemblies in Canada. I was the leader of a beleaguered opposition in the province of British Columbia against wily W.A.C. Bennett, who was always accused of breaching the rules and being unfair to the opposition. In his blackest moments, W.A.C. Bennett never resorted to removing the legitimate rights of the opposition to protest an action by the government. Never! In those nine years I had never seen anything like it.

There are some members here who have had a lot of experience in parliament. Senator Hatfield, in his secret heart, could not support this kind of measure under any circumstances. I ask Senator Hatfield: Can you imagine a situation where you would deny the opposition the right to exercise its responsibility to disagree with the government? Do you realize that legitimately dozens of our members in opposition were denied the opportunity to know that that vote was going to take place, which is why they were not in the chamber? You cannot condone that.

Senator Buchanan, you had a great record in Nova Scotia, and you know better. I too served in a legislature and we would never have attempted this kind of action. Never!

Some Hon. Senators: Hear, hear!

Senator Hatfield: You did on the 24th of September.

Senator Perrault: Senator Meighen is over there. Do you think his ancestor would have tolerated this for one minute? He must be rotating in his grave tonight thinking of the way you voted. You should be ashamed of yourself! You know about the British parliamentary tradition. Your family has written about it, and not one essay ever advocated lessening the powers of the opposition, ever!

Senator Simard, who was almost a one-man wrecking squad in attempting to disrupt the hearings across Canada this past summer, should know more about the parliamentary system.

Senator Simard: I was there on September 24!

Senator Perrault: Senator Keon, you really should be back at the hospital again. I am sure you never realized that you were getting involved with a mob that would act like this. Jack Marshall, my friend, do you think John Diefenbaker would ever stand for this kind of nonsense! He would never tolerate it. Senator Molson, you have given us some of the best rules in this Senate. How could you support it?

Some Hon. Senators: Shame!

Senator Perrault: Senator Forrestall, who is not present, can you imagine tolerating this kind of abuse of the opposition? Never! Senator Everett, what the hell are you defending this for?

Senator Steuart: Hear, hear!

Senator Everett: I will tell you.

Senator Perrault: You are going to have to make a convincing speech.

Senator Everett: I hope I will get the time to make it.

[Senator Perrault.]

Senator Perrault: We will try to leave you a little.

Senator Everett: Thank you.

Senator Perrault: The trouble is that some of the members in this chamber have never seen the cold steel of an election. They do not know what it is to fight to be elected in opposition or in government. With all of the great editorials written in the *Globe and Mail* by you, senator, the *Globe and Mail* never supported a violation of human rights on this scale. Never!

There are some people here who have never been in an elected assembly. They really do not know what it is all about. They do not know what our ancestors fought for. They do not know anything about the Magna Carta. They do not know about the struggle that took place in order to put a Speaker in place who would be absolutely and utterly objective according to the principles laid down in the rules of the legislative body — not because he gets a telephone call from the Leader of the Government in the Senate or from the leader of the party.

The words are right here. Let these experts on rules stand up and tell me what is wrong with page 70, which says:

> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote. The Speaker puts the question again. All senators in favour of the motion rise, and the Clerk of the Senate records their names on the division sheet. All senators opposed to the motion rise, and the Clerk records their names on the division sheet. All senators who wish to abstain then rise, and the Clerk records their names on the division sheet. The Clerk announces the official result of the division, giving the number of "yeas", the number of "nays" and the "abstentions". The Speaker then declares the motion carried or lost.

Then instead of the rules of this chamber, we get a tawdry letter from your office, sir, signed personally by you.

Some Hon. Senators: I did not get it!

Senator Perrault: I received my copy of this letter 20 minutes ago. Listen to this letter:

> Dear Senator,
>
> In light of the failure of the mechanisms established by the political parties within the Senate to assemble Senators for a division within a reasonable time . . .

Who are you to say what is a reasonable time? Do you realize that we are debating the most profound tax change in the history of this nation? And you say, "I have decided it is long enough and I shall decree that they are going to come back in again."

• (2050)

Yesterday, honourable senators, we saw the reunification of Germany. That was a major world event. In 1933 there was a dictator named Adolf Hitler who wanted to enhance his power. He created an incident in order to give himself the extraordinary power which he required to establish absolute dictatorship in Germany. Well, on that occasion they burned the Reichstag and Hitler demanded so-called "Special Powers". Do senators opposite want to set the buildings on fire tonight and ask for extraordinary powers tomorrow?

Is this the Conservative game plan? Is this what they are doing? They have already started a fire. This fire is not going to go out. I want to tell them this: Even Hitler allowed a two-day debate before he got his special powers—two days. And one Conservative member said to me yesterday: "We are going to keep you up until 4:00 a.m. Saturday morning and we are going to have all our bills passed."

Honourable senators, we are going to beat Hitler's record. He had a two-day debate. Senator Simard, that's right—that's what we are going to do. Senator, you ought to be ashamed of yourself! What kind of dictatorship did you serve in New Brunswick? The Speaker has said that he would stop the division bells and would put the question before the Senate at 5:30 p.m. this day. The doors were closed at 5:25 p.m. He said: "I have taken this decision"—Ach tung!—"after much reflection to protect the rights of individual senators to perform their duties."

You had no right to do that, sir, and the Commonwealth Parliamentary Association will be advised off your actions. You had no right to do that. I hope that you are in a position to defend yourself.

The person who calls himself the Speaker should have resigned before yielding to the pressure from the Prime Minister's office and from the office of the government leader in this place. That was the decent thing to do. The Speaker in the other chamber from my province of British Columbia chastised the government for its improper use of public money before the GST had been passed by that chamber. He had the courage to stand up to that great Tory blue horde—the same Tory government which is now accused of false GST advertising by the Canadian Advertising Council. That is the same Conservative party which rammed this bill through the House of Commons, so much so that the chairman of the Finance Committee of the other place, Mr. Blenkarn, in a rare moment of candour, said that he was sorry he had been undemocratic and perhaps a bit abrupt.

There are many Conservatives who are upset with the goods and services tax. One of them kindly lent us your tactical document about how to handle the public on the GST. I hold in my hands a copy of that document. Would senators like to hear the party line? Perhaps some of the newcomers have not seen this document yet. I want to read it for the public.

Senators, the idea is this: The GST is so unpopular from coast to coast, so disliked by the people, that the strategy is to divert attention completely from the GST and its iniquitous nature and instead to attack the Liberal Party and the Liberal senators for trying to fight for the great majority of the people of this country. That is the general tactic. That is the game plan.

Hon. John B. Stewart: Would the honourable senator permit a question? He has referred to a document. Is he prepared to lay that document on the table of this house?

Senator Perrault: Yes, honourable senators, I will lay that document on the table, and I thank the honourable senator for his constructive suggestion.

Honourable senators, the general strategy is to vilify the Liberals in the Senate. Don't try to speak about the GST. Do senators realize that from the very moment we bean our hearings across Canada every effort was made by people from the leader's staff to disrupt the proceedings of that committee across the country? I spent many days with the committee and can attest to the fact that there was a concerted effort by Conservatives not to speak about the features of the GST but to defame the chairman of the committee, Senator Buckwold, who is an outstanding chairman and was fully vindicated. I say with absolute candour that they should be ashamed of themselves. But it was part of the Conservative strategy to attack the Liberals in the Senate and to question their right to do anything.

The Tory prompt sheet states as follows: "Our key message: This is a question of democracy—the right of the elected government to carry on business on behalf of the people it represents. Above all, this is not about the GST." Oh—don't talk about the GST. Don't talk about the fact that Newfoundland is going to be chopped by this tax and will have to pay far more than it should per item than cental Canada will. Don't talk about the fact that it is totally unjust to the Yukon Territory or the Northwest Territories. Don't make reference to that or you might get burnt!

Don't make reference to the fact that every social welfare organization in Canada has condemned the GST, saying that it is impossible to deliver the benefits that are alleged to be provided to the lower income groups. Don't mention the fact that the Roman Catholics and the United Church of Canada and the Anglicans and several other churches are opposed to the GST. Don't mention the fact that the CLC and every trade union organization in Canada is opposed to it. Don't mention the fact that John Bulloch has stated that this is the worst retail sales tax in the world by far and has said that at the very least we ought to postpone it for six months. No, don't mention any of those things.

Tell the people that this is going to help them

I referred a couple of days ago to the Ivory Coast in the 1960s. They have now shoved the GST in the Ivory Coast up to 25 per cent. Everywhere it has been introduced it has been enormously increased. It has become a cash cow, introduced by those governments unable or unwilling to practise restraint and to present a program of sensible expenditures and reasonable economies. It is the lazy government's way to milk more money out of the taxpayer's pocket.

I know that some new senators entered this chamber with rapturous joy the other day. Let me ask you this question: Do you think you could have been elected here? Senator Meighen, do you think you could have been elected here the way Senator Waters was? You would have finished at the bottom of the poll and you know it. Yet you come to the chamber prepared, apparently, to vote for a measure which is bitterly opposed by the people of your area.

Oh, there are other questions in this document. Listen to this: "Why have we stacked the Senate by appointing eight new senators?" Well, even the Conservative Party uses the word "stacked". Why have we stacked the Senate?

Senator Grafstein: Roll the dice and stack the Senate!

Senator Perrault: This is a boldfaced admission. Senator Kelly, did you help prepare this document?

Senator Kelly: I have not seen it, sir.

Senator Perrault: Well, perhaps we can get you a copy. "Why have the Tories stacked the Senate by appointing eight new senators?" This is the answer Tories are advised to give: "That the Liberal senators have consistently obstructed legislative proposals in the Senate after they have been passed by the House of Commons." It is an absolute lie! The word "lie" may be unparliamentary, sir. I will not withdraw that, because that statement is a lie!

The Conservative government has had almost 300 bills passed by this Senate since 1984. Ten bills have been amended, including constructive amendments proposed by Liberals, and only two are awaiting further study.

We used to have a system in this parliamentary democracy—if we still have one—whereby, if we had a deadlock, there was a conference between the two houses.

Your problem is that Mr. Harvey Andre and the members of his gang over there have refused to sit down and confer with the Senate as we have done traditionally for dozens of years. That is the reason why those bills have not been passed as yet.

• (2100)

There is no reason why any outstanding differences could not have been resolved long ago. However, the Tory party line, and again I quote from this official document, is:

> The Liberal Senators have consistently obstructed legislative proposals in the Senate after they have been passed by the House of Commons.

Listen to this pious hypocrisy:

> This is contrary to our system of government in which responsibility rests with elected representatives in the Commons.

And again from this document:

> The government was obliged to overcome the obstructionism of the Liberal Senate majority and defend our system of responsible government.

Well, you did not do a very good job today of defending responsible government. However, that is your party line. Do not talk about anything in the GST; do not talk about the fact that it has been condemned by the single mothers in Canada; do not talk about the fact that it has been condemned by the co-operatives, the grain terminals, and you name it. Make sure that you divert the attention of the media to an assault on the Senate and the Liberals in the Senate. That is the strategy.

There is another question in this great Conservative document which asks:

> The government says opposition to the GST is undemocratic. But aren't the Liberal Senators only acting as Her Majesty's Loyal Opposition?

This is what Tories should say, says the document:

> This is not about the GST. It's about Liberal Senators denying the elected Government its right to govern.

Again this is the party line.

Do not talk about the GST, Senator Buchanan. It is going to really hurt your province. You were one of the leading opponents of the GST when you were premier. Sir, I may suggest that you have undergone the greatest conversion since St. Paul went to Damascus. You attacked it. You said the GST was unfair, regressive, and just a way for the federal government to make money. We have your quotation. Tell us when, in the last three weeks, that startling moment of revelation made you change your mind.

Then the Conservative party line states:

> Liberal senators are violating one of the most basic principles of our democracy—responsible government.

You have raped responsible government this afternoon; that is what you have done to it. The Leader of the Government's problem is that he never fought an election.

Senator Murray: Not true.

Senator Perrault: He does not know what the rights of the opposition really are. He has never had to fight for them.

Senator Simard: You are wrong again.

Senator Perrault: Resign your seat and run for the Commons and you will get the experience you need, Mr. Leader.

But back to the Tory prompt sheet. Listen to this, Tories, and use this line. Senators, are you making notes?

> This is how our system works—governments are elected to make decisions on behalf of the Canadian people and are accountable to the Canadian people for their actions.

Many years ago we framed this Constitution. Senator Macquarrie, you are a noted historian and I know there is a great deal of support for the Senate in the Atlantic provinces with their great historical backgrounds When Canada was born, a system of checks and balances was established in this country to make sure the excesses of the Commons could be checked.

Yes, we do not have an elected chamber and I will support resolutions and motions to create an elected Senate. I will be glad to do that. But until that time arrives, this chamber should not be acquiescing in everything the other chamber does, if the public interest is seriously affected. For example, if that other chamber should bring in a measure clearly opposed to the regional interests of any area of Canada, do you think

our only responsibility is to say, yes, we are going to vote for it, because those people in the House of Commons, regardless of the fact that they are demonstrably and provably wrong, said this action should be taken? Of course not!

We are really discussing whether or not a measure is sufficently important for the Senate to use its ultimate power of veto. The Canadian people, with a loud "Yes", are saying to the Senate that it must ask the government why it is doing this and the Senate must act in their interest.

The next question on the Tory fact sheet—which is rather thick, isn't it—

Senator Buckwold: Like their heads.

Senator Perrault: —states:

> The constitutional provision to appoint new Senators has never been used before. After 123 years, doesn't this mean it is effectively null and void?

That is stated in this Tory propoganda sheet And now, this is what Tories are supposed to answer—Conservative senators:

> Canada's leading authorities on Parliament and the Constitution have made it clear that the government is within its rights to use Section 26 of the Constitution Act (1967) to appoint new Senators.

There are other leading authorities, and you and I both know them, who challenge that opinion. It is obscene for the Government of Canada to proceed with any bills until we hear from the courts to assure us that the new senators, however they are described—supernumeries, specials, territorials, divisionals, the Mulroney mugwumps—I guess they are not mugwumps, but however they are described—are here legally. Of course it is.

Tory question 4—and it should be on blue paper—is:

> Why not have a referendum on the GST and let the people decide?

That is an appealing idea and I think I would support that. Would you support that? I would think that the people would also support that idea. Is that not a good idea? One would think the answer would be, "Of course; this is a great idea." No, it does not say that. It states:

> The people did decide. In the last election Canadians gave the government a mandate.

What is your mandate today? Senator, you are nodding your head vigorously. What is the percentage of Conservative support in your province right now? No, you are not interested in polls. I can understand. In Canada, it is running at 15 per cent and it is plunging. The only organization in Canada with a half point less support is the Flat Earth Society.

The fact is that your suggestion that a referendum on the GST is unnecessary because the people gave your government a mandate in 1988 to reform the tax system is invalid! It was not a commitment that you were going to introduce a 7 per cent tax or a 9 per cent tax of this type!

Would the Alberta senators please send us clippings of all of the Alberta speeches made by Mr. Mulroney in the last federal election in support of the idea of a goods and services tax for the Province of Alberta? Can we receive all the clippings to reassure us that there was a popular groundswell of support for this idea?

Then this Tory propaganda sheet says:

> The government's intentions have always been clear and up front.

You were not clear and up front this afternoon. You were rather devious. You have not followed your own party line in the private Tory party paper from which I am reading.

At the bottom it states:

> In the televised debate just before the last election, the Prime Minister said clearly that the existing federal sales tax would be changed.

He also said that taxes would be reduced and benefits would be increased.

Question 5 in this basic primer for Conservative activists states:

> The government says it wants to get on with its agenda. So why has it bogged down in a fight about the GST?

This is what you are told to say to them:

> This is not about the GST. It's about un-elected Liberal Senators denying the elected government its right to govern.

It seems to me that is something like one of the previous questions. You seem to be obsessed with this particular theme. This is a theme that you obviously believe should be repeated.

Then it states, to remind them:

> For 19 years, the Liberal majority in the Senate did not contest any measure proposed by the governing Liberals in the House of Commons.

When we were the government there were many occasions when the Senate of Canada conferred with our own people in the other place in order to bring about numerous amendments in legislation, and even your own Conservative members are aware of that fact. The "no contest" claim constitutes an untruthful statement.

Tory question 6 asks:

> How exactly is the Liberal majority in the Senate obstructing government business?
>
> Apart from the GST, the Liberal Senators are refusing to pass three other financial bills.

Now, you know how dishonest and phoney that is. You realize that your people in the other chamber will not even sit down and confer about the bills. There is an established parliamentary procedure when there is a deadlock and you have not even attempted to invoke the provision calling for a conference. Senator Meighen can you support that? Do you think your great ancestor would have supported that?

• (2110)

A further loaded Tory question is:

> The Liberals say that they are acting in the public interest by opposing the GST. How do Conservatives respond to that?

Answer: The Liberals are being opportunistic and they know it.

There, again, is the suggested Tory theme: namely, just attack the Liberals and their party; do not talk about anything in the GST. That is why the opposition has been so disruptive in its tactics—namely, to prevent the report of the committee from even being tabled.

Tory question number eight—there is more here, but I cannot read all of this tawdry , inaccurate document because there is not time; however I will make it available to the media—states that opposition parties and others claim—I know that the leader is bored because he has a copy of this marked with a big red star on his desk. He has to follow the party line. I know that he has read it before, but do not be bored; some of your other supporters have not heard it yet.

Question eight states:

Opposition parties and others claim that your Senate appointments are unconstitutional.

The suggested Tory answer is:

There is no conflict between Section 26 and Section 51 and the appointment of the eight senators.

The senators appointed under Section 26 have been appointed to represent divisions—-

And so on. As honourable senators know, we are claiming that the courts should determine this. For a government that has been seeking to improve relations with the provinces and the territories, surely it is quite understandable that, as a courtesy to them, in recognition of the vital part they play in Confederation, you should hear from the courts before you provide the new senators with the right to vote on important matters in this chamber.

I do not know what we are to expect from this point on. I do not think the Senate will ever be the same after this evening. I think it is the night of the long knives for the Senate, in which the Conservatives have attempted to slit the throats of the Opposition. It is an ominous portent for the future.

I hope that at least it will hasten Senate reform and people will be so outraged by what has taken place here that we will have a new Senate; a Senate representative of the great regions of this country; a Senate that will be a unifying influence instead of a divisive force; a Senate with equal or near-equal representation for all of the regions; and, above all, an elected chamber that will never tolerate this kind of nonsense.

Some Hon. Senators: Hear, hear!

Hon. Stan Waters: Honourable senators, my privileges have been violated. I was not given notice of any of the changes that took place this afternoon—

Senator Hastings: Shame!

An Hon. Senator: Shame!

Senator Waters: —despite the fact that I took the trouble to phone the Speaker's office. I spoke to the Speaker and was assured that the notice had been placed in my office. I went to the office at 7.30, shortly before this meeting tonight, and I have still not seen that notice.

An Hon. Senator: Shame!

Senator Perrault: Shame!

Senator Waters: I am very upset and very distressed.

An Hon. Senator: Join the crowd!

Senator Waters: My major concern tonight—and I speak to all honourable senators—concerns the performance that occurred here. It was absolutely shameful, and we should be ashamed of ourselves. This is the senior house in Canada. We invited the press, the cameras and the radios into this chamber—

An Hon. Senator: The people!

Senator Waters: —to view the disgraceful, irresponsible, undisciplined conduct of the senior legislators in this land.

Senator Murray: Senator Molgat, listen!

Senator Waters: I found that acutely embarrassing. That is not the way to resolve whatever differences there are on either side of the house. It is the road to anarchy, and it cannot happen again.

Some Hon. Senators: Hear, hear!

An Hon. Senator: It is the only way left under the circumstances.

Senator Waters: Whatever the circumstances, there is a mature and responsible way of dealing with it. There is the rule of law, and I fully support the use of this rule book. There is no sense in a freshman senator like myself getting a rule book, and reading it, only to find out that it is not followed but ignored.

An Hon. Senator: You are telling that to the Speaker, of course.

Senator Waters: I am telling it to all of us.

An Hon. Senator: And the Speaker!

Senator Waters: We were all responsible for that disgraceful performance. We all stood around waiting for someone else to take action. We are very responsible, mature individuals. On this side of the house they sat deploring it; on that side of the house you could hardly wait to have more cameras and microphones shoved in your faces to take advantage of a very unusual situation, which the people of Canada will see on their television sets tonight. They will be ashamed of the performance in here. Of course things are going badly for the Senate. It should be reformed.

There was a famous old Roman senator called Cato. He was also an old soldier. He finished every speech in the Senate by saying in Latin—and I will not repeat the Latin—"Carthage must be destroyed." I am an old soldier and I am a new senator. I will end all of my speeches with this statement: The Senate must be reformed.

Hon. Sidney L. Buckwold: Honourable senators, I listened with great interest to the presentation by my colleague, Senator Perrault, who confirmed in writing what I learned from experience. Members of this chamber will know, from my previous remarks last week and the week before, the kind of trials and tribulations that were imposed on my committee as we dealt with Bill C-62. Believe me, they followed the instructions of what was presented to the Senate this evening to the letter.

Whoever was the guiding force followed the rules. They were there, and I was the victim of having to spend several weeks travelling the country, listening to evidence and being literally torn apart by those eager senators on the other side following their orders, which were read by Senator Perrault. Although I have never seen it in writing, I think I could have written the paper myself.

We are faced with dealing with Bill C-62. For weeks the committee was urged to bring in the bill as quickly as possible. Senators demanded that we report at once within a few days and lay down a timetable because we had to get this thing through.

We then come to our famous committee meeting on a Monday approximately three weeks ago or two weeks ago—I lose track of the time. All of a sudden they needed another week to fly in the parachuted senators and drop them down here. They then spent several days—at least two days—delaying this chamber in the tabling of my report.

To this day I have not been able to give my speech. I have been denied that right to speak on the report of the committee, which represented the majority view. I have been absolutely stymied by being unable to do this. I am still waiting for the opportunity. Every day I come to the chamber with my remarks in hand. However, I have not yet had the opportunity to present them. I am not sure that I ever will.

Senator Simard: You will.

● (2120)

Senator Buckwold: There he goes again, honourable senators. You are a disgrace to this chamber.

Some Hon. Senators: Hear, hear!

Senator Buckwold: I did not tell honourable senators all the stories about what Senator Simard did. Let me tell the House how senators opposite cajoled and tried to undermine our morale. When we were in Edmonton I walked out of the hearing room into the foyer. Senator Simard was across the way. Feeling that he might get to me, because it was a tough morning, he said, "Senator, the rumour is that you are resigning as chairman of the committee". Do honourable senators think that is a nice thing to send across the way? He said it just to make me feel good! However, I did not rise to the bait. I yelled back across the foyer, "That rumour is not quite right, senator. The real rumour is that I am asking to be appointed chairman for life!"

Some Hon. Senators: Hear, hear!

Senator Buckwold: Honourable senators will remember that Senator Simard took part in the character assassinations that were going on, something which is absolutely in line with everything that Senator Perreault has said.

With all the haste, with all the camouflage, with the cloaks and daggers and the fancy footwork, let us not forget what this whole thing is all about. It is about Bill C-62.

My major reason for standing tonight is to remind the Canadian public that what has brought on this whole crisis in the Senate—not to mention the disgraceful performance of the Speaker today—was as a result of the government's determination to push forward against every obstacle, against the views of 85 per cent of Canadians, a very unpopular, unworkable and unfeasible tax.

Honourable senators, I will not go on too long in my remarks. However, I would like to go into some other details. I would like to ask a series of questions, because the government, in presenting its goods and services tax bill, has misled the Canadian public almost from day one. The propaganda has been unbelievable. It has culminated in the kind of action that we have tonight in the Speaker's ruling. He said that he had to call back the Senate, against every precedent, because he had to protect the rights of individual senators to perform their duties.

Without going into too many of the details of our report, I would like to ask a series of questions. Is the government honest in advertising that this tax replaces another tax?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that this tax is fair?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that this tax is not regressive?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says this tax is equitable?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that this tax is regionally even-handed?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that this tax is visible?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that this tax is revenue neutral?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says this tax helps the poor?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that there is no tax on food?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that there is no tax on health?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that there is no tax on education?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest when it says that there is no tax on housing or rent?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest in denying that the real inflation effect of this tax is going to be negligible?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest in saying that this goods and services tax will have no effect on our important tourist industry?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest in using closure in the House of Commons?

Some Hon. Senators: No!

Senator Buckwold: Is the government honest in saying that it has all the answers and that citizens who oppose this tax are absolutely stupid?

Some Hon. Senators: No!

Senator Buckwold: I am sure senators opposite would like to join the chorus of no's. I am sure that deep down they feel exactly the same as senators on this side of the House feel.

Honourable senators, this is a bad tax. It is not acceptable to the Canadian people.

I look at my friend Senator Doyle, who was a hero of mine in the days when he was the fighting editor of a great newspaper. I said to him the other day—and I am not giving away any secrets—"Really, Senator Doyle, I was disappointed when we had a representation made protesting the tax on reading materials, on newspapers, in particular *The Globe and Mail*. I am not sure whether it will be worth another 7 per cent now". I said, "When you were the editor of that paper your editorials would have been roaring, 'How dare a government put a tax on reading, on newspapers, on books, especially school books and education'!" Senator Doyle shook his head and laughed a little bit.

Senator Doyle, I was disappointed in you, because deep down I know that you were a crusader. Yet you stood there, along with Senator Barootes and Senator David—two medical doctors—and listened to the evidence of the Canadian Medical Association in which they made complaints. The implications were there. The representatives of the medical association pleaded with the committee to do something about this tax on health, something which will be borne by doctors and which, eventually, will somehow have to be passed on to patients. There was not a word out of them, except words to defend the government. I was disappointed in these men since they are people for whom I have a great deal of respect.

I was disappointed in Senator Robertson who, in her home Province of New Brunswick, listened to the Minister of Finance for that province, who told us that this tax will cost the Province of New Brunswick, which is a small and not very rich province, $20 million. That is a lot of money in New Brunswick.

Senator Simard: But it is a gain for the citizens.

Senator Buckwold: That is a pile of bunk—absolute bunk!

I was disappointed when I heard senators, who are here to represent their provinces and their regions, senators who took an oath of office which ensures that the interests of citizens in their province are fairly represented in this chamber, endorse the kind of proposals that were made, which will have a deleterious effect on the provinces across the country. This bothered me, because they are decent people across the way.

So I say to honourable senators, were they honest?

Some Hon. Senators: No!

Hon. B. Alasdair Graham: Honourable senators, I feel that this is probably the saddest day in the history of Parliament as we know it in Canada. Certainly, it is the saddest day since I arrived here some eighteen years ago. My personal privileges were abused and violated this afternoon. I received no notice, no letter, that the practices which have stood the test of time, the practices which are historic in this chamber, were to be changed. What has happened here today is tantamount to a *coup d'état*.

• (2130)

I was in Paraguay last year shortly after a coup when the long-time dictator, Stroessner, was overthrown by the present President, President Rodriguez. I was also in Namibia last year. I was asked to go there to help that country in its pursuit of freedom and democracy. I was in the Philipines when Marcos was overthrown, and I returned a year later for the first election under a new Constitution. Earlier this year I was asked by the Federation of Protestant Churches in East Germany to visit that country and meet with most of the major parties to help advise them as to the democratic process. Also, earlier this year I was in Hungary when that country and its people achieved democratic government.

One thing the people in those countries had in common was that they were looking for freedom and democracy. They were attempting to strengthen democracy or achieve it. They looked to Canada and its institutions as being the kinds of examples they could adopt for use as models. Sadly, after today they will not be looking to this country and its institutions.

When this process began, and when the Standing Senate Committee on Banking, Trade and commerce determined that it was going to travel the country, I asked myself whether or not we had the constitutional right to defeat, amend or delay

this piece of legislation. I decided, like most other people in this chamber, that we should listen to the people.

It was decided that the committee would travel from coast to coast. Approximately 80 to 85 per cent of the people of this country have told us to reject this legislation. We have heard testimony free from constitutional experts, and I am sure we will hear from the courts in the not too distant future.

During the committee's hearing in Halifax we heard from many witnesses and interest groups over a two-day period. I asked a question of the President of Co-op Atlantic, Sid Pobihushchy. As a preamble to that question, I said:

> We had quite a discussion this morning about democracy. As a Senate committee, we have several options with respect to this legislation; we can pass it as it is, we can kill it, we can amend it, or we can delay it.

There are more than 160,000 families who own those co-operatives in Atlantic Canada. Those families include over 500,000 people in the region. I said to the President of Co-op Atlantic:

> You represent a large segment of society in Atlantic Canada. You speak for a significant number of people. There has been a lot of discussion as to whether or not it would be legitimate for the Senate to kill this bill. What are your feelings on that?

Mr. Pobihushchy replied:

> I wanted to preface my response with a reminder that the delegates at the last annual general meeting of Co-op Atlantic overwhelmingly mandated the leadership to express the view to the government that they did not want the GST. They do not want this kind of taxation system, so they want it killed. That is what they said, and I agree with them.

I am reading this into the record because the President of Co-op Atlantic represents the ordinary people whom we were sent to represent in this chamber.

With respect to whether or not the death of the GST should come by the action of the Senate, he went on to say:

> . . . there has been a lot of talk in the recent past about Senate reform. Some of that talk has been interesting; most of it has been irrelevant, but at the apex of the Canadian democracy sits Parliament. Parliament is charged with a particular mandate by the Constitution—that is, to provide peace, order and good government. We are talking here about good government. That charge in the Canadian Constitution is not merely a charge to the House of Commons or to the Senate, but to Parliament. The House of Commons, as we know it, is an integral part of Parliament, as is the Senate. The House of Commons has rules under which it operates, as does the Senate. Sometimes it happens that the two houses of Parliament have less than a consensus or an agreement between them and then they have to rely on the rules, which, by the way, define, in large measure, the nature of Canadian democracy.
>
> We know that in the present case we have a government in place that was elected by something in the order of 43 per cent of the electorate. It is a powerful government. It has a healthy, handsome majority in the House of Commons, a majority that is not a function of the people's choice, but a majority as a function of the rules. Those rules also give the Senate an authority to act on behalf of the pursuit of good government, and it uses those rules, whatever they are, however they are designed, in that pursuit. If the rules permit and it is required to stand opposed to a particular piece of legislation, action or policy, it is duty-bound to do that. That is part and parcel of the Canadian democracy. I do not think we have any real serious difficulty with the Senate doing its job.

He concluded by saying:

> We have a difficulty with a Parliament that does not do its job, whether it is the House of Commons, the Senate or both.

I was asked to come here to represent the people of Nova Scotia. If my privileges were violated this afternoon, the privileges of the Nova Scotians whom I represent were also violated and abused. We have heard much talk about reform of the Senate. More properly it should be reform of Parliament—both houses. We have heard much talk about an elected Senate, which I personally favour. However, if we do not do our duty and live up to the responsibilities given to us by the Constitution of this country, and live up to our responsibilities to the people we represent in our individual provinces or territories, then I believe we should be abolished. One wonders, after seeing what has happened in this Parliament today, whether the guns of Oka can be far behind.

I regret very much that my privileges were abused and violated in the process, and I regret having to say, Senator Charbonneau, you have lost the confidence of the people on this side of the chamber.

• (2140)

Hon. Keith Davey: Honourable senators, I would like to think that I have some good friends opposite. I would like to think that I have an extremely low boiling point, but I must confess that I am partisan. Free trade has been and is a disaster. Meech Lake could have been a disaster, if not for Clyde Wells, Elijah Harper, and Brian Mulroney's dice. Now an overwhelming majority of Canadians, more than 80 per cent, want to reject the GST. All this explains why the great old Tory party is under 15 per cent in the opinion polls. I used to know something about polls and I used to be active with polls in the Liberal party. I can remember that we had some awful polls, but never as low as 15 per cent. Think about it; the Tories in national numbers are at 15 per cent. The government is at 15 per cent and sinking.

What does this say about the tyranny and abuse of the majority? When it comes to the GST, should this government be allowed to thwart the will of the overwhelming majority of Canadians?

Let me pause to say a word or two about some of my colleagues. This has been a difficult exercise for all of us. First, I want to say how proud I am of, I guess, my oldest friend in this chamber. Senator Stanbury is close, but I am referring to Senator Frith, whom I have known since we were students at the University of Toronto. I have known Senator Frith in some difficult times, and I have known him in triumphant times, but I do not think that I have ever seen him more effective than he has been today. I want to say how proud I am of him.

Some Hon. Senators: Hear, hear!

Senator Davey: I would be remiss if I did not say something about my old friend, David Steuart. Back when I had a butterfly net and was trying to find Liberals in Saskatchewan, one of my greatest and severest critics was David Steuart. However, long before tonight he became one of my dearest friends, and I can tell you, David, that stirring presentation you made tonight touched me. I think it was a triumph, and I am terribly grateful to you.

So much has been said about Sid Buckwold, and I would like to say something more. This man has more guts, more integrity, more determination and a greater commitment to this country than perhaps any of us in this chamber. Sid, we are very proud of you.

Some Hon. Senators: Hear, hear!

Senator Davey: Tonight we find ourselves in what can only be described as a tragedy—no, no, it is not a tragedy, it is really an attempt at a sleazy coup d'état. I can say to my friends opposite that in my time in the Senate I have never seen my colleagues so genuinely worked up as they are over this matter. Liberal senators—and I cannot speak for all of them—are genuinely and honestly disenchanted, disillusioned and dreadfully unhappy. I was in my office this afternoon between 4:30 and 5:30. I received no letter of any kind from the Speaker. I did receive a phone call from a colleague saying that there was a vote. I then discovered that I was the victim of a Tory lockout. My personal privileges had been abused.

Honourable senators, it is to weep, but this Speaker simply must go.

Hon. Herbert O. Sparrow: Honourable senators, first may I say that I, as a senator, never received notice of the call. How anyone could be so presumptuous as to say that someone else may pass the word on to me that there will be a call of the bells, and yet the Speaker — or the former Speaker, and I hope we can call him the former Speaker — has the guts to send a letter to Doug Everett to Senator Molson and not to Senator Waters or to a great many other senators, is beyond me. If there is no break in my privileges there, I guess I do not know what is going on in this place or in the other place. I believe that my privileges were raped and pillaged, and I can tell you that I feel dirty! I feel dirty about this whole thing.

For 21 years I have gone home at the end of every week here feeling proud of the job I have done. I was proud of the part I played in this parliamentary system, not merely in the Senate, but in the whole structure. I took some abuse from people saying that the Senate should be abolished or that it should be elected, but I was proud. Now I am going home and I do not know what to expect. I am going to go home ashamed of what has happened here! What do I tell my people? In my 21 years here never has such a disgraceful thing happened to me. It has happened to me.

I saw Senator Molson and Senator Everett joining in this rape and pillage of my privileges! I was locked out of this chamber when for 21 years I had walked freely into it. What type of shame am I taking home with me? What do I tell the people, that there was a majority who voted to take that action?

I want to talk just for a minute to my friend—and I guess I have to say former friend now—Duff Roblin, who was my mentor and with whom I worked for so many years on committees. We talked to each other and we negotiated with the government on issues. We came to meetings of minds. Poor Duff Roblin has to sit there and be part of that shame!

Duff—and I want to call you Duff—I feel bad about that.

I worked with Orville Phillips on the agriculture committee, and we did great work. We did a great job. We dealt with the government of the day and we brought forward a great report. We brought it forward for all Canadians, and now that is destroyed. The credibility of what we did has been destroyed. Do we just say that there has been a split in this place, that there are those guys and there are us guys?

• (2150)

It is terrible, because you know who loses? I don't lose, but the Canadian people lose. That is who is losing.

Some Hon. Senators: Hear, hear!

Senator Sparrow: Let me talk for just a minute about the GST because that is the issue involved here. Twenty-five per cent of the people in my province live below the poverty line. They earn less than $10,000 a year. Ten per cent of the children in our province are getting food from food banks and charitable organizations. Fifteen per cent of the families are getting food from food banks, and yet Senator Molson, Senator Everett and the rest of you are prepared to bring in a tax that raises prices for those people. Don't tell me that the poor people will get a rebate. They will get $190 a year. Their total income is spent on necessities and yet you say they will get a rebate. What kind of nonsense is this?

What about our farmers who are suffering so badly? What about the ones whose very survival is at stake? Yet you say that they will get a rebate. They will get a rebate if they can afford to buy farm machinery. There is not a farmer in my province who can afford to buy a piece of machinery to get the rebate, but he or she is going to pay the tax on every other item they buy except food. What kind of nonsense is that?

Why don't we have the right to fight that in this chamber? Why don't we have the right to fight that within the parliamentary context? Why are my privileges being taken away? Under the Constitution I have absolutely every right to do what I am doing. I am here to oppose those things that are not beneficial to my people. I have that right, I have that privilege, and that is being taken away from me. I am ashamed of that,

and I am going to go to my people and tell them what a shameful place this is—it just breaks my heart. I know those people back home, and it is going to break theirs.

Some Hon. Senators: Hear, hear!

Hon. Peter Stollery: Honourable senators, I, too, would like to rise for a few minutes to explain how my privileges as a senator have been taken from me. I was elected to the House of Commons during a minority government and I quickly learned the importance of rules and procedures. I learned that in parliament, particularly for minority opinions, the rules and procedures are the protection of the minority opinion in parliament.

Senator Murray and his cronies have totally lost the morality of parliament. I have been in the Parliament of Canada for 18 years and I have never seen it brought to the state that it was brought to today by Senator Murray and his cronies. They have totally lost—if they ever knew it—the idea that a parliament operates by the consent of the members of that body and that the rules and the procedures of that body are the protection the members of that body have. The people in a chamber of parliament are here to represent different opinions in the country. The opinions in the country are not just the opinions of Senator Murray and his cronies; there are other opinions in the country, and the place where they are expressed is Parliament. The guarantee that those opinions are expressed is the rules under which parliament operates.

Senator Murray and the Speaker have hijacked the rules today. They have made parliament illegitimate. Enmities have been created today which will last a lifetime. I would never have thought that I would see such a thing. I always had friends on all sides when I was in the House of Commons and here in the Senate. I have never seen parliamentarians so embittered as they were here today, and that bitterness will not easily leave from this chamber. Do not think that this place will operate tomorrow the way it operated yesterday, because we learned that Senator Murray and Senator Charbonneau clearly collaborated on a plan to establish a precedent. They established a way of holding a vote illegally and improperly.

Some Hon. Senators: Hear, hear!

Senator Stollery: They have caused disorder in the country. We are talking about a very unpopular tax bill that is being attempted to be passed by a government which has the lowest support in the country—around 15 per cent—of any government in any democracy in this century in the western world. You may say that the government has the right to pass this unpopular and, in my view, bad, regressive tax bill, but we happen to be in the opposition and we have views different from those of the government, and we are entitled to hold those views. That is why we have a parliament; that is why we have a chamber. Senator Murray and Senator Charbonneau hold the view held in countries that do not have the kind of system we have—that the majority rules to the exclusion of the minority opinions. The other opinions don't count. We will have a system where the other opinions are crashed and are not allowed to be expressed. This, of course, leads to disrespect for the law and disrespect for the country's institutions, because today we have seen Canada's Senate brought to a low that I do not think anyone could ever have conceived. Enmities have been created that will last the lifetime of members in this room. It will not end.

Honourable senators, I do not know where this hijacking, this attempt to rig a vote, is going to lead us. Can you imagine if this happened in a constituency during an election campaign? Why, the chief electoral officer would be there in 24 hours and there would be a police investigation. It has happened here and the Parliament of Canada has been brought into terrible disrepute. Members' privileges have been abused in a way which is so outrageous that it almost defies imagination.

• (2200)

It is hard to believe that they can say about the standing orders, or the rules, or whatever we call them, "We don't have them. We will establish a fake, phoney precedent. The rules says that the two whips have to appear. Well, we will corrupt the Speaker and we will get the Speaker to hold a vote illegally and then we will use that illegal vote as a precedent. That way, we can do anything we want, because we do not have to have proper and legitimate votes any more."

Senator Waters spoke today about the performance that took place at eight o'clock, with the cameras and the media, and all of that. Well, honourable senators, why did it happen? It happened because we are only a room with a red rug. We do not have any rules any more. We are not a parliamentary body, because a parliamentary body—

Senator Stewart: Has due process.

Senator Stollery: —has due process, as my friend, Senator Stewart, says. There are rules and procedures, and if we do not have those, then we do not exist. I do not think the people who conspired to give us this disgraceful performance have the imagination or the intelligence—the brutality that we saw here today makes words really fail one, except that we know we are seeing the end of democracy in Canada. Thank you.

Hon. Lorna Marsden: Honourable Senators—

The Hon. the Speaker: Senator Everett?

Senator Marsden: Senator Charbonneau did not send me this letter, just so that everybody knows.

Senator Frith: Honourable Senators, if I may have a moment, colleagues, if Senator Everett wishes to speak, I do not think we should run things the way they have been run here today. We should give him an opportunity to speak, and we should give Senator Murray an opportunity to speak. We do not do business the way they do business, now that we are deciding on the order. I think we should consider that.

Hon. Douglas D. Everett: If I could follow on after Senator Marsden, I would appreciate it.

Senator Frith: Fine.

Senator Marsden: Honourable Senators, I did not receive that letter, as everyone knows from the list of names that are on the letter, and in not sending me this notice Senator Charbonneau has denied me the right to vote, as he has all other Senators who were locked out of the chamber. He was helped in this cause by all our colleagues opposite who participated in this breaking of the rules, in the travesty of what Parliament should be about.

If the decision to do this was a decision made by Senator Charbonneau alone, then, of course, it was very bad judgment, for which one can no longer have any respect. If he accepted the advice of others, then that, too, was perhaps even worse judgment, and that means that one can no longer have no confidence in anything he does or says in this chamber, and I think that is absolutely clear.

Last week, when Senator Martha Bielish was given the "bum's rush" out of this chamber, as she was, it was a sad day for the women of this country and for this chamber.

An Hon. Senator: Pushed out!

An Hon. Senator: Carried out!

Senator Marsden: Martha Bielish, a good friend of most of the people here, invoked the name of the five women from Alberta who brought the "Persons" case that allowed Senator Rossiter, Senator Cochrane, Senator Robertson, and all the other women in this chamber to be here at all. That was a very few years ago. That was in the lifetime of people in this chamber, and certainly in the lifetime of our mothers. I ask the women senators opposite, if no one else thought about it, whether they thought about this aspect of history when they participated this afternoon in denying us our vote, and whether they thought about the struggle of women in this country for the vote in 1916, in 1918, and when the wars that are depicted around here were being fought and women were being given the vote so that we would send more men off to fight? Whatever the reasons for the vote, did they think about that history when we were denied the right to vote this afternoon, and are they prepared so easily to deny the rights and rules of Parliament, which have developed for so many years? Did they think, too, about the reason for which they were prepared to deny us the right to vote, and are apparently prepared to go on doing so? We were denied the right to vote because, eventually, the purpose is to tax the people of this country.

There are many things that one can say, that has been said and will be said, about the effect of this tax—this tax for which there are so many reasonable alternatives as a way of raising revenue. However, I wonder if the women in this chamber, who care about the fate of the largest group of poor people in this country—many of them women on fixed incomes, many of them relatives of theirs and mine, who are not consumers of manufactured goods but who are going to pay this new tax on almost everything they do: on the small packages of food they have to consume, on postage stamps, on their television, on their rent, on their magazines, on their reading subscriptions, and on all of those kinds of things—

[Senator Frith.]

They are prepared to deny the rule of Parliament in order, eventually, to punish the poor.

Now, with some of the Senators opposite, we have been working quite hard to try to come to grips with the problem of the poverty of children in this country, a problem that has been preoccupying a great many Canadians. We have been working hard all summer—Senator Tremblay, Senator Robertson and others—to try to think of ways in which we can get out of this horrible dilemma. Yet those very same people are apparently prepared to break down the Parliamentary traditions that have been spoken of earlier, to introduce a tax that will tax reading materials, which will add $2 per day to the cost of infant child care in this country, which will tax all those things that we think of as services for children. This will tax even their ability to stay clean, because, of course, we all know—or we should know—that laundromats are putting up the cost of doing a load of laundry, not by 7 percent but by 25 percent, because that is the coin that works. In fact, those costs are already up.

Senator Perrault: Good Tory legislation!

Senator Marsden: We were told by a witness who appeared before the Banking, Trade and Commerce Committee that a family of four, doing the same number of loads of laundry as they do now, will, after this tax is imposed, use up their rebate just paying for their laundry. In other words, very poor people who have to use coin-operated laundromats in their buildings are going to be using up their rebate to stay as clean as they are now.

Honourable Senators, there are other ways of taxing. Nobody is saying, "Do not tax." Nobody is saying, "Do not reform the tax"; and no one is saying, "Do not get rid of the manufacturers' sales tax." What the 85 percent of the people who object to this tax are saying is, "Be fair and listen to us. Listen to our voices."

Apparently the denial that started in the House of Commons is to be continued here by the very people who say they are concerned about these issues. The really disgusting and revolting feature of today is that basically decent people opposite have apparently been hysterically carried away into destroying one of the aspects of our civilization for which we have fought for so long. Last week, the Senators opposite used the rules to thwart our desire to get the report debated. That is fair enough. However, it is going too far when they destroy the basis of civil society, which is so fragile and so easily erroded. Senator Poitras, for one, and others, were with me last year in Eastern Europe, in countries that have suffered intolerably because of the breakdown in civil society, and Senators opposite are participating in exactly the same type of thing.

• (2210)

We are reversing the history of the democratic world, and this is very dangerous. It does not take that much, and to have participated in that is one of the great tragedies of this chamber, and one of the great tragedies in the period in which we live.

This day there are women from 38 countries meeting in Helsinki trying to achieve the rights and privileges we have. It is almost unbelievable that I have to make a phone call in the morning to those women—with whom I have been in touch on a daily basis—and tell them the reason I will not be there, because of what has happened in this country. This is an unbelievable day!

Hon. Douglas D. Everett: Honourable senators, I have been pilloried and insulted this evening by people whom I hold in high regard and whom I like dearly. Why would I put myself in a position to be treated in this manner? Surely I would only do so if I felt extremely strongly about my actions.

It would have been easier to have stayed in my office—

An Hon. Senator: Yes.

Senator Everett: —and avoided the vote.

Senator Perrault: At least you got a letter!

Senator Everett: It would have been easier to have stayed in my office and not have pushed my way in, as I did.

Senator Bosa: The doors were closed!

Senator Everett: That is right.

Senator Perrault: That is illegal!

Senator Everett: It would have been easier to have avoided the vote this evening and waited until the vote was called on the GST. Incidentally, I still do not know how I will vote on the GST.

Why did I do that? Because I feel strongly about a principle, a principle that I feel has wrecked friendships. If my actions have caused people I like to be unhappy, it has been worthwhile because of that principle. That principle is that the work of Parliament must go forward. I would attack the Liberal side or the government side if the business of Parliament is unnecessarily delayed.

I spoke against Senator Murray's point of order, as I thought it was a delay of Parliament. I strongly believe that the progress and process of legislation should go forth.

What has happened here is not a delay in the normal course of debate; it is not even a filibuster that I could enjoy, in which we could all take part, and one that might go on all night and all day. That is part of the legislative process.

Senator Cools: It will go all night and day!

Senator Everett: Believe me, when the bells are allowed to ring from Thursday until the following Tuesday, that is not part of the legislative process.

Some Hon. Senators: Hear, hear!

Senator Steuart: By whose rules?

Senator Everett: By any rules.

Senator Steuart: For God's sake!

Senator Perrault: What about the rights of the senators!

Senator Steuart: Did you get a notice? I didn't get one.

Senator Everett: Let me deal with that.

Senator Steuart: I hope you will deal with that because you have been dealing with this in a very sanctimonious way, and you are dead wrong!

Senator Everett: You have had an opportunity to speak.

Senator Steuart: And I will have another one when you have finished!

Senator Everett: I received a notice that was sent out by the Speaker. It has been read several times. It was sent to the Leader of the Government, the Leader of the Opposition, the Deputy Leader of the Government and the Deputy Leader of the Opposition. Copies of it were sent to the government whip and the opposition whip and to six senators who are not part of any caucus and not contacted by any whips, and those are the six independents.

Senator Steuart: Can I ask you a brief question? When I was sworn in I was not sworn in as a Liberal senator; I was sworn in as a senator. You decided some time ago to act as a so-called Independent Liberal. That is your business. I do not argue with that.

Where in the parliamentary rules is there any decree or rule that says a whip must contact me as a senator? I should have been notified.

When the bells stopped I came down here with Senator Denis and we could not get into the chamber.

You should not be standing up here and being so sanctimonious about how you are taking a great stand on both sides. You have taken nothing but a stand on their side from beginning to end. Don't tell me how you have not made up your mind as to how you are going to vote on the GST.

Senator Everett: That is absolutely incorrect. I have taken a stand in favour of the progress of the legislation of this House.

Senator Perrault: And damn the members!

Senator Sparrow: May I ask the honourable senator a question. You have been in this House a couple of years longer than I have. I think you have been here now 23 or 24 years.

In all of those years we have adjourned on Thursday until Tuesday. You made a remark about the bells ringing from Thursday until Tuesday. We have never sat on a Friday, Saturday, Sunday or Monday in all of those years.

Today the bells rang for three hours—that is all, less than three hours—and you are telling me, as a senator, that it is justified to do this devastating thing after the bells rang for only three hours? My God, Douglas—may I call you Douglas? I used to, but I am not sure I can anymore.

Senator Perrault: The bells rang for 17 days in the House of Commons. Do you not remember that?

Senator Austin: Somebody should look at Speaker Mitchener's ruling on such things.

Senator Everett: To answer Senator Sparrow's question, there is a vast difference between leaving this chamber on a Thursday, when the business is concluded and we have properly adjourned, and leaving when there is a vote not dealt with.

Some Hon. Senators: Hear, hear!

Senator Corbin: They do that all of the time in the House of Commons.

Senator Everett: Maybe they do that all of the time in the House of Commons, but that is not the process that is followed in this chamber.

Senator Sparrow: Where does it say that in the rules?

Senator Everett: The job of this chamber is to deal with legislation. What has been going on around here—and on both sides of the House, incidentally, depending on who has the advantage—is an attempt not to deal with legislation.

Senator Sparrow: Tell me what rule!

Senator Everett: As far as I am concerned, that is wrong.

Senator Sparrow: What rule!

Senator Everett: It is the rule of a legislature to deal with its business. You cannot frustrate a legislature.

Senator Austin: You are inventing rules!

• (2220)

Senator Everett: I am not inventing rules at all. A legislature is here to sit. The Speaker, in my judgment, has every right to stand up and say that enough time has gone by that it is now a delay —

Some Hon. Senators: Oh, oh!

Senator Everett: I am serious.

Some Hon. Senators: Hear, hear!

Senator Sparrow: Show me where it says that! Where does it say that? Tell me where!

Senator Thériault: Where does the Speaker get the authority, from you?

Senator Sparrow: Do not stand there and tell me what he ruled. He did not do that.

Senator Everett: He has a perfect right—

Senator Hastings: No!

Senator Corbin: Wrong, wrong, wrong, wrong, wrong. You are wrong.

Senator Steuart: Tell me where the rule says that!

Senator Everett: He has a perfect right to see that the business of the house goes forward.

Senator Sparrow: Quote the rules!

Senator Everett: If you are indulging in delay, he has a perfect right to move the business of the house forward.

Senator Steuart: But only tell some senators and not tell others? Why did you get told when I did not?

Senator Everett: Because there is no other way of telling me, my young friend.

Senator Steuart: I am not your young friend. I am not your friend any more. I have every right to be told, just as you have. If I had been told, I would have been down here.

[Senator Everett.]

Senator Everett: Are you finished?

Senator Steuart: No, I am not finished. You are finished around here!

Senator Everett: That is fine, and I am prepared to be finished on a matter of principle.

Senator Steuart: It is not principle!

Some Hon. Senators: Some principle!

Senator Everett: It is a serious matter of principle.

Senator Steuart: Yes, and you are making a joke of it because you want to stand up like some big wheel and get applause from the other side.

Senator Sparrow: Honourable senators, if you do not like those principles, he probably has others to follow.

Senator Steuart: Think of some more!

Senator Everett: It seems to me very droll—

Senator Hébert: Droll, he says!

Senator Grafstein: I did not think this was droll, senator. I did not feel droll when I was not allowed to get into this chamber. I did not feel droll.

Senator Everett: Senator Sparrow was telling a joke.

Senator Sparrow: That was no joke.

Senator Grafstein: Withdraw that comment! That was not droll. Withdraw that! I was not droll. I did not feel droll.

Senator Everett: I do not think you know what droll means.

Senator Grafstein: Yes, I know what droll means. I did not feel droll when I could not get in.

Senator Everett: Are you quite finished?

Senator Roblin: You do not have to like what he says, but you have to listen to him.

Senator Steuart: Why?

Senator Roblin: Because this is a house of parliament.

Senator Stanbury: It is a house without rules.

Senator Hastings: No rules, Duff!

Senator Corbin: Listen to Senator Murray! Keep quiet! Listen to your leader, if you have one.

Senator Everett: I am sorry, honourable senators. I listened to the points of privilege that were brought up on both sides of the house. I have listened to the bells ringing. I have listened to every possible delay in proceeding with the business of this house. I have heard people on this side of the house—

Senator Cools: We are listening.

Senator Everett: You are listening to me?

Senator Hébert: We do not like it, but we are listening.

Senator Everett: I find it strange that the courtesy you are showing me has not yet passed to this end of the house. But I

hope, by some process of political osmosis, that it does. In any event I will go ahead—

Senator Hébert: You have insulted their intelligence. I understand their reaction.

Senator Everett: All right. Let me insult your intelligence then. It should not be too difficult.

Senator Hébert: Very droll.

Senator Corbin: Maybe he has a set of principles for every occasion.

Senator Everett: In any event, the business of this house has been delayed, and I have heard people in the Liberal party say that Bill C-62 is never going to come to a vote. That has been said for the record time and again. This is obstruction; this is delay. I would be as harsh on these people over here if—

Senator LeBlanc: Who appointed you as judge?

An Hon. Senator: Who told you?

Senator Olson: You decide, Everett!

Senator Everett: I do not decide—

Senator Olson: You are trying to tell us that!

Senator Everett: —but I have the right to take a position. You may disagree with it. That is not deciding. I have no right of decision here, but I can say what I think.

Some Hon. Senators: Hear, hear!

Senator Everett: Believe me, I have a lot more fortitude than have most of you people in this place by standing up here and taking my lumps.

Some Hon. Senators: Hear, hear!

Senator Everett: If you want to hand them out, hand them out. That is fine by me. I am not being a judge. I am not trying to be a judge. I am trying to say that what is going on in this house is wrong, and it should not be allowed to happen.

Senator Cools: We agree that it is wrong.

Senator Everett: Why do you not let the process go ahead? Let the report come forward, and then if you want to debate it until kingdom come, go ahead.

Senator Buckwold: They will not let us.

Senator Everett: But let us not hide behind a bunch of bells and say "We are not coming in"!

Some Hon. Senators: Hear, hear!

Senator Sparrow: We were locked out!

Senator Everett: Don't tell me you were locked out. You were not locked out.

Senator Hébert: We were locked out.

Senator Everett: When did the bells start ringing?

Senator Murray: At 2:30 p.m.

Senator Everett: At 2:30. The vote took place at 5:30 p.m. That is three hours.

Senator Cools: It is not when they started; the question is: When did they stop ringing?

Senator Olson: That is how much you know about the Rule on page 70.

Senator Everett: I do not know what you mean by that. The fact of the matter is that what has been going on in this house since last Tuesday has been delay by both sides. We are now involved in extreme partisanship. The moment the Mulroney government went in there was a reaction in the Senate, and so there should be. This is a political body. The borrowing bill came up, and the Liberal side of the house asked, as they had been promised by the previous finance minister, that a budget be produced before the borrowing authority was given. The reaction of the government was "What right do these people have to interfere?" They had every right. There is no argument that the Senate has the right to deal with legislation that comes from the other place and to amend it or refuse it.

Senator Stollery: And to delay it.

Senator Everett: And to delay it from time to time. That is quite right. There is no argument about that.

Senator Stollery: That is the whole argument.

Senator Everett: The reaction of the government, in my judgment, especially epitomized by Harvey Andre, was completely wrong and created a climate that caused more partisanship on this side. But, for whatever reason, that has continued to escalate to the point that now we are not doing the job we were sent here to do; we are merely an adjunct of the House of Commons. That is what is wrong with this place today.

Some Hon. Senators: Hear, hear!

Senator Everett: We have now made the case that this house should be elective.

Some Hon. Senators: Hear, hear!

Senator Everett: As long as it is appointive, we have the protection and the right to look at legislation on some sort of quasi non-partisan basis. But we became highly partisan, and that is really what this is all about. We began manoeuvring back and forth. The moment that happens, we should submit our right to stay here to the electorate. They should say whether we are going to be here or whether we go.

• (2230)

My argument, honourable senators, is neither for nor against the tax. I personally do not feel impressed one way or the other by the public opinion on the tax. That is not my function as an appointed senator. My function is to look at the tax and to ask: Is it good for Canada or is it not good for Canada?

The job of the House of Commons is to reflect the public will if it chooses to do so, and if it doesn't, then the government goes to the people and can be turfed out. But we have a completely different responsibility and, in my judgment, we are derogating that responsibility. We are derogating that responsibility on both sides of the house. If that comes as bad news to you, if you don't like it, then I will take my lumps over

it, but I really believe that a dreadful and terrible mistake is being made. I believe it is one that should be rectified, and now. And this won't stop—we will get over this, but partisanship is now abounding. The fact of the matter is that an appointed body will not function that well under those circumstances.

Honourable senators, I received a letter from an Elizabeth Heinmiller, and I have no idea who she is, but she says: "Dear Canadian Senator" so I assume she has written to many other senators. At any rate, she says:

> I am writing to you, and to all your fellow senators, to express my deep concern about the vote which will soon take place in the Senate on the proposed Goods and Services Tax legislation.
>
> I understand that the purpose of the Senate is to be the chamber for "sober second thought", with each member taking a careful look at government legislation, and acting on the highest principles to evaluate legislation in the best interests of our country. I feel that partisan politics cannot be allowed to take precedence if this purpose is to be honourably achieved.
>
> I do not know whether or not the GST is good legislation; I do know that many thoughtful Canadians have expressed grave reservations about its effect on small business and its impact on our already shakey economy. I also realize, however, that our burgeoning deficit must be brought under control. The issue for you to weigh, of course, is whether this legislation is the way to achieve this end, or whether its passage would turn out to be a mistake of monumental proportions.
>
> Canadians' historic esteem for the Senate will continue only if integrity and commitment to principle is seen in its members. By your actions you can help dispel some of the cynicism prevalent today across our country as Canadians perceive their political figures becoming increasingly distant from the realities of their everyday lives.
>
> I would encourage you to act and vote according to principle and not according to party affiliation in this most important matter, though to do so may be unpopular.
>
> Be assured of my prayers for you and your fellow Senators.

Honourable senators, that is my view of what the Senate is about.

Senator Frith: They should not have voted on partisan lines.

Senator Everett: Perhaps that is right. And perhaps you should not have voted on partisan lines—perhaps we should look at this whole thing in another way, Senator Frith, and we should find out whether we can go back to being a Senate which is truly effective in terms of dealing with legislation in its committee hearings on a reasonably non-partisan basis in what is in fact a partisan overall hearing. That is what I would hope we would be trying to achieve.

[Senator Everett.]

What has gone on here as a result of the excessive partisanship, I think, has done severe damage to the Senate as we know it and as I have known it through the many years I have been here.

Honourable senators, I think the time has come to make this place elected.

Hon. Peter Bosa: The Honourable Senator Everett has said that he voted with the government today because he wanted to allow Bill C-62 to come forward, so that we could begin the process of dealing with the bill.

Did Senator Everett feel the same way last week, on Tuesday and Wednesday, when members on the government side were rising one after an other on questions of privilege, delaying the introduction of the bill for two days? Did Senator Everett feel the same way at that time? Would he have made the same intervention then as he has made today?

Senator Everett: Yes, I did feel the same way and I did make the same intervention. I attacked the position of the Government Leader, who was trying to delay the implementation or the presentation of the committee report. You are bloody right I delayed it! I have attacked both sides, so I may have no friends at all in this place. But the fact of the matter is that I was not partisan about it!

Some Hon. Senators: Hear, hear!

[*Translation*]

Hon. Jacques Hébert: Honourable senators, like my colleagues before me and for the same reasons, which I shall not repeat, I srongly protest against the opportunistic and dictatorial decision which violates my privileges as senator.

Senator Frith gave two explanations of Senator Charbonneau's outrageous decision. If I remember correctly, he said that either he read the rules and does not care whether or not he breaks them, or he didn't read them. That, about Senator Charbonneau! That seemed so unbelievable to me that I thought that there might—no, must—be another explanation.

As you know, unfortunately, there are sometimes discrepancies between the Englis hand French rexts of rules and even of certain bills. Senator Frith read us the English text of hte rules. Maybe Senator Charbonneau read the French text, which might be different. Here is that French text:

> À la fin d'un débat, le président met la question aux voix. Si l'accord est douteux, le président demande aux sénateurs de voter en disant oui ou non mais il ajoute qu'à son avis les oui ou les non l'emportent. Si deux sénateurs ou plus expriment leur désaccord en se levant, le président demande un vote par assis ou levé. On fait alors sonner le timbre d'appel, et lorsque les Whips auront gagné la Chambre et informé le président qu'ils sont prêts à procéder au vote, le président doit dire: que les portes de la Chambre soient fermées à clé. Les pages fermeront les portes et le président ordonnera la venue du vote.

So, the doors were locked illegally, because the whips were not there. Senator Charbonneau, therefore, whether he read the English or French text of the rules, he decided to ignore

them and to violate the privileges of every one of us. Obviously, and I regret having to say so, Senator Charbonneau decided to follow the orders of his friend and master, Brian Mulroney. At least, one must admit that Senator Charbonneau has a sense of the duties of friendship. To help his friend, he decided to utterly ruin his reputation. In ten years, in a hundred years, his actions will be cited as despicable, as a serious attack on our democratic system, in a nutshell, as a coup d'État. I hope that Brian Mulroney too has a sense of the duties of friendship and that, when Senator Charbonneau grasps the full horror of his actions and has the decency to render his resignation, the Prime Minister will appoint him ambassador to Kuwait.

Just like some of my colleagues who spoke before me, I look at my colleagues opposite—especially senators from Quebec like Senator Chaput-Rolland—and wonder how, though she may approve of the GST, she can allow democracy to be abused as openly as it was this afternoon by Senator Charbonneau.

I look at Thérèse Lavoie-Rioux, whom I'll dignify with the title of senator even though the courts haven't yet ruled on that. I have always admired her greatly. I respect the fact that she is a supporter of the GST, even though I am convinced that it is a disgusting and unjust tax. I cannot believe that such a staunch defender of democracy as Madame Lavoie-Rioux can stand to see it thus abused.

The same applies to Dr. Paul David. He has left the Chamber; perhaps he is filled with remorse and has gone to submit his resignation to the Prime Minister. He is a gentleman, and he is perfectly entitled to be a better doctor than a tax expert, as well as to be in favour of the GST, I'll grant him that. But I ask him as well: how can he allow democracy to be so openly abused not only without reacting but by acting as an accomplice.

● (2240)

Senator Beaudoin, whose constitutional expertise is always highly touted, is entitled not to be a tax expert and to like the GST. But for him to allow democracy to be abused before his very eyes, that pains me. I just cannot believe it.

I see Senator Beaulieu, whom I know well, Senator Castonguay, Senator Lynch-Staunton, three gentlemen; I understand that their training and background would lead them to support the GST. What I do not understand is that they can accept, without an outcry, what went on under their very eyes this afternoon. How can they accept such a blatantly opportunistic decision as the one made by their Conservative colleague, Senator Charbonneau, who still seems to be seated in the Chair and to think that he is the Speaker.

I said to a brand-new senator, a former Liberal, whom I met last night: "You, a former Liberal, support the infamous GST. I disagree, but I respect your point of view. But have you thought of all the other bills you will have to support because you chose to sit with the Conservatives? You are a former Liberal, yet you will vote for a bill that will destroy the unemployment insurance system, under the pretense of reforming it. Liberals were proud of that system, and rightly so. Another bill will abolish university, which Liberals were so proud of, as well as other legislation protecting less fortunate Canadians. How can you accept all that, when you have been a Liberal all your life"? He went away without answering.

I met another Conservative senator who is a former Liberal and exclaimed: "My dear friend, I always thought you were a Liberal." He blushed, lowered his head, and answered: "I had no choice." Wrong. He did have a choice. He could have said to Mulroney: "No. I do not want a Senate appointment so badly that I am willing to reject all I stand for and become a Conservative". That was the choice former Liberals had.

One thing astonishes me, and always will astonish me. The Senate is reviled constantly. Senators are ridiculed, yet they have trouble turning down the title of honourable senator. Vanity is truly a bottomless pit.

Some people will accept any compromise for that title. They are ready turncoats. They will worship what they despised and despise what they worshipped, just for the futile gratification of being called "Honorable Senator So-and-So".

That is why I ask these new senators, well at least those who were not Tories before they accepted Mulroney's "Greek" gift, i.e. former Liberals and those who had no political affiliation, to explain why they are sitting with the Conservatives. If they sat as independents, that would be one thing, but to sit with the Conservatives, that is robbing the poor to help the rich. In this regard, the GST is only one example in a hundred.

I would like these new senators to state whether the are proud to be the accomplices of a party that violates parliamentary democracy, that has just staged a coup d'État to burden Canadians with a tax they have massively rejected. I would like them to tell us if they are happy tonight. Oh, I do not despise them. I am simply somewhat ashamed, because they made possible this day which will go down in history as a day of shame for Parliament and for Canada, and will probably be known as Black Thursday, or the Thursday of Disgrace.

● (2250)

[*English*]

Hon. Jerahmiel S. Grafstein: Honourable senators, let me first start with an apology. I would like to apologize to all members of this house, but in particular to the Table Officers, because of an outburst when I entered the chamber shortly after I was locked out. I made a reference to the Table Officers. I did not mean to make what appears to be an implication that they had been involved with the ruling. It was not my intention to do so.

Between 6 o'clock and 8 o'clock this evening, I attended on the Clerk, Mr. Greene, and the other member of the Table. I personally apologized to them because I felt it was not appropriate or proper to imply, in any way, shape or form that they were involved in what I consider to be this obscene action.

I would also like to apologize to the other senators for my conduct, particularly to Senator Waters, if he found offence in our conduct during the period prior to the commencment of the proceedings this evening. It was due to our rage, certainly my rage, that took the better of me.

Finally, senators, I would like to apologize to the pages. I was not at all proud of in the Senate or its proceedings earlier today or this evening. I apologize to all the Pages, because they represent our future. They will probably, in their generation, do better with our institutions than we have done.

I hope that they will not accept this bad lesson in democracy, this bad lesson in parliamentary practice or this bad lesson in personal behaviour.

It is a sad moment for me, perhaps the saddest moment in my life, because I came to this place primarily because of my respect for individual rights. I came to this place primarily because one of my heros was Senator Croll.

I came from southwestern Ontario. I was born on the wrong side of the tracks. In those days our hero—and my hero—was Senator Croll, or Colonel Croll, because he was a fighter for individual rights and minority rights. After graduating from law school in Toronto, I was privileged to serve as an articling clerk in his law firm. Again my respect for the Senate and my respect for him as an exemplar of individual rights grew greater.

When I look around this chamber, I start with Senator Molson, a great hero to this country and a great Canadian who has fought for rights and liberties and parliamentary democracies.

There is Senator Lang, who is not here now, but he was also one of my great mentors. Senator Lang was a stalwart in terms of fighting for Liberal principles. I also look at Norman Atkins, who was here a few moments ago. He is a great adversary and a fabulous combatant, who certainly is someone who believes in parliamentary democracy.

There sits Senator Marshall, a great spokesman for veterans and truly a hero in many parts of the country. He has always been concerned with the individual rights of the veterans.

I think about Senator Beaudoin. I have read some of what he has written and have heard of his great concern about individual liberties and rights. I have the highest regard for him. There is also Senator Bolduc, a great senator, a great public servant and a great Quebecer who has been concerned with the rights of the Francophones not only in Quebec but also in all of Canada.

I also think about Senator Spivak, who sat with us on the Legal and Constitutional Affairs Committee when we dealt with minority rights as they apply to immigrants and refugees. In that committee I saw her impassioned concern about those rights, as I did with Senator Nurgitz, also a great friend.

I also think of the great reputation of Senator Castonguay, who has a reputation as a great Canadian, a great francophone and a great Quebecer. His life-long and admirable fight for the rights of Quebec and the rights of francophones is also something to think of.

There sits Senator Kelleher, who has a great reputation in the north. I have spent many years travelling to northern of Ontario and know of his great reputation for fairness as a lawyer, as a solicitor general and now as a Privy Councillor.

[Senator Grafstein.]

There sits Senator Doody, who has spoken out so eloquently and passionately, from time to time with wry and raw wit and humour, about the rights of his region.

There sits Senator Doyle, a great exemplar to many, one of the great writers in this country—a great journalist—but also one of the great editors of the *Globe and Mail*. I draw to his attention to the masthead of the *Globe and Mail* that admonishes its readers that no one should bow to arbitrary power. That is the masthead of the *Globe and Mail*. Senator Doyle, throughout his long respected career, made those words sing for me as I used to read the editorals of the *Globe and Mail* under his editorship and believed much of what was said.

There sits Senator Chaput-Rolland, a great Quebecer who eloquently stood up for individual rights at times when it was not popular to stand up for individual rights and liberties in Canada.

There sits Senator Tremblay, who has written so well and eloquently about the rights of Quebec and the rights of all Canadians.

There sits also Senator Charbonneau, a great hero who fought in the Second World War to defend our rights and our liberties.

So, honourable senators, I feel that this place is not defined as my friend, Senator Everett, defines it, but it is a place of defenders of individual rights, respect for rights, and, more particularly, respect for each senator's rights.

But today, honourable senators, I must say, with deepest regret, that I feel that my rights as a senator have been grossly violated. I felt anger when I came back into the chamber. I felt as if there had been a rape of my rights and that senators who were in this chamber were witnesses to the rape of my rights. Yet none of them stood up and said, "Where are the other senators? Wait a second. Let them come in. Let us not do this." Yet not one of the senators—

Senator Steuart: Hear, hear!

Senator Grafstein: —whom I respect so much and who have fought so long and so hard for individual rights and the individual liberties of the groups that they represent—not one of them—stood up. Not Senator Everett, not Senator Molson, and not one Conservative senator.

Senator Waters, when I came into this chamber, when I was allowed to enter, and you were not here I said, "What about Senator Waters? Did he get his notice? Why is the elected senator not here?" I asked about his rights. I felt: "Why were the other Independent senators, namely, Senator Pitfield and Senator Lawson, not here?" Where were they? Where were Senator Molson and Senator Everett when it was time to defend their independent rights—never mind mine? Yet there was only silence.

An Hon. Senator: We were taking care of our own.

An Hon. Senator: Of course!

Senator Perrault: Looking after your own, that is all!

Senator Grafstein: The proudest moment of my life—

An Hon. Senator: The hell with the rest!

Senator Grafstein: —was when I received a call from the Right Honourable Pierre Trudeau. He asked me if I would like to become a member of the Senate. I said, "Yes." He said, "Do you want to think about it?" I said, "No; I do not want to think about it. But I do have one question. Why are you calling me?" He said, "Because I think you should be in the Senate." I asked him, "Mr. Prime Minister, why do you think I should be in the Senate? Please do not take this improperly—I am not rejecting your offer—but I am curious to know why you think I should be in the Senate." He said to me—and I have never said this to anyone before except my family—"Because, Grafstein, you have been interested in ideas and rights. I think the Senate is a good platform for you to be able to expose your ideas and your concept of rights, not just to me and your friends but to all Canadians."

So, honourable senators, I came to this place and I studied the rule book. The first thing I was given by the Clerk was a rule book. I was told by Senator Godfrey—now retired—"Study the rules. Keep quiet for a while and study the rules. You will then be able to get along and understand how this place operates. Study the rules." So I did.

Each senator, I believe, has his own conscience. Senator Everett talked about his conscience and his principles; it is important that all senators should know what motivates other people's consciences. I studied the rules and then I studied the powers of the Senate. I studied the Constitution yet again. I was taught by Bora Laskin. I talked to Bora Laskin about the Constitution. I talked about rights. I have studied the Constitution yet again since I came here. I carefully followed the parliamentary debates on the Constitution in 1982.

I believe that Parliament can be summed up in one phrase: "Respect for rights." I believe that is what the Charter means. Furthermore, I think that is what Parliament means. That is what the constitution of this house means: namely, respect for rights, respect for individual rights.

So I came to the Senate. When I came here I was told about the role of the Speaker. I thought the Speaker had powerful rights. I was told, "No, no, no, you do not address the Speaker, you address senators". I asked, "Why do you address senators, unlike the other place?" I was told, "It is because every senator has his rights and his privileges. The Speaker is a senator just like all others. All he does is coordinate, at best, but he has no particular rights other than as a senator on his own merits".

● (2300)

Then I asked about the symbols of this place. Elderly senators pointed out to me the eight paintings that surround us. Those paintings were donated to this place to represent the devastation of the First World War, and to act as a constant reminder to senators that lives—not my life but Canadian lives—were sacrificed for one thing only; to defend the rights of all Canadians.

So I took, and I take, my duties as a senator seriously, as I am sure all senators do. Then I read about Parliament. I read Churchill—the greatest of all Parliamentarians. I would like to spend a few moments to quote just a few passages from Winston Churchill. In the break I attended the library because I wanted to know what Winston Churchill would say. These are some of the things that Winston Churchill said about Parliament. This is what he said in 1923 on the houses of Parliament:

> I still hope that, although you see on the Continent of Europe one Parliamentary system after another collapsing, although you see Parliamentary representative institutions which the 19th century so hopefully and so laboriously built up, swept away by revolutionary thrust, or by the Mussolini touch, I still hope that in Great Britain—the home of Parliamentary institutions, the home of government by talking, of government by parley, of government by argument, reason, and fair play—in spite of all the difficulties and troubles of the times in which we live, Parliamentary institutions will be preserved with renewed and revivified strength, and will still hold up above the confusion of the modern world the lamp of constitutional, legitimate, legalized authority, expressed through the medium of rational communication.

There is a footnote, senators, which states:

> (Cheers.) I propose to you the toast of the Houses of Parliament.

I would now like to quote another speech of Winston Churchill's given in 1957 given to the Inter-Parliamentary Union Conference held in Geneva. Some members of this place are members of that organization, which still exists. This speech is entitled: *Parliament-Spokesman of the People*. This is what he had to say:

> Since the Inter-Parliamentary Conference last met in London, twenty-seven years ago, free Parliamentary institutions have confronted, and have triumphantly overcome, the heaviest assault ever made upon them.
>
> I rejoice that at this meeting the Inter-Parliamentary Union is stronger than ever before, and particularly that it now contains representatives of the Parliaments of many nations which have recently achieved independence, as well as newcomers from older Assemblies which have decided to join the Union.
>
> Our Parliament has survived because it made itself the spokesman not of government but of the people. In the fiercest clash of debates we have jealously guarded the right of every Member freely to speak for his constituents and for himself. If your Conference will follow this tradition, it can make a significant contribution to toleration between ideologies and understanding between nations. Thus alone can freedom endure and mankind live in peace.

This is what Winston Churchill had to say in 1948, not to his own Parliament, but to the Norwegian Parliament:

> In our parliamentary system we can be assured that the will of the people will always find open and free expression. With us, the government is the servant of the people and not its master. Any violation of this principle would

> lead to protests from all sides. I have great faith in the parliamentary system. It is through it that we have won all the freedoms and rights that we have in Great Britain. It has given us great pleasure to experience, as I have experienced in the course of the years, that Norwegians value so highly and have such great respect for their representatives who are chosen by the people, and that they are so convinced that the parliamentary system and constitutional monarchy is so well suited to their disposition.

For all of you senators, here are all the collected speeches of Winston Churchill from the earliest part of this century. There are ten volumes in all. They all say the same thing in so many ways over and over again—the people are supreme, not the government. The government is the servant of the people. That is why we are here. We are here to be the servants of the people. Appointed though we are, we are here to be the servants of the people.

We were forced by debate yesterday and earlier today—and what a shame this is—when certain senators were compelled to take the rights of Parliament to the courts. We implored Senator Beaudoin. We implored the Leader of the Government in the Senate to join with us to have a reference to the courts so that individual senators, individual citizens and provinces would not have to go to the courts to determine the constitution of Parliament. I implored the Leader of the Government to agree to that, as I implored Senator Beaudoin. Honourable senators were forced to go to court today. Why? To preserve the rights of Parliament, to preserve the rights of all Canadians. That is why they were forced to take a reference to the courts. How shameful that was.

I thought that was shameful, but nothing at all compared to the shame of what occurred this afternoon.

What happened this afternoon, and why were my rights so violently, maliciously and with intent breached? This was not an accidental piece of negligence about which all of us could sit back and say, "Look, we all make mistakes". The *prima facie* intent was to deprive me, and every senator not mentioned in this Speaker's letter, of his rights as a senator. I was angry with Senator Everett, and I apologize for my anger. I was angry because he was in here and he did not stand up to say, "Where are Senators Grafstein, Thériault, Davey and Steuart? Have they been called? Can we not wait another two minutes? Have you asked the Speaker if everyone has been called? Did you check to see if Senator Waters had been called?" Senator Molson, did you check to see if Senator Lang of Senator Pitfield was called? I do not believe you did, which is why I got so angry. Had I been sitting in this chamber I would have asked those questions. I would have said, "What about the other senators?" I would not have come into this chamber without feeling uncomfortable that the whips were not here, and that all members could freely come in. That is why I was angry, and I apologize for my anger.

● (2310)

Senator Everett: Let me answer that.

[Senator Grafstein.]

Senator Grafstein: Let me finish and then you can speak.

Senator Everett: You have asked me what I was doing.

Some Hon. Senators: Sit down!

Senator Corbin: Give him a chance.

Senator Hastings: He will make a speech.

Senator Everett: No, I will not make a speech. I came into the chamber because I assumed, and indeed had been told by a member of your caucus, that you were not coming in to vote.

Senator Frith: How did you come to that conclusion?

Senator Everett: I was told that you were not coming in to vote.

Senator Frith: Who told you that?

Senator Everett: I am not going to tell you that.

Senator Grafstein: Senator Everett, I did not tell you that.

Some Hon. Senators: I did not tell you that.

Senator Frith: Why can you not name who told you that?

Senator Everett: I do not think it is fair.

Senator Frith: Why is it not fair?

Senator Everett: I do not think it is fair.

Senator Frith: To whom? It is very unfair to all of us. That is the unfairness. It is unfair to say that someone told you that, because it is not true, and then to say that you will not say who it was who told you. To whom is it not fair?

Senator Murray: You should see what Senator Kirby said on television this afternoon.

Senator Everett: It was given to me in confidence and I am not going to destroy that confidence. If you ask why I did not think there was anything wrong with all the Liberal senators not being here, I tell you that I thought you were not coming in to vote. That was my understanding.

Senator Forrestall: Where is Senator MacEachen tonight? In London, or in Brussels?

Senator Steuart: Why are you not back in Nova Scotia making an honest living like the rest of us?

Senator Frith: Obviously it would not have done him any good to be here, because he would have been shut out with everyone else.

Senator Grafstein: Today at approximately 5:20 I was walking from the caucus room, where I had had a meeting with two honourable senators—both of them are present here. I walked from the caucus room down the hall to seek out Senator Frith. One newsman said to me, "Are you going to vote?" I said, "About what?" and he giggled. I then walked up the stairs to see Senator Frith. It was now approximately 5:25. I had received no letter from the Speaker. I said to him, "What is going on?" At that point a secretary handed me the Speaker's letter. That was approximately 5:26 or 5:27. As I was reading the Speaker's letter I heard that the house was convened. As I came down the steps I discovered that the

doors were locked. I said, "What's going on? Who's in there?" Somebody told me that the doors had been locked, but Senator Everett had pushed his way through the doors and they had allowed him in. He voted. I was not allowed to vote.

Honourable senators, I give you the facts as best I know them. That is why I consider that my rights this day were violated. I had hoped that one honourable senator would have stood up and said, "Where are those senators? Can we not extend for another ten minutes to see if they want to come in or not?" However, that was not the case.

I believe, with all the force that I can bring to bear that my rights as a senator were violated. I asked myself, "Where were the Privy Councillors?" Senator Hatfield is smiling, and I know he is not being disrespectful. I asked myself, "Where are the parliamentary checks and balances?"

Under the traditions and conventions respecting the Privy Councillors, they are obliged to represent not just their narrow interests, but are called to the highest body in the land to deal with the interest of all Canadians. I said to myself, "Is there no decency, no duty felt by Privy Councillors present in this Chamber to at least pause and say, 'Where are those other senators?'" But that did not happen, and I was disappointed.

Where were these senators? Where was Senator Doyle? Where was Senator Finlay MacDonald? Where was Senator Trevor Eyton, who is a great friend of mine? Where was Senator Bolduc or Senator Beaudoin? Where was Senator Kelly, a friend of mine, or Senator Atkins? Where were they? If their rights had been dealt within this way, I would not have done the same thing. I would not have sat silent. I regret they did this, because I have so much respect for the senators I have mentioned.

Where was Senator Muir? Senator Muir spoke so eloquently when I was first appointed to the Senate. Yes, he is a Tory, but when I first came here, he welcomed me proudly to this chamber. That was a great moment in my life.

Where was Senator Spivak? Where was Senator Chaput-Rolland? Where were these people who all their lives have been identified with questions of rights? When the moment came they were silent.

I regret that my rights were violated. I regret that it was a gang violation of my rights. I regret that Seantors stood around and were silent while my rights were being violated.

In 1927 The Right Honourable Lord Hewart of Bury, the Lord Chief Justice of England, wrote a book. It is a benchmark book, and it is called *The New Despotism*. Senator Beaudoin, have you read *The New Despotism*? It was a key book in the tradition, history and growth of the checks and balances on executive power. Every law student is familiar with this book because it laid the foundation for modern administrative law. The foundations of administrative law were erected because the executive abused its power. Checks and balances on executive power were created by independent tribunals; it was the very essence of the modern law. Lorder Hewart defined the problem and raised this issue in 1927.

I naively thought that the age of despotism, as enunciated in this book, had evaporated and been replaced with new traditions, new practices, new administrative law and new checks and balances. Today I found that that is not the case. Despotism still lurks in the minds and actions of men in this place.

Last week I saw a wonderful movie. It was the story of Bethune. Bethune, in a very poignant moment in the movie, dealing with the question of fascism, said, "In order to destroy fascism in others, we first must destroy fascism within ourselves." So there was a new, desperate despotism here tonight—an awesome, awful, cancerous despotism.

● (2320)

At page 17 of his book, Lord Hewart quotes Rudyard Kipling's "The Old Issue". Here is what he said:

> All we have of freedom, all we use or know—
> This our fathers bought for us long and long ago.
> Ancient Right unnoticed as the breath we draw —
> Leave to live by no man's leave, underneath the Law.

So, honourable senators, I feel that my privileges have been violated. Not only have my privileges been violated; the privileges of each and every senator in this chamber, including Senator Charbonneau, have been violated. Because my rights as a senator have been violated, as have the rights of every Canadian who believes in parliamentary tradition, who believes in all those speeches that Winston Churchill gave, who believes in all of the principles of administrative law that Lord Hewart inculcated into our law, who believes in the Constitution as it was taught to us by Bora Laskin or as it was articulated to us by Frank Scott—a constitution that has now been violated.

T.S. Eliot wrote a magnificent play called "Murder in the Cathedral". In that play about Thomas à Beckett, the king said, "Would someone rid me of him?" and Beckett is murdered nonchalantly. At the end of the play, we find these words, "The last sin was the greatest treason". Was this the last sine of this government? Was this treason to Parliamentary tradition? So I say to the Speaker and to the government, withdraw, withdraw, withdraw. Pull back from the brink; adjourn, adjourn, adjourn. Give yourselves time and the government an opportunity for sober second thought, an opportunity to reflect on what you so shamefully have done today. Then perhaps we can bring this house together again in an effort of national concilliation.

[*Translation*]

Senator Thériault: Honourable Senators, I will attempt to speak briefly and in a calm manner, because the person responsible for the fact that I am alive today has just left—I am talking about Dr. Keon, and I remember that he told me after my operation that one of the important things to remember in the future was to stay calm, not to get my blood pressure up too high—I will therefore try to relate calmly to you, dear colleagues, how I feel tonight.

You all know I have always had a lot of respect for the Senate Leadership after 20 years in my province's legislature

and 12 years here. I have always felt that the person to whom this privilege was given knew that he was the servant of the assembly over which he presided. It is with great bitterness that I say that, as a Senator, will never again be able to turn to this chair as long as the present Speaker occupies it. In all honesty, I could not.

My privileges were violated in the same way as those of every other Senator but more so because I am French-speaking. I would ask Senators Beaudoin, Bolduc, Simard, David and Tremblay if they received the Speaker's letter in French. I was given a photocopy around nine o'clock, but it was in English only.

Senator Murray: I received both versions simultaneously.

Senator Thériault: Could you please get me a French version?

[*English*]

Senator Frith: How come you got it! Of course, we would expect that you would get one! That is probably your own file copy!

Senator Lucier: He has the original!

• (2330)

[*Translation*]

Senator Thériault: Honourable Senators, I would like to put an honest question to the Senate Government Leader. Did he, either directly or indirectly, take part in this infamous decision? Can the Speakership sincerely tell us that the decision was taken after consulting his advisors?

Honourable Senators, I can easily understand the impatience of my colleague Senator Everett whom I greatly respect—as I said a few days ago, my first committee meetings were held under his chairmanship. I do not know if he was ever elected to Parliament to represent a riding somewhere but I do know that he has been here for a long time. I can understand why he has been here for a long time. I can understand why he is impatient. I can even understand his conception of the Senate. I am told that he is a businessman who has had enourmous success. I am convinced that if he has had such success in business it was not because it took him two days, five days, two weeks or two months to arrive at a decision. I can understand his frustration. He must nevertheless accept that we operate in a parliamentary context. We have not only the responsibility but the duty to debate issues to take a stand.

My privilegese were also violated this afternoon. This for me was a first. In my 30 years of parliamentary life, I have never witnessed an instance where the Senate Speaker could add to or amend the Rules of the Senate. Senator Everett told us that he was told the bells would go on ringing. He has not, on the other hand, told us under which Rule the Speaker had taken such a decision.

Honourable Senators, in the other House, before the 1984 election, the bells were kept ringing for 10 or 12 days, I am not sure how long exactly, but not for a mere three or two and a half hours. Do you believe that, had the Speaker thought he had the power or authority, he would not have stopped the bells from ringing at the House of Commons? The problem has been solved at the House of Commons. I said so yesterday: If the great parliamentarians want to change the Senate Orders, when the Supreme Court has rendered its decision on the legitimacy of the eight new Senate appointments, then let them amend them. Nothing in the Rules gives the Speaker the right, the legitimate authority to do what was done this afternoon. I am upset.

When Senator Charbonneau was named to the Speaker's chair, I was happy for him. Even in discussions with colleagues, I gave him my support. I found him extremely amiable, a charming individual. This afternoon, he committed a grave error. As several of my colleagues have said, this error will bear heavily on his career. Someone else said it: think about it.

Honourable Senators, do you remember the last time a House of Commons Speaker gave the impression that he was on the side of government? It was during the famous pipeline debate. The Senate Speakership should perhaps bear in mind what happened to that Speaker. The government of the day paid the price. That was only fair. According to the newspapers, to MacLean's, either today's or yesterday's, the country is presently going through a crisis. Why? I do not really know if the polls indicate 15 or 20 per cent popular support for the GST of for the Prime Minister. Never in history or in all my experience have I seen what happened in this country this summer when the committee held hearings under the brave chairmanship of Senator Buckwold.

It is true that ordinarily, people do not enjoy paying too many taxes. Day after day we were told this by people, by organziations that they were not necessarily against taxes. Everyone knows they have to pay taxes, but there are other ways, fairer ways to do it.

One of our main problems is that we have a Prime Minister who had no parliamentary experience when he was elected. The importance one attains, and we have all seen this in all political parties, when one becomes Prime Minister of a country with a majority, can easily be imagined. I have had that experience, I have seen it when Senator Hatfield was Premier. His attitude changed when he had a majority of 10 or 12 seats as compared to when he had only a one- or two-seat majority.

This is serious, Senators. What was done today is extremely serious. I would suggest the Speaker do either of two things. First, he should consult, not only here in Ottawa, not only with the Conservative Party, not only the government, but here and there, everywhere in the country before arriving at a decision. He can apologize to the Senate and resume debate where we left off at noon. If the Standing Orders dictate that bells be kept ringing for 15 minutes, half an hour or two hours, this presents no problem. But when the Rules stipulate that a vote will be taken after a certain sequence of events and that this was not the case, then I say to the Speaker: think, think very hard.

I should like to reiterate what my colleague Senator Hébert already said, and I address myself to the same Senators. You

all know that in this House, we have Senator Roblin, we have Senator Marshall, we have Senator Muir, we even had Senator Manning who was appointed to the Senate by Pierre Trudeau, God knows the same one whom Quebeckers mostly take pleasure in vilifying. Ask Senator Marshall if he was asked to sit as a Liberal member in order to become a Senator? Was Senator Roblin asked to sit with the Liberal caucus to become a Senator?

Senator Hébert: And what about Senator Asselin?

Senator Thériault: Senator Asselin and how many more. If they had been asked to sit as Liberals, we would still have a majority here. Our numbers would still prevail, and that is important.

I am upset and very much distressed. I repeat to the Speaker: after thinking this out, if he can sleep tonight, let him either reverse his decision or resign.

Hon. Stanley Haidasz: Honourable senators, although the clock of the Peace Tower struck midnight five minutes ago, I should like to take this opportunity to raise a question of privilege—a privilege which has been denied not only to me in this chamber but to almost 50 per cent of the membership of this chamber.

I was appalled when a vote was called and taken in the absense of so many senators. I think October 4, 1990 is one of the saddest days in the parliamentary history of Canada. We will recall how, in June and July of 1956, one Speaker of the other place was accused of subordinating himself for partisan reasons to the government at that time. We will also recall many other instances where this unpopular tax, the GST, outlined in Bill C-62, was railroaded through the House of Commons where closure was forced upon the members of the other place. From what we heard from one member of the New Democratic Party who visited in this very chamber a few hours ago, the rules and the rights of the members were trampled upon in order to force through an unpopular tax which has been called unfair and immoral and which 85 per cent of the Canadian people oppose. We heard a few hours ago from the chairman of the Senate Banking Committee, who tabled a few days ago the thirteenth report of his committee recommending to us the rejection of Bill C-62. During his earlier speech, he outlined for us a litany of the major flaws of the GST. However, many of us who did not serve on the committee—I only spent three days with the committee in Toronto—perhaps did not read the brief that was presented to the Banking Committee on August 29, a brief submitted by the Episcopal Commission for Social Affairs of the Canadian Conference of Catholic Bishops. If I may quote for your information from this brief, the bishops say:

● (2340)

> We also hope that the Senate will respond in a more effective way, to the will of the people on this issue, than the House of Commons Committee did following its hearings on the GST.

They go on in their brief by saying:

> We believe there are some basic ethical and moral issues at stake in the development of economic and social policies.

The bishops also went on to state:

> In a society based on economic justice, the "ability to pay" must be the guiding principle of a fair tax system.

They go on to say further:

> According to the National Council on Welfare, the income tax bill for working poor families has increased by 44.1% between 1984 and 1988.

The bishops also say that another flaw in the bill is that the percentage of income spent on a 7 per cent GST will fall as income rises.

> It is projected that, a four person family living on $30,000 or less would spend 5.2% of their income on the GST while a similar family with $100,000 income would spend 3.9% of their income on the GST.

That is another unfairness in this tax which is being forced upon us all. I would also underline tonight that this brief says that the GST could amount to a four to eight billion dollar tax windfall for corporations, and that businesses, except doctors, will be able to claim 100 per cent credits for all the GST they pay for the "inputs" into the production of their products. On the other hand, many public service institutions, including municipalities, school boards, universities, colleges, hospitals, churches and other religious institutions, as well as other non-profit organizations, will only be eligible for partial tax rebates on their GST payments.

Finally, they go on to list an alternative set of progressive tax measures, based on research by the Ecumenical Coalition on Economic Justice, which shows the Canadian people, and parliamentarians in particular, that restoring the corporate tax rates to what they were in 1984, and closing loopholes that benefit certain corporations and wealthy investors, would be fair things for government to do. They go on to mention other conclusions of this Ecumenical Council, The Coalition on Economic Justice, but I would not want to take up your time with them. You can get a copy of this August 29 brief from the clerk of the Senate Banking Committee.

I now just want to quote their conclusion to the chairman and the members of the committee on that day:

> We maintain that the federal government has a moral responsibility to promote economic justice by reducing the gap that exists between rich and poor in our society. This calls for a progressive tax system based on the ability to pay. From this perspective, we believe that the GST should be rejected as an unfair tax and be replaced by an alternative set of progressive tax measures calling upon profitable corporations and wealthy individuals to pay their fair share.

Some Hon. Senators: Hear, hear!

Senator Haidasz: Honourable senators, what is happening today is the lust for power and the abuse of power by the federal government. We know that power corrupts and power

has led to corruption in the Canadian parliament, even in this chamber. Last night, we watched on television the unification of East and West Germany, the final chapter on the disaster that was perpetrated on Germany and the rest of Europe by Adolf Hitler, who assumed power as the Chancellor of the Third Reich on January 28, 1933, which was followed by the burning of the Reichstag a month later, and later by World War II, in which so many of our Canadian men and women took part, as well as many of our colleagues in this chamber. They gave their lives to help to defeat the abuse of power by Adolf Hitler, the man who ordered the genocide of the Jewish people in Europe and the annihilation, the gassing to death, of six million people. One of those gas chambers was at Auschwitz, which I have visited three times. It is in Poland, not far from Krakow, and it is a museum today to the monumental inhumanity to man perpetrated by Adolf Hitler. This was a man obsessed with power.

I hope that is not the case here in Canada, but there is a danger because of what was done this afternoon at 5:25 p.m. when my right and the rights of approximately fifty per cent of the membership of the senate were abrogated.

Honourable Senators, I think that the Speaker at least owes us an apology.

Senator Frith: A resignation!

Senator Haidasz: Otherwise, he has brought disgrace upon himself and on the speakership of the Senate. Before we end this debate, I hope that the truth will be told as to who or what drove Senator Charbonneau to conduct such an improper vote this afternoon at 5:25 p.m. Thank you.

Hon. Charles Turner: Honourable senators, I hope my voice holds up. I am very proud to be a member of this great house, which is part of our Canadian parliamentary system. I am also very proud to be a member of the working class of Canada, a former CNR railway engineer who has been elected in five elections and served in the House of Commons for over sixteen years.

Honourable senators, I have given my lifetime, as a worker for a political party, as an MP and senator to our great parliamentary system. I am very proud of the fact that a working man like myself can be allowed to serve in the House of Commons and the Senate of Canada. This the type of democracy for which our soldiers served overseas in three world wars. Just remember that over 100,000 made the supreme sacrifice so that our Canadian people would continue to live in a democratic country. Each Remembrance Day, we stand in front of cenotaphs across this great land and we say, "We shall remember them." Well, tonight, I believe that we, as members of a parliamentary system, have failed them. We must not say that we are very sorry but the system that they fought for has failed. However, honourable senators, I did not receive any letter to notify me that the Speaker would stop the bells at 5.30 p.m.

● (2350)

Honourable senators, I do not see my name on this list. Why? After having slept in the lobby of the House of Commons for almost 15 days and nights during the bell-ringing crisis on the National Energy Program, I can say that the Speaker does not have the power to stop the bells. During that crisis, the whips, especially the government whip, myself, signalled to the Speaker that he was ready for the vote.

The Senate rule on page 70 reads as follows:

> The division bells are rung, and when the Whips—

That means the government and opposition whips.

> —have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote—

At that point the bells are stopped.

During that crisis the Mace was on the table, and every 24 hours the Chair was occupied by members of the government, all of whom worked on four-hour shifts. Not once did the clerk, the law clerks, the table officers, the House leader or the opposition leader tell me that the Speaker had the power to stop the bells.

On the first Sunday morning the Prime Minister, Mr. Trudeau, paid us a visit at 7 o'clock to see whether or not we were okay. He asked what we needed, and he sent in cookies, cakes, sandwiches and a basket of fruit.

The Speaker paid us a visit at 7.15 that morning and asked my personal opinion. I said: "You instruct me and I will inform the other whips in writing that a vote will take place on Tuesday at 2 p.m. and we will have the members in their seats at 2 o'clock." The Speaker said: "Charlie, I do not—and I have been advised of this—have the power to stop the bells under the rules."

The Speaker said that what would stop the bells was a signal from the whips.

Honourable senators, I believe that the rules, as outlined on page 70 of the *Rules of the Senate of Canada* applies in the Senate on Thursday, October 4, 1990.

Honourable senators, we must remember that there are 100,000 who lie in Flanders Fields.

Some Hon. Senators: Hear, hear.

Hon. Joyce Fairbairn: Honourable senators, I have watched this day develop—or perhaps "disintegrate" would be a better word—with great sadness, with anger and an overwhelming sense of despair. Most of my working life, more than 28 years, have been spent on this Hill writing about parliament, advising about Parliament, and, in the last six years, being a participant and an enthusiastic proponent of the worth of this place.

Today I may have seen the beginning of the end of the operation of Parliament as we know it. No one in any political party, under any degree of provocation, has ever contemplated the action that we have seen taken today.

There have been tough and angry times on this Hill, with harsh and destructive clashes of wills and personalities and principles, but never have parliamentarians in Canada been shut out of their own House, their privileges demolished, their right to vote stolen without notice—and, worst of all, this was not even done with courage up front, so we could have had a fair fight, as is the tradition in this chamber.

It was a sneak play to subvert the rules which senators on this side were using to oppose the GST, the goods and services tax, which we believe, with all the conviction we can collectively and individually muster, is wrong for Canada. Because we have been told by the overwhelming majority of Canadians that it is wrong for them.

Our disagreement with the government and its representatives in this chamber is profound—perhaps it is fair to say it is bitter—just as is their disagreement with us. That is why we have oppositions in our democracy, and that is why we have a second chamber with constitutional authority to do exactly what we have been trying to do.

Some Hon. Senators: Hear, hear.

Senator Fairbairn: This kind of clash and controversy is not pleasant, and it hurts—it hurts all of us. But I ask honourable senators opposite—and so many of you on the other side are friends of long standing, and some are friends in more recent times—is any bill worth the cost to our Canadian parliamentary democracy?

I suggest that no legislation, however important to a government's agenda, is worth the destruction of the fundamental rights of our system—not the GST, not the clawback, not the unemployment insurance bill, not the abortion bill. And speaking of the GST, I have spent, as have many in this chamber, the entire summer out in the country. I was not travelling with the committee, although I did join it in Edmonton when it came to my province of Alberta. However, because of the very nature of this legislation I believed it was incredibly important for me to get out into the country, where I come from, and listen to what the people had to say. I did that. Southern Alberta is a place of small communities in the farming area and in the mountain passes. I talked and listened to people in Pincher Creek and Cardston, and to the Bloods and the Peigans on the aboriginal reserves, in Picture Butte, Taber, Coaldale, Fort MacLeod, Lethbridge—which is, of course, my home town—Calgary, Edmonton and farther afield during speaking engagements in Vancouver, Winnipeg, Fredericton, Ottawa and Toronto.

● (0000)

No matter what I was talking about—and very often I was talking about illiteracy in our country—people expressed their views and convictions on the GST with passion, anger and fear. They wanted to talk about unfairness in the different regions of our country where transportation costs amount to a food tax and a tax on many other things, particularly in northern Canada. They wanted to talk to me as poor people who visit food banks, to whom the small rebate they will receive under this tax will not pay for their daily expenses as they try to put food on their table, clothing on their children, and a roof over their heads. Small businessmen want to know why a government that says a tax is neutral will not then commit itself to use every penny above that neutrality to pay down the deficit that is scaring the hell out of people all across this country.

Honourable senators, I do not believe it is good enough, under these circumstances, for a prime minister to use the tyranny of his majority to have his will regardless of what the people of this country think. If Canadians are angered and disturbed—as they are — by some of these measures, it is not good enough for the Senate of Canada simply to look the other way.

What has happened today follows what has been a clear and, I must say, sordid pattern of this government to force its bills on parliament and on this country, no matter what the people who put it in office think. Senators, in six short years the government has outstripped a combination of every other government in our nation's history, taken all together, in its use of time allocation to bulldoze its legislation through the House of Commons.

When we talk about Senate reform—and I think we all sincerely talk about Senate reform—we talk about it as though only one chamber needs to be changed. I suggest that what we should be talking about is parliamentary reform, because there is a similar job to be done in the other chamber. I would like to share with you some comments made on September 26 in a newspaper for which I used to write, the *Winnipeg Free Press*, by one of the finest columnists in Canada. Her name is Frances Russell. In the 1960s she reported on Parliament Hill. She is a distinguished journalist in Manitoba because she calls it as she sees it and is no friend to any particular political party.

In her column of last week, Ms. Russell said:

> The standoff between the Mulroney government and the Liberal-dominated Senate reflects a paradox in modern Canadian parliamentary democracy.
>
> Because the nation's highest democratic institution, the House of Commons, has itself ceased to be democratic, it falls, by default, to an appointed chamber to express the popular will and attempt to hold the government accountable to it.
>
> The fact the Senate is only fulfilling that role now because of partisanship and may cease to if the Mulroney government swamps it with eight extra Tory senators is more evidence of the serious malaise in Canada's democratic process.
>
> Put simply, there are no longer any sustainable constitutional checks on a majority government. It is a four-year dictatorship. Not even the prospect of defeat in the next election is a deterrent given the growing confidence a wealthy governing party can place in the modern technology of public opinion research and manipulation.
>
> Reform of the Senate is a red herring. The real issue before Canadians is reform of the House of Commons.

Some Hon. Senators: Hear, hear!

Senator Fairbairn: Ms. Russell concludes her column with comments from our former colleague, Senator Eugene Forsey, who says:

> Now, of course, the government imposes closure routinely. So it is now quite reasonable to make the argument that the Senate is the only protection the public has against a majority government bent on imposing a major new issue of public policy on an unwilling and enraged populace.

Senator Forsey dismisses a government argument that the GST was a visible part of their platform in the last election, and in his own salty quote he said, "In a pig's eye it was".

Ms. Russell concludes:

> The government of Prime Minister Brian Mulroney is qualitatively and quantitatively different from all its predecessors in its disregard for public opinion, its open contempt for the electorate and its determination to impose a revolutionary agenda on the nation.
>
> But by being all these things, it may have done Canadians a favor: it has made them realize the fragility of their democratic institutions.

Some Hon. Senators: Hear, hear!

Senator Fairbairn: Honourable senators, I think today Canadians will be even more conscious of the fragility of this democratic institution.

• (0010)

Some of those comments indicate why Canadians have been looking more and more to the Senate as a forum which may listen to them and respond to their concerns as bill after bill, through stage after stage, is rammed through the House of Commons. But, honourable senators, there is no closure in the Senate. There is no time allocation.

Senator Frith: Not according to our rules.

Senator Fairbairn: No, not according to our rules.

There are rules for discussion; there are rules for debate, and there are rules for negotiation between the two houses. But it has been made very clear by the Prime Minister, and particularly by the Government Leader in the House of Commons, Harvie Andre, that they will not deal with this place. "It is our way or no way."

Now the long arm of Brian Mulroney has reached into the Senate to force his will on this chamber through an executive closure, which has never been attempted before. First, he has appointed eight senators under a constitutional rule never used since Confederation. Senator Beaudoin said yesterday that it was crystal clear that the Prime Minister had every right to appoint extra senators to pass his goods and services tax. Well, honourable senators, it was not and is not crystal clear. The challenges are mounting in courts across this land, and they are challenges by individuals, by provinces and by political parties. Senators opposite cannot now decree what is right and what is wrong on this issue. That is now for the judges of our country to decide.

The Prime Minister had an option to test section 26 of the Constitution in the Supreme Court of Canada so as to check the legitimacy of his possible appointments. He chose not to take that route—perhaps he feared to do so—and there is nothing wrong with taking that route.

I remember very well the early 1980s, when we had what could hardly have been a more major debate in this country about the patriation of the Constitution. The government of the day, led by Mr. Trudeau, was highly motivated and determined to bring our Constitution back from Britain. A lot of the provinces wanted to attach some of their own concerns and conditions to this process and there was quite a row. So the former Prime Minister took the issue to the Supreme Court, not on a question, really, of whether it was legal, because most people indicated that it was legal to go ahead the way it was proceeding, and he had a minority of provinces supporting him. He took the issue to the Supreme Court to find out whether it was right. The court returned a ruling that it was legal, but not right.

An Hon. Senator: Come on!

Senator Fairbairn: And from that ruling Mr. Trudeau was then forced to seek the agreement of a majority of the provinces of Canada to go ahead with his proposals.

This Prime Minister has chosen not to go near the Supreme Court of Canada. Mr. Mulroney has left the validity of these eight appointments—and perhaps even the future validity of the work we do in this house—in deep dispute. He does not seem to care and he did not want to wait.

We found out today that he has also placed a heavy hand on the shoulder of his old friend, Senator Charbonneau. He has asked him for the ultimate favour—to single-handedly override the rights and privileges of this house of Parliament and to force through a goods and services tax detested by an overwhelming majority of Canadians. The first casualty has been the rules on which our rights and privileges rest.

Honourable senators, this has been done by a government which has dropped to 15 per cent popularity in the esteem of the people of Canada who elected it. This has been done by a Prime Minister whose personal popularity, we are told, has gone into a freefall and dropped to single digits. Quite simply, I don't think Brian Mulroney gives a hoot about our parliamentary rights or the rights of Canadians—and if we judge from the polls, the Canadian people don't give a hoot about him.

An Hon. Senator: Right on!

Senator Fairbairn: Honourable senators, Your Honour, our Constitution has been violated. The rights and privileges of each one of us, I believe, have also been violated today. Damage has been done to our system that may be irreparable. I believe, Senator Charbonneau, that you have destroyed your own privileges along with ours in an act of extreme loyalty to your Prime Minister. He has led you down a very dark and dangerous path. I do not know what future there is for this place.

Listening to speeches tonight, one can feel that the atmosphere has been severely poisoned. Perhaps the destruction of today will finally force Senate reform on the nation, and the sooner this place is elected the better. That is the one good

thing that can come from what can only be, in my mind, the saddest moment in Canadian parliamentary history.

As someone noted earlier today, we have not often in this country experienced guns, tanks, bombs or tear gas, but today you, sir, under what must have been overwhelming pressure, have helped to tarnish the value of an integral part of our legislative system. As freedom comes to other nations—as the Iron Curtain has crumbled across Europe and as the two Germanies only this week have been reunited—our Canadian democracy, which we take for granted, has been diminished. Today's events, sir, will be part of your legacy. I have known you as a fine gentleman and I would implore you to give us back our rules if you intend to continue to sit in the Chair. After all, the strength and the power of these rules belongs not to us but to Canadians, whom we are here to serve. Let us at least protect their rights in this institution.

● (0020)

Hon. Dalia Wood: Honourable senators, today my rights and privileges as a senator have been trod upon. Can you imagine my surprise when suddenly the television in my office spewed out the words: "Let the doors be closed". I walked to the translation booth, because my office is nearby, and what did I see? I looked down and saw Tories voting all by themselves!

Some senators received notices and some did not. What qualifications did I need that were missing? In Section 23 of the British North America Act, 1867 it states:

> 23. The Qualifications of a Senator shall be as follows:
>
> (1) He shall be of the full age of Thirty Years.
>
> (2) He shall be either a natural-born Subject of the Queen, or a subject of the queen naturalized by an Act of the Parliament of Great Britain, or of the Parliament of the United Kingdom of Great Britain and Ireland, or of the Legislature of One of the Provinces of Upper Canada, Lower Canada, Canada, Nova Scotia, or New Brunswick, before the Union, or of the Parliament of Canada, after the Union:
>
> (4) His Real and Personal Property shall be together worth Four Thousand Dollars over and above his Debts and Liabilities:
>
> (5) He shall be resident in the Province for which he is appointed;
>
> (6) the Case of Quebec, he shall have his Real Property Qualification in the Electoral Division for which he is appointed, or shall be resident in that Division.

If I qualified, where did I go wrong? Nowhere does it say that notices are to be sent to a whip. Article 14A of the *Rules of the Senate of Canada* states:

> (1) If, during any adjournment of the Senate, the Speaker is satisfied that the public interest requires that the Senate meet at a time earlier than that set forth in the motion for such adjournment, the Speaker may call such a meeting by sending a notice to each senator at the latest address of the senator filed with the Clerk of the Senate, informing the senator of the time of the meeting.

Fine. I did not receive one today. I have rights as an individual senator, and I have the right to receive a notice, whether or not the notice was valid.

The Senate of the Canadian Parliament bears a name which goes back to the days of ancient Rome and today the Parliament of Canada has been desecrated as if Martians had invaded us. What did they say? "We don't need to respect your time-honoured traditions. They don't mean anything to us".

I am particularly shattered that Senator Charbonneau, a man of such personal stature, could, for some reason or another, be persuaded, in a clandestine manner, to have whipped up a pseudo-legality by registering some underground GST senators.

Whatever the judgment on our Liberal summertime involvement in holding an inquiry across the country—and our attempt to table this inquiry may have been a little rough on the edges—that does not compare with the ultimate desecration from authorities, whoever they may be, that had you induct the "Group of Eight".

Furthermore, as though that was not enough, subsequently you were persuaded to set aside the legality, courtesy, dignity and authority of the parliamentary system which has a reflection on both houses and individuals who are called upon to sit in this place.

There are ashes building within this institution. Perhaps a phoenix will rise from them. Let us hope so, because the separatist forces in our country, in their wildest dreams, could never have shattered the Parliament of Canada as your office has done at this time. It is with deep regret and a great sense of empathy that I realize the terrible position your personal stature has had to submit to.

Where do we go from here? We have a wonderful country, and I can only hope that wisdom and honour will prevail on the Senate of Canada.

I would like to read some words of Sir John Bourinot from 1895:

> No system of government or of laws can of itself make a people virtuous and happy unless their rulers recognize in the fullest sense their obligations to the state and exercise their powers with prudence and unselfishness, and endeavour to elevate public opinion. A constitution may be as perfect as human agencies can make it and yet be relatively worthless, while the large responsibilities and powers entrusted to the governing body—responsibilities and powers not set forth in acts of parliament—are forgotten in view of party triumph, personal ambition . . ."The laws,". . . "reach but a very little way. Constitute government how you please, infinitely the greater part of it must depend upon the exercise of powers which are left at large to the prudence and uprightness of ministers of state.

I also wish to quote a favourite poem of mine, which I would like to leave with you:

"As yet the waxen mould is soft, the opening page is fair;
It's left for those who rule us now to leave their impress there—
The stamp of true nobility, high honour, stainless truth;
The earnest quest of noble ends; the generous heart of youth;
The love of country, soaring far above dull party strife;
The love of learning, art, and song—the crowning grace of life;
The love of science, soaring far through nature's hidden ways;
The love and fear of nature's God—a nation's highest praise."

Hon. Jack Austin: Honourable senators, I rise to join in the complaint of the abuse of my rights as a senator, an abuse which has been well argued and presented this evening.

I wish to put on the record that I received no notice from the Speaker, Senator Charbonneau, that these proceedings would resume at any set time. I was in my office and learned that these proceedings had resumed by looking at Newswatch, a CBC news program. By the time I was able to be here, those outrageous proceedings—a vote by only one side without notice to a substantial number of senators—had been concluded.

That is the basis of a complaint which I think cannot be answered by Senator Charbonneau and senators on the other side.

I say with great sadness that we are seeing tonight the end of civility in Parliament, not only in this chamber but, I predict, in the other place. We are seeing a process in which the comity which has made the parliamentary system we know work, and work well, undermined by an arbitrary form of behaviour in which the basic philosophy can only be described as "the end justifies the means."

Yes, we have unpopular legislation before the country and we know that the country understands that legislation. We have heard our colleagues speak eloquently tonight on this side, and none more eloquently than Senator Fairbairn, of the issues that are outstanding in the minds of this Parliament and in the minds of Canadians.

I regret very deeply, as Senator Everett said, that today this is a chamber of such hostility and partisanship. Senator Everett has been here a long time, and I have been here for over 15 years. In most of that time the business proceeded by means of co-operation. The business proceeded because honorable senators understood and respected one another personally.

● (0030)

The business proceeded because honourable senators understood their responsibilities to the nation and were able to rein in their partisanship because of that high sense of responsibility.

[Senator Wood.]

Many difficult issues have been before this chamber in the past years. When Liberal governments were in power, I believe senators in the Conservative Party and independent senators were given no cause to complain of the way in which the business of government and the business of Parliament was done. Yes, there were many complaints. I enjoyed the humour of Senator Flynn. I remember the cut and thrust of the argument, but there was no attempt, in my experience—and I believe for many decades in this chamber—to overrun, dismiss, or completely destroy the privileges of honourable senators and the entitlements of an opposition.

I served on a joint Senate and house committee that dealt with the Constitution in 1981. This joint committee sat for six months. Some other honourable senators who served with me are here. Nothing was more carefully drawn than the rights of the Conservative Opposition and the NDP Opposition. Every effort was made to ensure that their participation was at the full, and six months passed to accommodate their entitlement as an Opposition to make their arguments and put their questions before the country.

This is a government in a bloody hurry. This is a government that apparently cares very little for the strains that are caused in Parliament as a result of their forms of parliamentary behaviour, their closures, the timetable and the agenda driven by an election that stares them in the face two years from now. The need to adjourn this session, I am sure, is in order to create a period of time in which the government can reconstruct itself and construct a new Throne Speech with the hope of bringing a softer and gentler message to the Canadian people. I think they have no hope.

Tonight has energized the opposition parties. You saw members of the NDP without the bar. You have done a great deal to bring yourselves down by the abuse that you visited in Parliament tonight and on the rights of Canadians.

Senator Frith: Hear, hear!

Senator Austin: This was a gentler place. Let me read to you a few lines from academics who describe the Senate, the role of the Speaker and the nature of the Speaker's function in the Senate. I want to quote for a moment from an article published in 1969 entitled *The Speaker of the Senate of Canada,* by Professor W.F. Dawson, who says—and I am sure there will be some wry and ironic reactions to some of these lines:

> There is no doubt that the Senate has a tradition of orderly debate and gentlemanly conduct. There is also no doubt that a chamber that prides itself on its non-partisan approach to legislation will never arouse the strong feelings that occasionally disturb the House of Commons. It is impossible to imagine, for instance, the Senate ever becoming sufficiently aroused that a sitting would have to be suspended for disorder. The few cases of disorder that have occurred have been largely the result of the activities of a very small number of Senators with exceptionally strong opinions.

He goes on to say:

> On the whole, the Speakership of the Senate presents few of the problems that confront the office in the House of Commons. The Speaker still presides over a House noted for its short sittings, leisurely procedure and docile manners. The reform of 1906 . . . gave the Speaker the reserve power he needs to control any unexpected outbreaks of bad temper in the House.

That is the interpretation of rule 15. It goes on to state:

> The one feature—political partisanship—that has traditionally plagued the House of Commons Speaker in Canada should be present in the Senate in an even greater degree, but it has never become important. It is natural that this should be so, for the Chair of the Senate does not carry with it the same responsibility or the necessity for a strict application of the rules which mark the Chair of the Commons. Debate is never as heated and awkward political situations simply do not arise in the Senate. On the whole, Senators have been satisfied with those who have been placed in the Chair, and the proceedings of the Senate have never suffered from any partisan political suspicions.

Oh, my, the times have changed.

Senator Frith: Haven't they!

Senator Austin: The article goes on to state:

> Indeed, it would seem that few features of the Senate Speakership could profitably be improved.

I will move now to a further point in this article—and I am reading from pages 30 and 31.

Senator Barootes: What is the date on that article?

Senator Austin: Yes. I gave it, but I will give it again. It is 1969, and I think it is reasonably contemporary. It goes on to state:

> . . . the Speaker himself has been giving up many of the outward appearances of partisanship by not speaking and voting in the Senate. It is, therefore, much easier for the Speaker to appear today in the guise of an impartial arbiter, free from overt party allegiance.
>
> The reasons for this change are impossible to assess with certainty, but there is no reason to believe that it is not connected with the background of the incumbents combined with the normal composition of the Senate itself.

He goes on to state:

> In all of these bodies—

And here he is referring to the House of Commons or provincial legislatures—

> —the tradition of an impartial Speaker is strong and it is not impossible that this tradition has been carried over from one to the other. Whatever the reason it seems certain that the Senate has gradually moved from the idea of a partisan Speaker to a position where he presides, as do his counterparts in other parliamentary legislatures, with firmness, dignity and obvious impartiality over the proceedings of the House.

Clearly, we have seen a total revocation of those standards in the behaviour of the Speaker this day.

I wish to refer also to an additional report entitled "The Powers of the Speaker of the Senate", presented by Norman B. Williams in December 1975. He says, as follows, on page 10:

> It is firmly established that the Speaker of the House of Commons is "responsible for the due enforcement of the rules, rights and privileges of the House". By contrast, the Speaker of the Senate, according to the Rules of the Senate, is only allowed to "preserve order and decorum".

And he cites rule 15. He then goes on to state:

> When a Member of the House of Commons moves that a matter affecting the privileges of Members be referred to the Standing Commitee on Privileges and Elections, the Speaker must first decide whether there is a prima facie case of breach of privilege.

Here he refers to *Beauchesne*. He then goes on to state:

> The Speaker of the Senate is not called upon to make such a ruling. The Senators by majority vote would decide whether the Senate would study a matter pertaining to its privileges.

I submit to honourable senators that the ruling of the Speaker yesterday is unprecedented and unwarranted.

Senator Frith: In retrospect, it is not surprising at all.

Senator Austin: I have spoken in this place before on the powers of this chamber.

I want to go back to a few lines of a previous address on December 14, 1978. I said at that time as follows:

> Today the Senate is not primarily a check on the will of the people as expressed in the other place, nor should it be if that will be expressed in a responsible, tolerant, fair and democratic way. Where both chambers are acting reasonably, the will of the lower chamber should prevail. We have long recognized that principle in our practice.

● (0040)

> I submit that our primary function today is to act as a check on a lower house dominated by the executive. In other words, our legislative role and purpose is to defend the nation against an arbitrary executive which, through party discipline, has captured the free will of the government's supporters. All who think about governmental process know it could happen, so, in fact, we exist to protect one of Stanley Knowles' most strongly held principles—the protection of the people against the will of an arbitrary executive . . .

In 1917, when the power of the executive was not so well developed as it has become today, Sir Clifford Sifton wrote:

> It must also be remembered that, under our system, the power of the Cabinet tends to grow at the expense of the House of Copmmons . . . The Senate is not so much a check on the House of Commons as it is upon the Cabinet, and there can be no doubt that its influence in this respect is salutary.

I presume that rule has been shot out the window as well.

I want to address a few remarks to Senator Waters. I understand that he is saying to both sides in this House, "A pox on both your Houses". I want to say to Senator Waters that there is a lot to criticize in the chamber, but there is a lot to maintain as well. I wish I had heard you, Senator Waters, maintain more of the principles which a second chamber in a bi-cameral system should contain in this Parliament. The smaller provinces—Alberta, your province, and British Columbia, my province—have long suffered under a dominant population which is based in the two central Canadian provinces—Ontario and Quebec. Complaints are well-known.

For a time the Conservative Party was able to capture and advance those complaints. It is a total failure in so doing. My party, too, I admit to this Chamber, has not been a success since the 1940s in capturing the spirit of western Canada. Your party, the Reform Party, is having some success in that respect. Whether it will turn into a parliamentary success remains to be seen. I urge you, as I urge all honourable senators, to understand that this Parliament and its method of workikng depends essentially on compromise amongst people who hold opinions strongly. It depends on those quiet discussions that edge our interests forward slowly but surely, and not on a winner take all mentality, not on a "take no prisoners" mentality. That is what we are seeing today.

Look at the strains that this government has brought into this country. If you pick up the current issue of *Maclean's* magazine you will see that on the front cover it states: "How Much Can Canada Take? Ottawa is obsessed with stacking an unpopular Senate. At stake: The role of Parliament and the fate of an even more unpopular tax. The country murmurs revolt. The seams of the nation are stretched."

Is this a partisan periodical?

Senator Simard: Yes.

Senator Austin: I do not know which partisanship it maintains; but I will tell you that this magazine is in hundres of thousands of homes in Canada tonight, and Canadians agree with this assessment of the performance of this government. No government has brought more strain to the national fabric of this country than this government. No government deserves to be rejected more than this government deserves rejection.

Governance is a subtle art. Governance requires a subtle hand. Governance requires integrity with the people. Governanace requires an open process. This government is famous for rejecting all those principles.

This government had no open process with respect to Meech Lake. When I spoke on the Meech Lake debate I said the process itself called for the failure of Meech Lake. The people of Canada knew not what was being written by 11 men in a private room. This is not the way to govern Canada.

Forcing a tax of this kind on Canadians against their will is not the way to govern Canada. It is axiomatic that no law should be passed by any Parliament that the people will not obey. This government is in danger of pushing the people of this country to a revolt against our democratic institutions. This government is in danger of pushing the Canadian people into a lower standard of morality than we have enjoyed in this country, and a much lower level of civility than we have enjoyed in this country.

[Senator Austin.]

I say to you that this is an unfortunate point in our history. I hope that this long debate—it is now after one o'clock—at least puts on the record of this chamber substantively, realistically and fairly the rights of Parliament and the abuses that the government is visiting on us. I sincerely hope that somehow that this abuse by the government will be seen and understood by the people of Canada.

Finally, I have to say that I deeply regret, after so many years of building civility and comity in this parliamentary process and in this chamber, that in one day, with one small letter which is inexplicable and unjustifiable, we have destroyed over 100 years of building the Canadian parliamentary system.

Some Hon. Senators: Hear, hear!

Hon. Anne C. Cools: Honourable senators, I rise to add my few words to those of us who feel somewhat violated. Before proceeding I would like to say that traditionally an appointment to the Senate was a thing that people garnered, and, traditionally, when senators arrived we all congratulated them. But we have seen some changes recently. We have seen changes where people come and are smuggled off to rooms to be sworn in in secrecy. That is a far cry from anything any of us ever dreamed of.

Just recently I was reading of the efforts that Samuel Bronfman made to become a member of this chamber. I have often wondered why he never made it and so many of us did. I concluded in those thoughts that we made it to here because whoever chose to put us here thought that we were a little bit better than the others, and that we had something to offer.

I want senators on both sides of the House to know, especially those on the other side, that there are a great many of us here who feel deep passion about these matters. I know that there are many on the other side who are smirking, scoffing and are somewhat amused when they see a man like Senator Sparrow demonstrate the kind of emotion that he demonstrated tonight. I tell you that he is not alone. I say to you, Senator Charbonneau, that this act today is a vile act.

• (0050)

I am a social worker by training and predisposition. I would like to compare this situation to a situation that I mediated so often in my career. It is the situation where a couple is in conflict and a husband and wife are having problems. As that conflict develops, one night one of them comes home to find that he or she has been locked out of the house in a cruel and inhuman way.

Some people shrug these things off. As Senator Simard knows, I am still youthful enough that I do not shrug these things off. It was an awful and terrible feeling for a lot of people today when they got to those doors and they were closed, or they heard in their offices that this terrible thing called a vote had occurred.

I have a sense of humour, and in my search for levity today I found it difficult and trying. Instead of raising fine constitutional or technical points, I should like to read a poem that I picked up during my career. It is a poem written for children. It is called "Wisdom." In the interest of calming and healing some of the hurt and anguish on this side, I would like to offer this to the other side. This poem says:

> Most of what I really need to know about how to live and what to do and how to be, I learned in kindergarten.
>
> Wisdom was not at the top of the graduate school mountain but there in the sandbox at nursery school.

This poem lists all the things that good people do and do not do that we are taught as children. It says:

> Don't hit people.
>
> Put things back where you found them.

The most important line that I want to leave with everyone is this:

> Say you're sorry when you hurt someone.

As I said before, in this atmosphere this begins to sound infantile. However, the fact remains that a lot of people are hurting tonight.

All of us come to this chamber with our own collective experiences. Quite often we do not know much about each other. It will take the new senators some time to know a little bit about a lot of us. As these events unfolded today, I found myself quite puzzled, disturbed and unsettled, and I found myself asking the question of whether or not this was Canada.

Everyone knows I am passionate. Canada is a very special country. It is a country that embraced the model of Westminster. This country of ours, Canada, is one that did not slaughter Indians mercilessly like our friends south of the border. When the west was settled, we did it in a different way than the people south of the border. This country of ours is a country that never lynched a negro. There is no such memory in the collective unconsciousness or in the psyche of the people. This country never tarred and feathered or lynched anybody. When our country had problems with provincial rights and would-be secessionists, we did not have a civil war; we did not kill our problem. We did not have a war that slaughtered three-quarters of a million people.

To some of the new senators, this may sound dramatic. I am frequently told I am dramatic, but I am married to a man whose great grandfather marched in General Sherman's march to the sea. I am sure that many senators know what went on in those wars. The people of our country did not do any of those kinds of things. Until recenly we have not been doing these kinds of things.

There has been talk about partisanship. Senator Austin read that some academics say we are non-partisan. Well, we are partisans. Quite frankly, I am glad to be a partisan. I come from a family of three or four generations of politicians. Some of you would know what this means: We were free coloured people. We took part in a system. The vehicles that we used are the same vehicles that are being used in this country. We are partisans. Many people fought and died for this thing that we call a party. Yet I hear much about the negativity of partisanship. It reminds me of an earlier stage in history many years ago when I was convinced that some people believed that you could have children without sex.

● (0100)

I remember the time when we would say, "Let us bring these matters out into the open; let us talk a little bit about them." We were partisans. My background is such that a Tory was someone to be against. I share that with you. Today I was reminded of the origins of the word "Tory." The word originally meant "bandit." At times today I felt just like Senator Sparrow, pillaged a little bit.

We all subscribe to the system because, somehow or other, a part of us believes that as partisans we must fight as hard as we can for our side. I respect those on the other side who fight hard for their side. However, we must always come back to the basic principle of how to play the game. What happened here today is just not cricket; it is not proper. It has violated our privileges. Not only has this action diminished Liberal senators, it has diminished all senators. Today I felt much embarrassment, especially for people like Dr. Keon. That is my compassion and those are my feelings.

I would like to conclude by saying that what has gone on transcends party lines. As I said, we partisans fight as hard as we can for our side, but what has gone on here does not fall along party lines. What has gone on here smacks of despotism. It is serious, it is frightening, and it is real. It is not about party lines.

I would like to close by expressing my deep regret that this Prime Minister and his cabinet seem to be so successful at manipulating large numbers of people. They have manipulated the Governor General and the Speaker of the House of Commons. We have been following the debates there for quite some time. He has been successful in manipulating the Queen and our own Speaker, Senator Charbonneau. I would like to leave one quotation on the record. As this debate continues over the next several days—and I am confident that it will—I am sure that I will have ample opportunity to put many more such quotations on the record. I would like to read into the record a statement by the Honourable Harvie Andre that is recorded in the *House of Commons Debates* of March 12, 1990, page 9093. He said:

> The Senate claims that since it is a part of Parliament, that gives it the legal authority to reject. I would say again, as I said earlier, the Governor General is a part of our Parliament as well. The Governor General has that same legal authority but, of course, would never exercise it.

This Prime Minister seems to command the various parties, and Mr. Andre seems so confident as to what the Governor General will and will not do. I can only conclude that he has the same confidence as to what our Speaker will and will not do. So, yes, there are privileges. You have not only violated my

privileges, but you have jolted my sensibilities and you have offended my humanity.

Hon. Eymard Corbin: Honourable senators, I would like to tell you a little story that occurred in a small town called Baie Comeau. When the present holder of the job of Prime Minister was chosen at a convention to lead his party, I was watching the proceedings on television with a good friend of mine. At the end of the evening, I asked my friend to tell me what kind of a man Brian Mulroney was. I asked that question of my friend because he had been a schoolteacher in Baie Comeau. He said, "I will put it to you in a nutshell and tell you of an incident that I experienced with the current leader of the Tory party in Canada when I was a teacher in Baie Comeau. It so happens that I taught Brian Mulroney's younger brother a number of subjects. The young man was so disorderly, so unmanageable and so disobedient that, losing all my patience one day, I sent him home. Within the hour his older brother, who eventually became a truck driver in Baie Comeau, had brought him back to the school and he told my friend, "Buddy, if you send him home again, you're out of this town and out of a job tomorrow." The person who said that at that time is now the Prime Minister of Canada. The person who told me the story sits in the House of Commons and faces that Prime Minister every day. I do not believe he has ever told that story publicly, but I think it merits being told here tonight because we are going back to some basic roots.

Let me tell you another story while Senator Murray continues to sign his letters. This story is about him. When I was a member of the House of Commons, I accepted the offer to become co-chairman, along with Senator Murray, of the first committee on official languages. We were the first two incumbents. There had been much negotiation. I had resisted the invitation to become co-chairman. First of all, I did not know any senators and, in particular, I did not know Senator Murray. I was told that he was a New Brunswicker and had spent some time there working for Richard Hatfield and company. The pressure for me to become co-chairman continued to mount. Finally, the Prime Minister came to me after Question Period one day. Who can refuse anything from a Prime Minister? So I gave in and became co-chairman along with Senator Murray, after being duly elected by the committee members.

● (0110)

Over the years we had a famous bell-ringing incident in the House of Commons. As far as I am concerned, under the rules of the House of Commons, when a bell rings members leave their committee assignments and make themselves available to their Whips. That is the unwritten law and that is the sound basic practice: You are in the hands of your party Whips. It had been decided that no one on our side of the House would call a committee meeting or indeed attend a committee meeting during that time. But what did Senator Murray do? He did not consult me, he went ahead and held a joint sitting of the Senate and House of Commons committee on Official Languages. That is another example of, shall I call them "roots"—the way some people think they can try their luck.

[Senator Cools.]

I will leave that aside for now. I find it distasteful to bring some of these topics up, but I have the memory of an elephant when it comes to certain—as Senator Everett calls them—"principles". I am all for fair play. I am all for following the rules of the game. I want to give due respect where respect is earned, merited and owed. I believe I have always treated the Chair in the other place and the Chair in this place with great courtesy, but today I lost all patience and that is why I rise on the question of privilege here tonight. I say "ditto" to all of the other questions of privilege. I did not receive the letter. I did not receive it in my mother tongue which is French. I believe Senator Thériault also complained about that.

[*Translation*]

What is called the Debates of the Senate. The first hansard on the pile happens to be dated September 25th 1990. Under the date the months and the year you can see the name of the Speaker: The Honourable Guy Charbonneau. It is something to have one's name on the first page of the Debates of the Senate. It is the same thing in English. The words: "Speaker: The Honourable Guy Charbonneau" are written on all copies of the Debates of the Senate. It is an honour. It is a great honour to have your name there because you sit in the chair of the Higher House of the Canadian Parliament. It is certainly a very great honour!

I sat in the chair of the House of Commons, not at the highest level, but at the lowest or second lowest when I became Deputy Speaker of the House of Commons until the elections were called and I was appointed to the Senate. My friends, my family and my colleagues on my side and even on the opposite side in the House of Commons considered that I was given a great honour and I have been accepted unanimously. I always tried to be perfectly impartial.

Impartiality in the exercise of the duties and responsibilities of the Chair is a basic requirement. If you do not have that quality, you should not stay in the chair. If you stick to it, others will make sure to get rid of you.

[*English*]

Just for the heck of it I looked in *Erskine May*. I used to do a lot of reading of that text. Out of curiosity I looked at what they had to say about the officers and departments of the two Houses of Parliament of Westminster. On page 173 under "Officers and Departments of the two Houses" we see a paragraph on the Lord Chancellor. Our Speaker, to put it briefly, is the equivalent of the Lord Chancellor. What is the Lord Chancellor? This text states:

> The Lord Chancellor for the time being is Speaker of the House of Lords ex officio. As Speaker he sits on the Woolsack and presides over the deliberations of the House, except when it is in Committee. He puts the question on all motions which are submitted to the House, but he is not invested by virtue of his position as Speaker with powers either to maintain order or to act as the representative or mouthpiece of the House, unless the House confers the necessary authority upon him.

The Lord Chancellor of Westminster is a pretty important position.

In Canada, what is expected of a Speaker of one of our Houses?

[*Translation*]

First, I shall quote from page 36 of Beauchesne, citation 111. The qualities required from the Speaker of the House should also apply to the Speaker of the Senate. There is no doubt in my mind that a Speaker is a Speaker.

What is a Speaker? I quote from citation 111:

> The Speaker of the House of Commons is the representative of the House itself in its powers, proceedings and dignity.

Dignity! And now I quote from citation 117:

> The chief characteristics attached to the office of Speaker in the House of Commons are authority and impartiality.

Can you understand that, Mr. Charbonneau? Today, all members on this side of the House have been personally offended, except Senator Everett. He does not feel insulted. He is entitled to his opinion. I respect it. We must respect the opinion of all the parliamentarians, but we must demand that the customs, the traditions and the rules of this House be also respected. It was not done today.

[*English*]

Today, the Speaker of the Senate committed the most grievous sin, a parliamentary sin of unprecedented enormity.

Some Hon. Senators: Hear, hear!

Senator Corbin: I have never seen anything like it in my life. I heard of what happened to a former Speaker of the House of Commons.

Senator Steuart: He was a bartender in Las Vegas.

Senator Corbin: He was; he passed away some years ago.

When you look at books on parliamentary jurisprudence you do not see the name of that certain Speaker in the index. It was wiped out. He was a smart Speaker. He had talent, but he fell into the trap of the government of the day.

Is Senator Charbonneau, in his naivety, solely responsible for the incident which occurred here today? I believe not; I don't believe it for one second. I believe Senator Murray had something to do with it.

● (0120)

Senator Steuart: The evil genius!

Senator Corbin: I believe Brian Mulroney, the Prime Minister of Canada, had something to do with it. Other members may have had something to do with it.

Senator Grafstein: What about Michael Wilson? He said it would be finished today.

Senator Corbin: Sure. Persons anonymous and unknown to me did this. Probably Professor Beaudoin—

[*Translation*]

These are not accusations. How could a speaker let himself be used to flout parliamentar y practice and precedent as well as the Standing Orders of the House of Commons, which are quite clear. It's all here in writing. Do I have to read it to you again, Senator David? Are you deaf? Are you blind? Are the scales still on your eyes? Are your ears full of cotton wool? What is going on here?

Senator David: Do you have any respect for your colleagues?

Senator Corbin: I respect my colleagues, but you failed to respect me as your colleague today, by proceeding with this division. You prostituted yourself in the parliamentary sense, my friend. This is parliamentary prostitution!

[*English*]

Where is Senator Phillips?

Senator Steuart: He had gone to confession.

Senator Corbin: I am extremely appalled. I am so sorry my good friend Senator Phillips was drawn into the stratagem at the orders of the Leaders of Government in the Senate.

An Hon. Senator: Shame!

Senator Corbin: Senator Phillips knows the rule. He sits on the Rules Committee. He helped us write that rule—

Senator Steuart: Here he comes, hanging his head.

Senator Corbin: —under the chairmanship of Senator Molgat.

Senator Phillips, how could you do such a thing? My great friend the Maritimer, I would spend my holidays on your dear island, P.E.I. How could you do such a thing to us today? How could you walk in here alone when you knew darn well what the rule said.

Senator Steuart: Never go again. Think of the island!

Senator Corbin: I hope to keep you as a friend, Senator Phillips.

Senator Phillips: I hope so.

Senator Corbin: I will do what Senator Flynn told me. He told me many times after he had insulted me in this place: "I hope, Corbin, when we walk out of here we can be friends again." I was always friends with him.

However, this is a place for debate. It is not a place for eunuchs or castrati, and I say that for the new senator who thinks he is coming here with pure grace, with wings, and that he will flutter around this place and that no feathers will fall nor dust be raised. If he thinks that this is that type of a debating place, he should stay home or go back to the navy, as far as I am concerned. I have no use for him here, and I do not think he will make any contribution. Let him go back to his demogogues. I have had enough. I am so flabbergasted, I have been thinking of resigning from this place.

I will tell you, I was not bought to come to this place. I asked the Prime Minister to send me here. He said, "Wouldn't you want something else?" I said that I wanted to go to the Senate. I have nothing to go back to. I left everything behind me when I entered politics sixteen years ago, but I think I have developed a love for parliamentary life. I believe I have

developed an understanding of the rules, the procedures and the work of the committees of the Parliament of Canada. I believe I can make a valid contribution. He insisted. He said, "I have something else for you. Think it over on the weekend." [*Translation*]

It was on the Saint-Jean-Baptiste weekend.

[*English*]

I came back. I said, "I want to go to the senate. I have nothing else to do. I am a little too old to start another career and too rusted to go back to the other one, and I do not intend to kick anybody out of the other job I held." So I have been here and I have dedicated myself to this place. No one can accuse me of not attending and of not participating.

Senator Perrault: Hear, hear!

Senator Corbin: I do get off my coffers once in a while. After all, I have inherited all the genes of my ancestors, and there are a few Normans in there, and let the English know that. We crossed the strait once. We can do it again. However, never mind my personal problems.

There are naive persons in here, such Senator Paul David, whom I respect. I respect him as a person. I have travelled with him. I want him to know that I respect him as a person, but, Senator David, this is a place for debate, tough debate, and telling the truth as you see it. I would be doing you and everybody else a disservice if I did not tell you what I felt and what I had on my mind and in my heart.

Dr. Keon, I did my twenty miles of cycling this morning. That will perhaps make me fitter. I hope I never fall into your hands. But by golly, it is not too late to reconsider. My brother is a medical doctor, and while I could say a lot of things, I will just say I was shocked, I really mean that. I cannot understand why you wanted to come to the Senate. It is not a resting place. This is not a "Geritol" club, in spite of what the press says. You saw it tonight. I do not see any senators sipping Geritol around here, on either side of the house. Even the oldest people are just as active as the young ones.

The press has made a campaign against this institution for many years. Is it any wonder the public has a distorted view of the real role, duties and responsibilities of the Senate? Now this had to happen today. That is really the last nail in the coffin.

Senator Charbonneau, I regret to say that I will no longer eat your pretzels and your potato chips. Thank you, honourable senators.

Hon. Dan Hays: Honourable senators, now for a change of pace.

Senator Stewart: Give it to them, Dan!

Senator Hays: Okay, Davie. I rise on this question of privilege, and the way I would like to put it is a little different from the way some others have, but inevitably I will cover some of the same ground.

There has been much acrimony and bitterness in the debate this evening. I guess, in the course of my remarks, I would like to try to explain why I think that has occurred, and I will start with that. In June of this year I first started to look at Bill C-62 and the goods and services tax, and, quite frankly, I saw the fall approaching with a report from the Banking committee containing some amendments that might improve the legislation. However, over the course of the summer, and as a result of my participation in committee hearings in Edmonton, I changed my mind, as obviously did many others. Something has happened.

The Senate is not an elected body, but it is still an instrument of the people and a conduit through which the people generally are entitled to speak. That is what is happening here, and we have a joinder of issues. We have engaged both sides. The government's intent is to complete its legislative program, for whatever reasons, I am not sure why, but its agenda says that this must go through, and, it appears to me, at almost any cost. On this side we have an opposition which, I believe, heard people and was impressed by them. Sure, it is partisian. Sure, we would like to gain some political ground with it. Nonetheless, there is deep feeling among those on this side who participated in the hearings on Bill C-62, who heard the people and saw their letters, telegrams and the, literally, millions of pieces of mail that came in. So that, it seems to me, is the explanation of why such strong feelings exist here today.

On the other side, this process has brought many new faces to the chamber. It has, as I said earlier, resulted in quite a bit of rancour here and hard feelings. I regret that, because it is something that I personally try to avoid. However, there it is.

As to my privilege, we must bear in mind the background from which I would like to base my remarks on privilege.

• (0130)

The Senate rang the bells, actually or notionally, for a three or four-day period last week. It seems to me that that is some sort of precedent, and it seems to me that that is what people on this side had in mind when, on a motion to adjourn the Senate, they did not return to the chamber. I believe that this situation has been mismanaged somehow by the Speaker and by the government.

Somewhere something has fallen through the cracks, and the haste with which this chamber was called to a vote does present an actual breach of privilege. I am thinking of the timeframe, having regard, first of all, to the timeframe on the motion put by Senator Frith with respect to strangers, and, secondly, to the precedent set in the House of Commons—which I think one could reasonably expect would apply in this place, in light of the fact that the voting procedures are identical to those in effect in the House at that time. At that time the bells rang for some two weeks, and, interestingly enough—and I say this, I hope, objectively—on an issue not unlike this one.

At that time the bell-ringing incident was prompted by unpopular legislation in my part of the country. That prompted extreme reaction on the part of those in Parliament. I wish the government of the day had listened to those people, as this government should listen to the people today. However, assuming that the government is insisting on not listening, and that

the agenda is the agenda at all costs, then what is the breach of privilege?

The breach of privilege is in relation to last weekend and the precedent in the House of Commons some years ago, and then a vote taking place and the Senate proceeding, without notice to anyone, with the Orders of the Day.

One of the only tools we have here, in light of the close vote, likely not in our favour, are procedural tools.

I wanted to present petitions today, but I could not do so.

There were other orders of business that might have afforded opportunities for us to delay procedurally, delays that would be within our rights. The only method we have to disagree in this House is during Question Period, through delay, and through various procedural delaying tactics.

Many senators have commented upon what appears to be a missing set of rules. I will not repeat what was said in that regard.

In any event, I have gone on for some time. I simply leave this with you: I believe our privileges were breached; I believe the timeframe was too short. I believe that a letter sent only to the leadership, copied to some others, is insufficient. In light of past precedents, a day or longer should have been provided for the Opposition to meet and devise a strategy to stay out—in which case much of what has happened would, perhaps, be legitimate—or to come in.

But there was not time to do that, and I believe that could have been reasonably foreseen or known by the government.

In summary, honourable senators, there is a principle that motivates us. There is an undercurrent of partisanship, as there always has been in this place—and I do not apologize for that, nor do I have any regrets.

Clearly the work of Parliament must go forward, but what is the work of Parliament? What is the purpose of Parliament? The purpose of Parliament is to use speech, persuasion, time, and so forth, to the end you wish to serve, whether you are sitting on the government side or on the opposition side. That has not been permitted to happen the way it should have.

Somebody asked what is wrong with this place. Many things are wrong. I could give a speech on Senate reform, but I will not. Some excellent speeches have been given on that topic. Clearly that is something to which we should direct our minds, and perhaps during the course of this lengthy debate—which will end God knows when—there will be an opportunity to do that; so I will save my thoughts on Senate reform for that opportunity.

Honourable senators, we wanted to delay the legislation. Delay is a legitimate tool. We are using it now. I put it to you that our privileges on this side have been breached, and mine in particular.

Hon. Joan Neiman: Honourable senators, the new senators in this chamber will soon learn of various parliamentary organizations in which they can take part, and I know they will find them challenging and interesting. One of those organizations is the Interparliamentary Union, a venerable institution which celebrated its centenary a year ago. It is the parliamentary equivalent to the United Nations and now comprises 106 different countries, as I recall. We have just lost Kuwait, but we hope that will change.

I say this because in 1965 I had the honour of making a motion at a conference of the Interparliamentary Union respecting the setting up of a committee to examine violations of human rights. We had a great fight during several meetings, and a very distinguished former colleague of many here, Gordon Fairweather, led our fight for quite some time. It was a lengthy fight because there were several countries that did not want their actions examined.

Eventually we got that motion through. I was a substitute member on the committee set up for some 13 years, and I have been what they call a titular member, or a permanent member, for the past two years.

During that time we have examined the cases of well over 500 parliamentarians who said their rights had been violated for one reason or another. We are concerned with any government that tries to circumscribe the privileges of parliamentarians and their rights to carry out their duties.

Most of the cases we dealt with were far more heinous than anything I would have expected could occur in Canada, and they included everything from preventing parliamentarians from carrying out their duties to detention for long periods of time—sometimes for years without trial on a flimsy pretext—torture, maltreatment, killing and extrajudicial execution.

The litany of those cases is sad.

Those incidents occurred in countries around the world, and in most cases they started because certain people in power will not brook any kind of opposition or dissent.

In the long run they turn to violence and force.

What is happening in Canada today? I am not suggesting for a moment that the people in power here would ever descend to the inhumane depths that have been recounted in the cases I have studied, but I worry that the impatience of this government with due process, even though it no longer has the confidence of the vast majority of Canadians, and its insistence that every member of Parliament on its side or in opposition fall into line without too much questioning and little dissent has led it into serious and damaging breaches of the rights of parliamentarians.

• (0140)

Two years ago, the government recalled parliament from its summer recess because there was a crisis in this country. About 50 desperate refugees had landed illegally in Newfoundland. The government decided that the actions of those poor people posed such a threat to the peace, order and good governance of Canada that our immigration laws had to be tightened immediately to ensure that no other refugees would slip through our bureaucratic nets.

I am proud to say that the Senate did not rubber-stamp the two bills it was presented with, which had been pushed through the other place. With the cooperation of all members on the Standing Senate Committee on Legal and Constitution-

al Affairs, we held hearings across Canada, in addition to those in Ottawa, for the same reasons that hearings were held on Bill C-62—because people felt strongly about this bill, they wanted to be heard, and the government had refused to hear them in the other place. After the hearings were completed, we managed to persuade the government to amend some of the more iniquitous clauses of the proposed legislation, which clearly violated the Charter of Rights and other international protocols Canada had signed regarding human and civil rights.

The government is still complaining and accusing the Liberal senators of obstructionism, even though some of its own members wanted those changes as fervently as we did. Incidentally, many of the provisions that the committee felt were wrong in principle or in practice but which the government refused to consider changing have now been shown to have been as bad as or even worse than we had feared. The even larger backlog of refugees that exists today proves that. The government has still not learned.

With the same intransigence the government has refused to consider the amendments to Bill C-62 that were recommended and implored by various organizations and individuals. We know what its attitude is with respect to the abortion bill, which is now before the Senate and its Legal and Constitutional Affairs committee. Spokespeople for the government have stated that we take Bill C-43 as it is or else they are going to refuse to deal with the problem any further. So the government has spoken and we must not defy it. Each week it has become more autocratic and remote for the people and their concerns.

Today we have witnessed the culmination of a series of contempts of parliament, perpetrated by Prime Minister Mulroney and his cohorts, that is unprecedented in the history of Canada. I do not have to remind you of what has happened in the last two months. A crisis had been building in Oka for months; and the government, whose primary responsibility it was, refused to deal with it. The Prime Minister hid from the public and refused to answer the questions of the media, while the frustrations of our native people, who believed, with ample justification, that their human rights had been and were still being violated, grew almost to the point of explosion.

Then the P.M. ceded his authority—the authority which he himself would not exercise—to the Premier of Quebec who called in our army. We can be very grateful and proud of those troops who exercised so much patience and forebearance under extremely trying and dangerous circumstances. But I can tell honourable senators that the reputation of Canada for humanity and for the peaceful resolution of differences has suffered badly in the international community.

● (0150)

I am not proud to have seen those scenes of violence, of the army being used to intimidate and control the native people, who had finally resorted to civil disobedience in order to get some action. This I have seen on TV screens in other countries. I feel sad that it will take such a scene as we have had in the chamber tonight, which will be shown on television screens across Canada and undoubtedly elsewhere, to make people realize that we are in the midst of a democratic crisis, in which the government has used an extraordinary and quite degrading trick to deprive parliamentarians of their privileges.

[Senator Neiman.]

Senators will remember that the Prime Minister again used a transparent subterfuge to avoid complying with the very clear law of this land, which required him to recall Parliament and obtain its consent before sending Canadian forces into an area which could become a war zone. He did not recall the House of Commons because he did not want to explain to opposition members why he made such a decision so suddenly without proper consultation with the responsible people of Canada. He obviously felt that he did not have to explain anything to members of his own caucus, because they just do what they are told.

At the moment, honourable senators, I am the Chairperson of the Interparliamentary Union Committee on the Violation of Human Rights of Parliamentarians, of which I have spoken earlier. Senator Nathan Nurgitz is the Chairman of the Canadian group of the Interparliamentary Union. Our fall conference, at which probably over 100 countries will be represented, will open in ten days' time. Just before it begins there will be a meeting of what we call "The Big Twelve"—all of the countries of Western Europe, Australia, New Zealand, the United States and Canada. They meet to discuss various subjects of common interest before the conference actually begins. Those are the countries I was elected to represent on the Human Rights Committee. Many of their delegates have been active in human rights matters and helpful to our committee in trying to solve some of our cases.

I have not been looking forward to explaining to them, much less justifying, what happened at Oka. I think I shall let Senator Nurgitz have at least the first go at explaining what happened in the Senate today. It has occurred to me that perhaps I should lodge a complaint at our committee on behalf of the Liberal senators on this side. I feel that I might have a conflict of interest in that case and I am not quite sure how to resolve it; but I am certain that I will be asked about it in great detail.

Honourable senators, this Parliament has been debased. The government has caused it, and every Canadian delegate at that conference will be diminished in the eyes of the more than 1,000 other parliamentarians who will be there. I can only hope that those responsible for this debacle will recover their integrity and re-establish our democratic institutions so that we can face fellow parliamentarians with pride in the future.

I also have to mention that I have with me the same article from which Senator Fairbairn read earlier. I had marked exactly the same paragraphs and fully concur with and support her comments regarding the imperative need for the reform of Parliament, not just the Senate. If the incidents of the past few days will in any way precipitate that process, they will have served at least one useful purpose.

Hon. Michael Kirby: Honourable senators, in rising on this question of privilege, I do so in contrast to some speakers in the chamber, in that I feel more sorrow than anger. It seems to

me appropriate that this be a sorrowful rather than an angry occasion.

What we have witnessed in the last few hours is close to the death of an institution. It seems to me that we cannot help but be sorrowful, not for ourselves but for the people of Canada at the incredible misuse of power on the part of the Speaker, encouraged and egged on, I have no doubt, by a planned design devised by the Leader of the Government in the Senate and, indeed, by Brian Mulroney himself.

When I read the Speaker's letter—sent, as it was, to the Honourable Allan J. MacEachen—I confess, at the beginning of my remarks, that I have neither the advantage nor, indeed, the liability of being a lawyer. So, as a fairly simple mathematician, I have a tendency to look at simple English words and to interpret them in the way I think the average person would.

I read the letter from Senator Charbonneau and I notice that it mentions, among other things, "the failure of the mechanisms established by the political parties . . .". There is no attempt to tell us what those mechanisms are, of course. There is no attempt to indicate that mechanisms between political parties are not the key to the operations of this or any other parliamentary chamber. The key to the operation of any parliamentary chamber is the set of rules which governs it, not backroom deals made between political parties, as this letter would suggest. The key to the operations of any legislative body must be its set of rules.

To begin with, up front the Speaker's letter says that the reason he took the action he did today was because of the failure of political parties to make backroom deals. Clearly that is the Tory proposition, that everything here ought to be fixed up outside the glare of the media, outside anybody's understanding of what we are doing.

He then goes on to say that he will take action because of the failure to assemble senators for a division within a reasonable period of time. As a simple mathematician who only understands numbers, I would like the Speaker to tell us what he thinks is a reasonable time. From what has taken place here today, a reasonable time is whatever Senator Charbonneau decides is reasonable. Honourable senators, I have gone through the *Rules of the Senate* and I cannot find anything there that says that the Speaker is entitled to do anything within a reasonable time. It seems to me that the purpose of rules is, first, that they be set out in a clear fashion so that we can all understand them.

We now seem to be in a situation in which, in essence, there is to be one rule in this chamber, which is to be whatever Senator Charbonneau decides is reasonable, and there is to be no appeal from that proposition. Indeed, none of us on this side is ever to know what is reasonable until after the fact.

The fact is that under this proposition there was absolutely no way in which anyone on this side could have known, until the letter was received, that the Speaker was going to act as he did. He then went on to say, in perhaps the most preposterous paragraph ever written by any Speaker to anyone in a legislative chamber, and it certainly reads somewhat sanctimoniously:

> I have taken this decision after much reflection to protect the rights of individual Senators to perform their duties.

Let me emphasize that Senator Charbonneau claims that he is protecting the rights of individual senators to perform their duties. What a preposterous statement, when the reality is that what Senator Charbonneau has actually done is trample on the rights of individual senators to deal with the business of the house in the way they think it ought to be dealt with.

It seems to me that we are now in a situation in this chamber in which it doesn't matter what is in the little red book. It doesn't matter at all what the rules say. It doesn't matter at all, for example, that there is a rule which states very clearly at page 70 the following—and again I don't pretend to understand all of the fancy nuances, but it seems, to a simple mathematician like myself, that the following has only one possible interpretation:

> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays" and then expresses his opinion as to the result.

● (0200)

That certainly happened earlier today.

> If two or more senators express their disagreement by rising, the Speaker calls for a standing vote.

That he also did today; so thus far he appears to be following the rules. Our rules go on to state:

> The division bells are rung, and when the Whips . . .

"Whips" is plural, not singular, and that is not a typographical error. These rules were rewritten recently and agreed to by both sides of the house. It states very clearly "and when the Whips"—not a single Whip, not just the Government Whip, but the Whips of both sides:

> . . . have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked".

The point I am making is that the *Rules of the Senate* are not in agreement, in any way, shape, or form with the letter the Speaker wrote today. Thus we are now in a position in which the *Rules of the Senate* are going to be determined unilaterally by the Speaker. The effect is that there are now no Senate rules at all.

What we are now seeing is simply one more step in the government's plan to ensure that anyone who disagrees with it, under any circumstances, that anyone who ever disagrees with the Prime Minister, as we have seen, in any circumstance, is simply going to be steam-rollered.

I must admit that we on this side were somewhat naive. We thought rules mattered. We made the horrendous mistake of believing that the Speaker would at least abide by the rules that are set down for this chamber. How wrong we were!

Of course, we should have seen that this was going to happen. In fact, about 10 days ago the Minister of Finance made the following statement in an interview on a CTV television program with Mike Duffy called *Sunday Edition*. On that program the Minister of Finance stated:

> I'm not going to talk about it at this point in time, but we will get that legislation through, and that's not bravado.

He then went on to say:

> We will see certain things happening in the Senate this week, more than that I cannot say.

The article appeared in the September 28th edition of the *Ottawa Citizen*.

Honourable senators, I raise that statement because I suspect that the truth is that what we are seeing today was planned some time ago. I suspect that sometime next week there will be another interview where the Prime Minister will talk about having decided a month ago on what day he was going "to roll the dice". I suspect that what we are seeing here tonight is one more example of the way this Prime Minister has manipulated the entire democratic process in this country.

If this was not planned by the Prime Minister, by the Government Leader in the Senate, with the full co-operation in advance of the Speaker, how else could Mr. Wilson have totally and accurately predicted the future? That is not a fluke quote. God knows, every other prediction the Minister of Finance makes is inaccurate. One only needs to look at everything he says about the economy to know that he is incapable of making an accurate prediction. Therefore, it is very clear that there must have been some plan, hatched a long time in advance, in which the Prime Minister, the Government Leader in the Senate and the Speaker arranged for the events that have taken place today.

I confess that those of us on this side, myself included, were incredibly naive in assuming that the rules mattered. We were incredibly naive because we thought that the Prime Minister would be prepared to tolerate some degree of opposition to his policies, and would understand, in a democracy, that preserving the right to criticize and oppose by legitimate means within the rules—I repeat, within the rules—is important.

There is absolutely nothing that members on this side have done that are inconsistent with those rules. We were naive in believing that one could do that and that the rules would still continue to exist. We did not understand that we were in a game in which the rules would change because the referee was prepared to adjust the rules to suit the wishes of the government and Brian Mulroney.

There have been a number of points made tonight, honourable senators, which bear repeating. I think Senator Fairbairn was the first person who talked about the newspaper article in which an interview was conducted with Senator Forsey on the nature of the opposition which the Senate was taking to the GST.

There was another long interview with Senator Forsey earlier today on the CBC program *Morningside*. In that interview, Senator Forsey essentially made two key points. I quote

Senator Forsey, by the way, because members opposite have quoted him repeatedly in the past couple of weeks on the issue of whether or not the "British" senators were legitimate. Members opposite obviously believe that Senator Forsey is an authority on the Constitution. Therefore, it seems to me they ought to be willing to listen to what he had to say on the tactics Liberal senators have employed thus far to express their opposition to the GST.

In his interview today Senator Forsey made two key points, the first being that effectively the ability of public opinion to constrain actions in the House of Commons has disappeared. That has disappeared, as he pointed out, for a number of reasons. One was the nature of election campaigns. However, the primary reason it has disappeared is because the government now uses closure with such regularity in the House of Commons that it is not even mentioned in the newspapers.

Many of us can recall as recently as 10 years ago when the issue of using closure in the other place would have prompted headlines, editorials, and a huge outcry. We are now at the point where the use of closure in the other place is so routine, so commonplace and such an everyday action that a majority in the other house absolutely guarantees that government legislation gets through. Legislation is never significantly delayed and gets through all the time essentially unscathed.

The second point Senator Forsey made in his interview today was that the only institution left capable of providing effective opposition, and capable of trying to inject public opinion into the policies of the government, was the Senate. He thought it was absolutely legitimate for the Senate to use every technique and tactic the rule book allowed, including bell ringing, filibustering, and a wide variety of other things. He also stated that it was absolutely legitimate to do so, because that was the role of the Senate. The role of the Senate was to operate within the rules; but as long as it did that it was entitled to try to force on government the views of the Canadian people, the views of the Liberal Party, or the views of any other group. It was a legitimate use of power.

What we have seen today is that any attempt to constrain the nature of what the Prime Minister wants to do is now apparently to be completely railroaded and ignored by the Speaker of the Senate and by others.

The question that has been raised several times by members opposite is, "Why are you doing this?" Let me tell you why we are doing it. A lot of people opposite, including 24 who have appeared in this place since the GST committee finished its hearings, including the "British" eight, have no idea what those of us who travelled across this country this summer heard. They have no idea how we reached the conclusion we did on the basis of the evidence we received. I wish to give a couple of examples. These are direct quotes. I am not making these things up. These are things that real, honest, ordinary, everyday Canadians told our committee as we travelled across the country this summer.

• (0210)

One example came from Jeff Brett of the South Shore Labour Council, who said that "we are in a situation in this country where we have a government that is completely out of sync with the wishes of the vast majority of the people. He went on to say to those of us on the committee:

> I think you have a moral responsibility as the only recourse left. You are the only recourse to preventing what we see will be the disastrous effect of a government that appears not to be listening to certain regions of this country.

I will give you another example from my own part of the country. This again is a statement from what we called, during our committee hearings, the "walk-ons". Since almost 50 per cent of the senators opposite were not there when we had these hearings—and since you claim that you are going to stand up and rubber stamp this, you at least should have some understanding of what took place. At least we might as well educate you before you act like a robot.

At the end of these hearings we allowed individual, ordinary, citizens who wanted to comment to come up and speak for five minutes. There were no fancy briefs, no fancy lawyers or organizations behind them; they were just ordinary, concerned Canadians who wanted to give us their views.

An example of that is this next statement from Ms Shirley Marryat of Halifax, who came to us as a private Canadian citizen. She said:

> . . . the Senate has a moral right to stand up for the people of Canada and to be counted . . . You have to stop and think about the small people in Canada. We are not rich . . . I think you have a legal and moral right to protect the people against the GST..if you are honourable people of the level I think you are, you should go along with what the people not only want and expect but what they need to live as real equal Canadians.

An Hon. Senator: Hear, hear!

Senator Kirby: That was a simple statement by an ordinary, average citizen from my part of the country.

Lest you think that those kinds of comments occur only in Atlantic Canada, I will also give you two from the western provinces. In Edmonton another private citizen, Mr. Randy Stoddard, came up at the end of the Edmonton hearings, which had been, to put it mildly, extremely emotional. These hearings almost ended in a fist fight out in the corridor because several members of the audience were sufficiently irate with the performance of the Conservatives.

Mr. Randy Stoddard said, in his five minute period, that he helped to elect an MP. Since this was in Alberta, one could guess that the MP this person helped elect was a Conservative. Even a mathematician like myself understands that when everyone in a province is from one place, then, clearly, this person was someone who supported a Conservative. Mr. Stoddert said:

> I asked my MP, whom I helped elect, what he thought of the GST. He was against it. The majority of his constituents were against it. However, he went to Ottawa and voted for it because the Progressive Conservative Party demanded that he vote yes or else get booted out of the caucus.

Mr. Stoddard went on to say that that scared the hell out of him. He further added:

> Democracy is dying in Canada. Our only hope at this point is that the honourable members of the Senate will listen to the people of Canada and reject this regressive tax.

I give you those examples, honourable senators, to point out that if you want to know why the people on this side of the house—and, more specifically, the Liberals who were on the GST committee—reached the conclusion they did, it was because for 20 days this summer, in 12 cities, from one end of this country to the other, and in the two territories, we heard that kind of testimony.

We did not conclude in advance, before we heard any evidence, that the ultimate answer to this problem would have to be that the bill be killed. We came to that conclusion after listening to the evidence. I repeat, "We heard that evidence, from one end of the country to the other." We heard it from business organizations, labour organizations, special interest groups of all kinds, people concerned about the poor, and people concerned about literacy issues. We heard it all across the country.

Since Senator Buchanan is here—and I am delighted that he came back—we even heard it from representatives of Senator Buchanan's own government, and Senator Buchanan himself. I apologize, senator, for not having your precise quote here—I will have it later. Senator Buchanan himself, not before the committee but at least to the Nova Scotia press, urged that the GST be defeated because he recognized, as do all of us from Atlantic Canada, exactly how regressive and punitive that tax will be on the people of our region. If senators look at the impact of that tax and the way in which the tax credits will be applied—the impact on a region of the country in which incomes are far lower than most; in which Canadians in our part of the country are stretched to the limit in an effort to make ends meet—it is very clear that the GST will do irreparable damage to that part of the country.

I supported Senator Buchanan when he made his statement as premier. I thought it was an accurate reflection of the problems the GST would create in Nova Scotia. I have always assumed, as I have said to the press on several occasions since he was named to this chamber, that that view will be reflected when the time ultimately comes to vote on this issue.

Let me set the issue of the GST specifically aside for the moment. Let me go back to where I began my remarks, when I said that I was rising today more in a mode of sorrow than anger. I think we should ask ourselves what are the long run consequences of the performance of the Speaker today. The long run consequences for the Senate are quite clear.

The first consequence is that the rule book does not matter. We no longer have any rules. The rulings are whatever the

Speaker decides they should be. Furthermore, the Speaker will decide on the basis of having been told by the Prime Minister and the government leader in the Senate what they should be.

Essentially we are now in a situation in which those of us on this side of the house can no longer rely on living in a civilized society and in a civilized organization where there are rules, because we know, in effect, that what will happen is that the rules will be changed by the Speaker to suit the events of the day.

Senator Haidasz: That is terrible!

Senator Kirby: That is a terrible message to send to the people of Canada. Presumably we are here to make laws. Making laws means setting down the rules by which society is governed. How can we possibly say to the people of Canada, "You have to obey our rules. You have to obey the laws that we set. You have to impose on yourselves the constraints contained in the laws that we pass in this place," and simultaneously say to them, "But, by the way, our Speaker will not impose any rules on us; he will change the rules as we go along."?

How do you say to your kids that there are rules they have to obey, because you are trying to bring them up according to the set of values you believe are right, and you then go back to them and say, "By the way, we had a set of rules in place that were important for everyone to follow, but those rules do not matter at all."? When those rules do not suit the government, the Speaker will simply arbitrarily change them to suit the people of the day. It seems to me that is precisely the position in which the Senate is now in.

● (0220)

When I began my remarks I said that I thought we were at a point where what we were seeing was the death of an institution. I believe that. I believe it because I think we are now in a situation in which the tyranny of the majority is absolutely and utterly unconstrained. There is absolutely no democratic society in the world in which there are not some checks and balances on the tyranny of the majority.

That is why I think that what we have witnessed in the last little while is ultimately the death of an institution. Whether it goes slowly, or whether it goes with a bang rather than a whimper is unclear. But it seems to me almost inevitable that is where we are headed.

However, something almost worse than that is what has happened today to the Canadian people. What is the message the Canadian people are going to take out of here this evening? I believe that the message is very simple. We are now living in a situation in which there are, as Eugene Forsey and others have pointed out, no real constraints on the Prime Minister in the House of Commons. We are also now living in a situation in which there are obviously no further constraints on the Prime Minister in the Senate. It is crystal-clear that public opinion is no longer a constraint on the Prime Minister. One need only look at what public opinion is in terms of the GST.

[Senator Kirby.]

Therefore, if we are in a situation in which there are no longer any constraints on the Prime Minister of any kind, then we are essentially living under the dictatorship of Brian Mulroney–a dictatorship which will last from now until the Prime Minister decides to call the next election.

It is very clear that no matter how bad a public policy is, no matter how people respond to a piece of legislation when the Senate holds public hearings, and no matter what public opinion says about a particular piece of legislation, the Prime Minister is going to get his way. He has indicated time and time again the position that everything which happened in the Senate or in the other place must be his way or no way. One need only think of Meech Lake to see that, but there are many other examples. Therefore, we are left in a situation in which we are now under the total and complete dominance of one man from now until the next election.

That will be one message Canadians take out of today's events. The other message they will take is this: What is the sense of ever bothering to appear before a Senate committee, or bothering to make your views known to senators, when it is crystal-clear that no matter what you say to us, no matter how faithfully the Senate writes a report which reflects the views that senators hear at those meetings, the majority view will prevail and the government and the Prime Minister's wishes will continue? That is the message the Canadian public will take out of today.

I ask all honourable senators to consider that point. It seems to me that the Speaker, and the Leader of the Government in the Senate, should have reflected on those consequences, those very long-term crucial consequences, before they took the actions they did today.

I would now like to make one comment of a very personal nature. There are several other ex-academics here, Senator Beaudoin and others, who like myself, although we taught different subjects, nevertheless enjoyed teaching and intellectual debate. We also shared the common belief that what you do in life is important if it can have an impact on life in Canada. We entered politics because we really believed in public policy. We believed that what governments do truly matters. We believed that doing some little bit to help our fellow citizens was important.

What we have really learned tonight, thanks to the ruling of the Speaker and the actions of government members, is that all these things we believed in are false. In fact, we learned tonight that it does not matter what any of us think or do. It particularly does not matter what any of the members opposite think. If any of them think they can stand up and defy the Prime Minister, I challenge them to try it. At least they will not be left in the position of the Conservative members in the other place, who immediately get booted out of caucus and are left to worry about running for election. Members opposite do not have to run for election. Many of them could, in fact, be independent, but they do not have the courage to be.

Many of us entered public life because we strongly believed in the importance of some public policies. People like myself

entered public live because we believed that it was important to do what we could for those people living on low incomes, and those living below the poverty line across Nova Scotia and indeed across the Atlantic provinces. We entered public life because we believed that there were battles to be fought, great issues to be debated, and that what we would say and do in those battles and those debates truly mattered. We believed, obviously incorrectly, that what we did could have an impact.

If there is a sad message from tonight to all of us in this Chamber, it is that the only thing that truly matters is doing what Brian Mulroney wants, that Mulroney will do whatever he has to do, however undemocratic it is, however extreme it is, to ensure that he gets his way.

I hope that the Speaker is proud of what he did tonight. But I can assure him that there is not another single living, breathing Canadian who is. I hope he is proud of having helped to destroy a truly venerable and important institution. I hope that he is proud of having helped to destroy an institution which, to regions such as the Atlantic provinces and western Canada, matters as a way of ensuring that we are not subjected to the tyranny of the majority by Members of Parliament from Ontario and Quebec alone. That is why many of us are here. That is why many of us entered politics.

The message that we have received tonight, and the message that the people of our region and, indeed, the people of Canada have received tonight, is that nobody's views matter anymore except Brian Mulroney's. In my view that is a tragedy.

That is why I say, in closing, that my mood tonight is far more one of sorrow than of anger, because I think that what we have seen tonight is an extraordinary misuse of democracy, an extraordinary misuse of power, in an extreme way, which goes beyond anything anyone had ever anticipated even this Prime Minister would try. We and the people of this country had better brace ourselves, because we are now in a situation in which there will be absolutely no constraining Brian Mulroney for the next two and a half to three years. For that I think we should all say: God help the country.

[*Translation*]

Hon. Roméo LeBlanc (Beauséjour): Honourable senators, I do not intend to speak at length, but I must say, as so many others said earlier, that I am deeply hurt by the abuse of my privileges as a member of this Chamber, and especially by the fact that these privileges were abused by the Speaker of this Chamber who did not have the elementary courtesy to notify us although he claims he gave the matter a great deal of reflection.

The Speaker mentioned a breakdown of the mechanisms established by our political parties. What are these so-called mechanisms? What is this new notion that we are governed by mechanisms? I certainly can't find it anywhere in the rules of the Senate which I was given on the day I was sworn in.

In any case, the rules of the Senate are quite clear, both in English and in French, where it says . . . and I quote on page 70:

> . . . when the Whips have entered the Chamber and have indicated to the Speaker . . .

It says: Whips, not Whip.

> . . . and have indicated to the Speaker that they are ready to proceed to the vote, . . .

And so on, and so forth.

I always thought that the rules of the Senate were there to protect our rights, even the rights of independents who, since they are not part of a group, must rely on themselves and the rules of the Senate to defend their rights.

● (0230)

[*English*]

As a former journalist, I have witnessed a fair number of dark moments of political turmoil. In 1965 I travelled to Algeria to report, I thought, on the glorious first three years of self-government for a people who so valiantly had achieved their own liberation. However, one morning during that period of time I was awakened by a colleague who told me that the tanks had moved into the streets. In fact, at the seat of government we found more tanks and soldiers. General Boumédienne was determined to conclude the experience of freedom for the Algerian people.

The journalist in me, of course, was somewhat stimulated by having a major story to cover. However, when I came to write that story I remembered the faces of the waiters in the café where I had lunch and the faces of former soldiers, with tears streaming down their faces, looking at the tanks and soldiers who were supposed to guarantee their freedom, not oppress their liberty. On that day I experienced a feeling of distress and sadness that I have not felt for a long time since.

When I realized that the doors of this place had been closed and the vote had taken place, I felt exactly as I had felt while travelling the streets of Algiers. However, what saddened me the most was that I realized our colleagues on the other side had either said nothing when the Speaker locked the doors or, worse—much worse—they had organized and connived with the Leader of the Government to deprive us of the basic privilege of the right to vote.

Honourable senators, it will take a long time for us to recover from this black Thursday, if we ever do. It will take a much longer time for trust to be restored in this institution.

Senator Frith: We recognize Senator Molson.

Senator Molson: You are very gracious. Thank you.

Senator Frith: You are welcome.

Senator Molson: Honourable senators, this debate does not deal at all with the government's proposed Goods and Services Tax.

Senator Frith: You bet it doesn't.

Senator Grafstein: You are absolutely right. You are right on the first point.

Senator Molson: You are all still in good voice. I always like to hear trained seals, so keep on barking.

The GST is not the issue any longer. What I see going on in the Senate—in the Senate I cherish—is an unseemly struggle for crass political power. In this particular instance, the excuse being used for the brawl is a broad and sweeping tax measure; more specifically, our banking committee's report on Bill C-62.

Senator Frith: Why did you vote to support this crass political power grab?

Senator Molson: Why don't you stand up and speak again?

Senator Frith: I will.

Senator Molson: What upsets me most about the debate is the tone it has taken and some of the excesses to which it has given rise.

Senator Grafstein: What about the actions?

Senator Molson: When a person of charm and grace such as Senator Martha Bielish makes a farewell speech on the occasion of her retirement and the leaders of the opposition party refuse to stand with every other senator in the chamber to applaud, I think this demonstrates a singular lack of civility and courtesy.

Senator Corbin: She was pushed out.

Senator Molson: It was not always thus. For the benefit of many who are relatively new to the Senate, I shall dwell upon what the Senate once was and what some of us think it has unfortunately ceased to be.

Senator Haidasz: You can thank Senator Charbonneau for that.

Senator Molson: Again?

Senator Haidasz: Yes, again.

Senator Molson: This is becoming a habit. Prior to 1984, and perhaps because the opposition was not sufficient in numbers, this house was in fact, as well as in theory, a chamber of sober second thought. We looked upon our role as one of review and recommendation. It was our responsibility to scrutinize carefully, to analyze, to clarify, to draw attention to weaknesses and recommend amendments—to make legislation more effective and equitable.

Senator Haidasz: That is what it has been doing all the time.

Senator Molson: It was never perceived as being our responsibility to block legislation we did not agree with. We have never seen it as our duty to obstruct the carrying out of the government's legislative will. If we were against something, we said so and gave the reasons why, usually with suggested amendments.

Especially is there no tradition in the Senate for interference with the government's agenda in the area of money bills. When it comes to matters of this sort, we have always taken the view that our responsibility ends with giving the elected Members of Parliament criticism, advice and recommendations. Whether they acted upon it or not was up to them. Whether they should have or not was up to the electorate.

[Senator Molson.]

The view of what powers were proper for the Senate to use was changed dramatically in 1984. For reasons Lord Acton cited many generations ago, the opposition decided it was time for the Senate to exercise all of its powers. It is referred to as the Senate becoming "more active".

Possibly because of their party's leadership problems in the other place, the opposition have taken upon themselves the responsibility of fighting the government here in the Senate. Naturally, the government side has responded in a corresponding partisan way. Whatever the reason, the result has been detrimental to the Senate. Those opposite will argue that that is not so. They will make a big to-do about how we have not been given this much attention by the media or public in years. That, to those who feel that way, will be the measure of our success.

No one who has any respect for what the Senate is capable of doing has any use for this attempt to convert it into a battle zone for partisan wars. The public is tired of this. The opposition has gone from delay to obstruction, to confrontation. They are fighting the next election on the Senate floor, and I say that is enough.

I should like to remind you of the Hayden formula. For the benefit of newcomers and the press, the Hayden formula was a practice set up at the time when Salter Hayden, a Liberal, was Chairman of our Banking, Trade and Commerce Committee. The Haden formula involved our looking at controversial or complex legislation long before it ever reached us formally. We started studying it from the time it was introduced in the other place. We submitted recommendations to the Commons unofficially at or before report stage, and many of them were accepted. The bill that eventually reached us was much improved and legislation progressed much better through Parliament.

• (0240)

There was desire then on both sides of this house to do the job. There was a genuine will to do what we were hired to do; bring the benefit of our special knowledge and experience to the task of reviewing and improving legislation. The crises were kept to a minimum. That is not to say there was not lively debate; there was, but much more of it was on matters of principle and much less of it was inspired by the desire for partisan gain.

However, the opposition, led by Senator MacEachen, decided to set aside the policy of pre-studying bills. Nothing is done now to hasten the work of Parliament. I remember a maritime bill that we pre-studied before Senator MacEachen became leader. We made some 90 amendments to that bill. We happened to have in the Senate authorities on that subject. The Commons accepted the help, and the legislation that came from the exercise was enormously improved. That is what this place is all about.

The bill before us is as complex as it is controversial, and few of us totally understand all of its ramifications. I am equally sure that many of those outside of this House are no more conversant with it. The apparent purpose of the bill is to

simplify our tax structure and to distribute the burden of taxation more equally. I am sure the bill has some faults. I am sure that amendments will be required, but finding ways of improving legislation is this chamber's principal function. However, we have done with Bill C-62 what we did with the drug legislation, Bill C-22, in 1987. It was made the occasion for confrontation. The opposition insisted on touring the country to ask people if they wanted the price of prescription drugs to rise. Of course, no one wanted that.

The opposition assured everyone that the drug producers were out to gouge the public—

Senator Thériault: And they were!

Senator Molson: —that they could not be trusted to spend what they promised on capital projects and research and development. Well, as it turns out, the price of prescription drugs has not risen dramatically.

Senator Steuart: Where do you live, on another planet?

Senator Haidasz: Shame on you! They're not expensive for you; you get them free!

Senator Molson: You have a lovely voice, please keep it to yourself!

Senator Haidasz: What a statement to make!

Senator Perrault: Totally incorrect!

Senator Molson: Drug manufacturers are doing what they promised to do.

Senator Haidasz: Yes, gouge the public, the poor sick people! I know from my own experience!

Senator Molson: If you have so much experience, why don't you shut up for a minute and let me finish giving mine!

Senator Haidasz: I am trying to put things straight!

Senator Molson: Thanks a heap!

Senator Haidasz: Come to Toronto and I will show you poor sick people who cannot afford to buy drugs!

Senator Molson: Aren't you ashamed of interjecting all of the time?

Senator Haidasz: Not when you are talking that way.

Senator Molson: Let me talk my way, and then you can have your say. You have been talking about parliamentary rules; why don't you think about them yourself?

Senator Haidasz: What, in the way you broke them at 5:30?

Senator Molson: Oh, shut up ! Do shut up!

Senator Frith: Is that all you can say? Is that your answer?

Senator Perrault: A brilliant, intellectual answer!

Senator Molson: The drug manufacturers are doing what they promised to do. They have made at least the investments they promised and provided a lot of employment, and they have spent immeasurably on research and development.

Senator Haidasz: And patients are paying more for their medicines!

Senator Forrestall: I suppose you wrote some prescriptions.

Senator Haidasz: That's right.

Senator Forrestall: Did you write a generic or did you write a brand name prescription?

Senator Haidasz: If the generic was available, I wrote a generic prescription.

Senator Molson: Perhaps I had better sit down until the honourable senator is finished. Would he like to take the floor?

Senator Haidasz: I have spoken already.

Senator Molson: I know that, but you are still at it.

Senator Haidasz: According to the rules, I can only speak once.

Senator Cools: There are no rules!

An Hon. Senator: Those rules are gone!

Senator Molson: If the house wants to listen to the senator, I will give him a chance to speak. I am not terribly anxious to go on with that kind of racket.

With Bill C-62, the Banking Trade and Commerce Committee toured Canada like a travelling circus—

Senator Perrault: Come on now!

Senator Steuart: You were never there!

Senator Molson: —asking Canadians if they wanted to see their taxes raised. Of course, they did not, and I could have told the committee that. They spent three months travelling when they should have been studying the bill carefully and analyzing it with a view to making the necessary amendments.

Senator Frith: That's right, don't listen to the people!

Senator Molson: That is how we have dealt successfully with complex legislation in the past.

The committee has not done its duty. It has not studied the bill itself. It has not struggled and sweated with the weaknesses it claims are there and come up with its own alternatives. It merely reports to us that there are people with deep concerns who feel the bill should be amended in various ways. That is not what was required of them. The opposition, if it is to enjoy any credibility, has to tell us precisely how they would deal with the matter.

The Leader of the Opposition in the Senate will remember, I am sure, that he once had misgivings about the federal sales tax. He felt it was unfair and promised an alternative. That was in 1980, ten years ago. Surely he has enough time to produce something worthy of imparting to this house and to the rest of the country as an alternative.

I do not yet know how I shall vote on the bill if it comes to us amended. I am not defending the legislation, but I am defending the right of the government to rule and I am defending the right of the elected house to have the last say in one respect — that being with matters pertaining to the public

purse. In 1984 and again in 1988, this government was given a mandate to rule, and rule they should. What the Leader of the Opposition says about this legislation will be taken for what it is worth. It will be remembered that when he had budget-making responsibilities, he predicted a deficit of $10.9 billion which turned out to be one of $23.6 billion, less than a year later.

Senator Frith: Continue on with your non-partisan style!

Senator Murray: He is just putting a statistic on the record.

Senator Molson: That, however, was not his finest hour. Nor, I would say, was it when I once suggested, as many notable members had before me, that the Senate should consider the value of more of us sitting as independents. Senator MacEachen dismissed the idea as patronizing by "one unencumbered by any political convictions." I am not devoid of political convictions. That is not why I have always insisted upon sitting as an independent. My political convictions run very deep. They have strong moral and philosophical underpinnings. They have been influenced by tradition and tested by history.

Some do not understand that one can have political convictions that are not partisan. There are some of us who consider it more important to stand and defend principles than to defend mere political parties. Lord knows, political parties can change direction with the next public opinion poll.

The bill before us is secondary in this battle for power. It is an opportunity to further the ends of the party, to press further toward the ultimate objective. Let the party be served, but let us pretend to be concerned about the people — after all they are the ultimate vehicle to power in a democracy.

Senator Frith: Where were your principles when the rules were broken?

Senator Molson: I maintain my view about the value of cross-benchers; that is, independents.

• (0250)

I was smugly lectured by Senator MacEachen to the effect that true cross-benches in the House of Lords would find my views quaintly outdated, so I checked with a few. I have a grandson, a cousin and a few friends in the Lords and they found my views not outdated, and my friends know they do not have to agree with me to remain friends.

The Senate, honourable senators, should not be used as a forum in which to wage the initial battle of the next general election. That is not what we were created to do, and we should not allow it.

I continue to believe that it is our role to improve legislation; that we used to be wise to start looking at important bills the moment they were introduced in the Commons; that we should bring the fruit of our efforts to the other place as soon as we can; that we should suggest amendments that are as constructive as possible; and that we should not aim for confrontation. Delay and obstruction are not beneficial to parliament nor to the people of this country, and they are not justified.

Some Hon. Senators: Hear, hear!

[Senator Molson.]

Hon. Richard J. Stanbury: Honourable senators, I have listened to Senator Molson with great respect because Senator Molson is entitled to great respect in this House, but I could not agree with him less on most of what he said.

One of the elements of his speech that I agree with was that we used to have a civilized relationship between this House and the Government. That was when governments and ministers were willing to sit down with committees of this House and discuss the legislation and, indeed, adopt amendments which were suggested by the committees of this House and go back to the House of Commons and have them passed. Indeed, many times they accepted the credit for those amendments themselves. That is perhaps one of the criticisms that might be made of the Senate at that time—that it did not get credit for the things that it did. I agree with Senator Molson; we accomplished a great many things at that stage of our existence.

But what happened—and someone else has already alluded to it tonight—was that as soon as the Mulroney government got into power it immediately created a confrontational relationship with this House. When we simply asked that a budget be laid down before we approved the estimates, they said no. We knew, and every one of the conservative members knew, that that was the first in the history of Canada that any government had ever taken that position.

Senator Grafstein: Who stood up on principle, then?

Senator Stanbury: Exactly, and that is when the confrontation began with this House.

Senator Neiman has laid out for you the relationship which developed in the committee that she and I happened to sit on, the Standing Senate Committee on Legal and Constitutional Affairs, when we dealt with one piece of legislation after another with the cooperation of the conservative members of the committee; when Jacques Flynn made a great many—probably the preponderant number of suggestions for amendments of those pieces of legislation; and when the conservative members—and some of them are here now and some are out having coffee—agreed on suggested amendments. We would bring the minister in and suggest that these would be helpful amendments and the minister would say, "No, I am under instruction from Mr. Mulroney that I am to make no change. We will accept no change in our legislation" and they never have in all this time. Of the 300 pieces of legislation we have passed, almost every one of them was without amendment because they would not accept any amendments, even though they were lousy bills in many cases.

Senator Olson: New Murray law.

Senator Stanbury: That is where the problem was, Senator Molson. It was not with this group. It was with the change of relationship between the government and the Senate when the conservatives took power and had to have it their way, and that is exactly where we are today.

I want to go on to say that my privileges were offended, broken by the actions of the Speaker today. I received no letter from anyone saying that the House was about to sit again.

What happened last week was that the bells began ringing and at 6:30 that evening, the Speaker took it upon himself to cut off the bells. If anyone sitting here tonight had been conscious of the bells being cut off, they would have assumed that the Speaker had taken the same position he did last week and that he was intending to leave the bells off until the Senate was ready to come back. But, instead of that, there was a Tricky Dick kind of deal: Here come the Conservatives, having conspired in this, with the Speaker under instruction as to what he is to do, and the vote is taken with the doors locked with no chance for Liberals to come into the place.

Senator Perrault: Shame!

Senator Stanbury: The Speaker's action was despicable and I see no way in which he can be recognized.

Senator Frith: But according to Senator Molson, it was very principled.

Senator Stanbury: It is a principle, but a vile principle.

I wanted to point out to Senator Molson that surely there was a purpose for doing what was done. Senator Molson said that did not have anything to do with the GST. I tell you that that was the whole purpose—it was so that they could jam the GST down Canadian throats.

Senator Frith: Do you think they did it for some non-partisan reason?

Senator Stanbury: What a mess it would be if it were allowed to happen. The GST was supposedly mentioned by the government in its election campaign in 1988.

Senator Frith: It was not.

Senator Stanbury: As Senator Forsey would say, "In a pig's eye it was!" The fact is that after the election was over and they decided to get on with the second stage of tax reform—of course, they had done the easy part of the tax reform before the election and saved the hard part until after—they got on with the first paper on tax reform. They laid down certain principles that were to be observed and that were necessary to this piece of legislation. First of all, it had to be visible: second, it had to be fiscally neutral; third, it had to be fair and equitable; and fourth, it had to be simple to administer. In the next paper they said, "Of course, it must be integrated with the provincial tax system". Not one of those principles has been observed in this piece of legislation.

Some Hon. Senators: Hear, hear!

Senator Murray: That is not what the committee said.

Senator Stanbury: There is no place in the world where a federal system has piled a sales tax on top of a sales tax. That is why the Federation of Independent Businessmen say that it is the worst sales tax system in the world.

Some Hon. Senators: Shame!

Senator Stanbury: We are not going against this bill just because of the popular rejection of the bill; we are going against it because of what the committee discovered was terrible about the bill. It is a lousy bill. Not only that, it is a dangerous bill and it is unamendable because it is so bad. We have had lots of examples of what the individual problems are with that bill, and I will not go into them because they are all on record. However, the committee of this house found that bill to be completely unacceptable. Thank goodness the people who spoke to the committee led them to that conclusion.

• (0300)

Yet now, here is the government trying to ram down the throats of the people of Canada a piece of legislation which is opposed by nine provincial premiers, by some 300 before the committee, by some 5 million people who have signed petitions, by the churches of Canada and, I think, by everybody who is organized in Canada such as the Co-ops, which represent millions of Canadians. Again, it is opposed by everyone who has applied their mind to it, except — and I just realized where the 7 percent who support Mr. Mulroney are! They have all been put into those benches, that whole 7 percent of the population.

I just cannot tell you how upset I am about the suggestion that this is purely a political matter. As far as I am concerned, it is not. I have studied the bill, I have studied the committee report, and I am satisfied that it would be a disaster if it were imposed upon the Canadian people. I am not the only one who has decided that. Everybody has decided that — everybody except the government, and here you are trying to jam it down our throats. You are trying to give votes to eight illegitimate people. I sympathize with them because I have never heard of anybody getting suckered into a situation like this before, but that is what is happening. These are eight people who —

Senator Perrault: Snuck in up the back steps.

Senator Stanbury: — if you have your way, be given a vote, which will be contradicted by the courts almost immediately, and there you are sitting with a piece of legislation of which nobody will know the effectiveness.

We know perfectly well that, as we get into the abortion issue, if there is any doubt about the competence of those eight members of the Senate, then the questions will be life and death rather than just dollars and cents.

I do not want to go on very much longer. I have not got the strength at this time of night. I would love to say a lot about these things. However, I do want to speak briefly to Senator Waters' concern. Senator Waters, I think if you had been here a little longer and had appreciated the depth of degradation to which the people on that side went tonight and the depth of degradation to which the Speaker went tonight, you would have been out there demonstrating with everybody else on the floor of this house. There is no other way. If you are to be swamped by illegal members of the Senate, and if you are to be dictated to by a captive Speaker, then there is no other way than to demonstrate your anxiety, your disgust and your unhappiness with what is going on.

As to Senator Everett, he says —

Senator Perrault: The genius, you mean.

Senator Stanbury: I should tell you that Senator Everett is a good friend of mine. I expect he always will be a good friend of mine. I am sad that he takes the position that he does because it is an arrogant position. It is a position that says there must be progress of business in the House, regardless of the rules — and that is not a position that I can imagine Senator Everett accepting.

Senator Frith: I agree, exactly.

Senator Austin: It is astonishing.

Senator Stanbury: It is just an astonishing position. He says we should not be so partisan, and then he says he wants an elected Senate. Can you image how partisan an elected Senate will be? I am in favour of the elected Senate. Both the Liberal and the Conservative parties have said they are in favour of an elected Senate.

An Hon. Senator: Would you run?

Senator Stanbury: I am within about two years of retirement so I probably will not run, but I am just telling you that I believe in the elected Senate, as Senator Everett does, but I would not want to pretend to him that it will be a non-partisan Senate.

I intended to address a few more remarks to Senator Molson, but I think I will not. I just want to record my outrage at what the Speaker and these Conservative senators have done tonight. I certainly claim that my privileges have been breached.

Hon. Peter Bosa: Honourable Senators, I rise to express my disappointment and sadness at what has happened here this afternoon and tonight. I have been a member of this chamber for 13 and a half years, and I have never seen anything like it. I think that the entire responsibility of what has happened here today lies on the shoulders of the Leader of the Government in the Senate.

Senator Frith: Exactly.

Senator Steuart: Hear, Hear!

Senator Bosa: I had a premonition very early this afternoon that something sinister was about to happen, and I will tell you why. Let me share with you why I had that premonition. When the Deputy Leader of the Opposition got up and moved the adjournment of the house, the Rules of the Senate are usually followed this way: the Speaker gets up and says, "I have a motion for the adjournment of the house. All those in favour, please say 'yea', all those against please say 'nay'," and then he uses his judgement to say who won. He then says, "In my opinion, the 'nays' or the 'yeas' have it." At that moment the members who disagree with the opinion of the Speaker stand up and, in that way, they force a recorded vote.

What I observed this morning — this afternoon, I should say—

Senator Haidasz: Yesterday!

Senator Bosa: —yesterday, when the Speaker got up and said, "All those in favour of the motion say 'yea'," the Deputy Leader of the Government and the Leader of the Government in the Senate got up and said, "We want a recorded vote." I asked myself how they could have possibly been so trigger happy as to promote a recorded vote before the Speaker had the opportunity to complete his question. We went out of the chamber and I kept on wondering why these two gentlemen, who are masters of the rules, who know the Rules of the Senate like the backs of their hands, would do that, which leads me to believe that this matter was plotted in the office of the Leader of the government in the morning at the latest, and not at 4:30 or five o'clock this afternoon by the Speaker.

Senator Perrault: It was done last week!

Senator Bosa: I got the proof that that had happened when Senator Thériault was speaking this afternoon when he said that not only did he not receive a copy of the letter, but when it was finally handed to him, it was handed to him in English only, whereupon the Leader of the Government in the Senate immediately rushed to the defence of the Official Languages Act. He got the file that was handed over to him by Senator Doody and he then pulled out the letter and said, "See, it is in French." I looked at that letter, and I have a copy of the letter that I received. This is a copy of the letter that everybody received.

An Hon. Senator: I didn't receive it! Nobody received it!

Senator Bosa: I mean the one that was handed out later.

Senator Corbin: The one that was distributed by our Whip after the fact.

Senator Bosa: Yes. The copy of the letter that the Leader of the Government in the Senate had in his hand had the red emblem of the Canadian Senate.

Senator Perrault: It was the original!

Senator Bosa: It was the original. Why would this letter be in the hands of the Leader of the Government in the Senate and not in the hands of the Speaker?

An Hon. Senator: Because he wrote it!

• (0310)

Senator Bosa: That leads me to the following point. I partly blame the Speaker, but I think the Speaker is more the victim in these circumstances. However, I do blame the Speaker for one thing: being so terribly loyal to his party, when the party does not deserve his loyalty. The Leader of the Government in the Senate used the Speaker as cannon fodder. A man who has had a distinguished military career, a distinguished business career and a man who has enjoyed a great deal of prestige as a parliamentarian—until today–has been used by the Leader of the Government. I believe the Leader of the Government in the Senate should not have inflicted this humiliation on a gentleman who has served his country, his business community and this Parliament so well.

Some Hon. Senators: Hear, hear.

Senator Bosa: What the Leader of the Government in the Senate made the Speaker of the Senate do today makes

Speaker Louis-René Beaudoin look like a saint, look like a pillar, a custodian of the rules of Parliament.

Senator Haidasz: And he ended up being a bartender in Las Vegas.

Senator Bosa: In a book entitled: *Speakers of the House of Commons* by Gary Levy, the following appears respecting Speaker Beaudoin:

> René Beaudoin's career stands as a tragic reminder of what can happen to the presiding officer who loses his reputation for impartiality. To some extent Beaudoin was a victim of circumstances but he also contributed to his own downfall by making mistakes and by allowing partisan considerations to influence the way he interpreted the rules. He not only brought discredit to the institution of Parliament but ruined his own promising career. Every subsequent Speaker lives with the knowledge that what happened to Beaudoin could happen again, but this very knowledge makes it less likely such a disaster will recur.

The Leader of the Government in the Senate was aware of the reputation of Speaker Beaudoin. Why did he put Speaker Charbonneau in the same situation?

Senator Haidasz: Shame!

Senator Bosa: Let me read the last sentence in Mr. Beaudoin's biography. It says that he had many jobs, was divorced a couple of times, and "even spent some time serving beer in a roadside tavern in Arizona before eventually returning to Montreal where he died of a heart attack at age 57."

Senator Haidasz: A tragedy!

Senator Bosa: I ask the Leader of the Government to restore our confidence in the Speaker. I ask him to do the decent thing and restore the Rules of the Senate so that we can continue our debate, as we were before the rules were distorted.

[*Translation*]

Hon. Gildas L. Molgat: Honourable Senators, it is with great sadness that I rise to take part in this debate.

The Senate, where next Monday I will celebrate my 20th anniversary as a senator, has been done irreparable harm today.

It is a sad day for our parliamentary system and a sad day for you, Guy.

[*English*]

Today you have been had. You have been taken to the cleaner's.

Senator Kirby: He went there voluntarily!

Senator Molgat: You have been prostituted by two men: Lowell Murray sitting there, and Brian Mulroney. You, Guy, who have had a distinguished military career, a distinguished business career, have been destroyed in this House by those two individuals.

Senator Steuart: Shame!

Senator Molgat: This is a sad commentary, and, frankly, you have my sympathy.

What happened today? I will start, first of all, with my own question of privilege. This afternoon I was in my office at about 5.20 and I received a telephone call from a staff person in the building who said to me that Senator Everett had received—well, I see he is not present. I was told that Senator Everett had received a letter from the Speaker, stating that he would hold the vote at 5.30 p.m. I said that that was preposterous; that that was totally inconceivable. I told that staff person there was no provision for such action in the rules, and certainly no precedent, and that that was obviously a rumour.

Two or three minutes later, I received a telephone call from another senator, a colleague, who said to me, "Have you heard anything about a letter on the vote?" I said: "I certainly have not received any letter, but I did receive a phone call to the effect that there is such a rumour going about." I then said: "But surely this is one of those rumours that goes around. The government could not possibly do that. There is no way the government could do something like that." So I went back to my business. Then, when I turned on the television set, I heard the Speaker calling the House to order.

I happen to come from Manitoba. Senator Everett comes from Manitoba. I would like to know why Senator Everett got a letter and I didn't. What possible explanation can there be?

Don't shake your head, Barootes!

Senator Barootes: Everett does not have a Whip.

Senator Molgat: What does that have to do with it? I am not here because of a Whip; I am here because I am a senator.

Senator Grafstein: Who called you?

Senator Barootes: Nobody.

Senator Grafstein: How did you know about the vote?

Senator Molgat: I received no letter or any communication.

Hon. William J. Petten: Honourable senators, may I have a word. Let me say that I heard there was something taking place in the chamber. I thought I had better go down to the chamber to see what was going on. When I did I ran into my colleague, Senator Phillips. Oh, I am not going to say anything about him, Senator Murray—we just chatted for a moment. I asked what was going on. He asked me if I was going in and I said: "No, I am not going in now."

Senator Phillips and I have been Whips together for some six years. Many times he said to me: "No, I am not going in now." So I said the same to him. While I was talking to him I was handed a copy of a letter. It was then 20 minutes past 5.

Senator Perrault: Unbelievable!

Senator Petten: The Speaker must think I am a wonderful fellow if I can inform 50 people in five minutes that there is to be a vote!

Some Hon. Senators: Hear, hear.

Senator Grafstein: Stand up and tell us when you were called, Barootes.

Senator Petten: You shut up!

Senator Cools: He has some imagination!

● (0320)

Senator Petten: If anyone's privileges have been trampled upon, mine have.

Some Hon. Senators: Hear, hear!

Senator Perrault: Are you defending that kind of thing? Do you defend that?

Senator Frith: Where is Phillips?

Senator Petten: Perhaps I should apologize for my outburst of temper.

Some Hon. Senators: No!

Senator Petten: Barootes, you keep your big mouth shut!

Senator Frith: Can you imagine what Phillips would have done if you had pulled this on him?

Senator Petten: Come on, Barootes, say something. Go ahead.

Senator Barootes: I will ask a question, if I may.

Senator Petten: Go ahead.

Senator Barootes: I defer my question.

Senator Corbin: Ask permission from your boss, Murray. He told you to keep quiet. Ask Murray.

Senator Steuart: He has nothing to say!

Senator Molgat: I want to clearly establish my personal point of privilege. Honourable senators, we are involved in a political system. The basis of the democratic system is the individual vote. Today in this house I was denied my vote, and I have come here, like you, as a properly nominated senator, and I have my rights, and you have denied me my rights.

An Hon. Senator: Hear, hear!

Senator Molgat: That is exactly the same as if in any election, be it federal or provincial, the returning officer of the polls decided at 3:30 in the afternoon that he would close the polls. What would you say about that kind of a democratic system?

An Hon. Senator: Lock the door!

Senator Molgat: That is what we would expect in a totalitarian country.

Senator Stanbury: That is what it is.

Senator Perrault: Fascist state!

Senator Molgat: Think about it, ladies and gentlemen. This is not a figment of our imagination. There is a deep, fundamental question here. You people—you, Mr. Speaker, you, Lowell Murray, and your boss Brian Mulroney, who is behind it all—today deliberately denied the people on this side of the house their fundamental, democratic right. Think about it, honourable senators, particularly you new senators who have come here. Did you come here to be involved in that kind of a charade?

[Senator Petten.]

Senator Cools: They do not even know about it.

Senator Molgat: Think about it. Your action affected the basic democratic system.

Senator Frith: And what you did is forever history.

Senator Molgat: Let us go one step further to the privileges of the Senate. Guy Charbonneau, you had absolutely no right to send that letter.

Some Hon. Senators: Hear, hear!

Senator Molgat: There is not one single precedent in this House, which has been in existence for 123 years, and there is no line in the rule book that gives you, Guy Charbonneau, the right to send that kind of letter. You do not have that right. You have given yourself rights that you do not possess. This Senate has never given you, or any previous Speaker, that type of authority. Never!

So, honourable senators across the way, think about it. Bill Doody, you sat in a provincial legislature. Have you ever heard of a legislature in which the Speaker makes the rules?

Senator Stanbury: Obstruction!

Senator Molgat: Where, out of the blue, he can make a rule? Finlay MacDonald, you are an honourable man.

Senator Cools: Yes, he is.

Senator Grafstein: Absolutely.

Senator Molgat: You cannot believe that we run a system whereby the Speaker, of his own volition, with no background, with nothing in the rule book, without precedent, can decide on his own when the vote will be held. Do not tell me about order and management of the Senate. Come on! You are striking at a fundamental component of our democratic system, which is the right to vote. Our ancestors fought for that right. Think of what has happened in eastern Europe in the last few years. People have been fighting for that right to vote. Do you mean to tell me that you support what went on today?

Guy, you were wrong, but you had to be advised by Lowell Murray and Brian Mulroney. I would like to give my friends opposite some advice. I think it is high time you had a revolution in your party before Mulroney ruins the whole country.

Senator Steuart: And your whole party.

Senator Molgat: You have a serious problem. What occurred today is an example of a terrible sickness. We are not playing games. You are playing with the fundamentals of our system. What you did today was not right. Claude Castonguay, I am sure you did not come here to trample on democratic rights. I would not have thought, with your background and career, that you could be involved in something like that. I am sure none of you want to be involved in something like that.

It is disheartening. I do not know what to do. How do we get out of this mess? Can we turn the clock back? Frankly, we should, because you are establishing a devastating precedent.

Guy, with regret I must say that we cannot have confidence in you as Speaker.

Some Hon. Senators: Hear, hear!

Hon. Earl A. Hastings: Honourable senators, I rise this morning to record my sadness and repugnance at what has transpired in this chamber this afternoon—

Senator Haidasz: Yesterday.

Senator Hastings: This afternoon. We are still considered to be sitting on Thursday. In any event, I record my repugnance at the actions of the Speaker of this institution who, after a great deal of reflection to protect my individual rights, broke the rules of this institution, locked the doors and took a vote, all in the interest of my individual rights. I was denied entrance to the chamber.

But, honourable senators, what has transpired here today should not come as any surprise to us. As the Honourable Senator Kirby indicated, we received notice of it from the Minister of Finance last Sunday when he said "We have tricks and we are going to take charge of that Senate".

Senator Perrault: Harvey Andre said the same thing.

Senator Hastings: But the sad part is that the Speaker of this institution joined in that conspiracy and denied those in the minority their rights in this institution with his actions this afternoon.

• (0330)

Let me say to you, Mr. Speaker, that Speaker Sauvé in the other place did not see the mechanisms established by the political parties there falling apart. She did not for one moment consider breaking the rules in the interests of the Liberal majority. She protected the Tory opposition in that assembly. It was 17 days—

Senator Perrault: The Tory bells rang for 17 days!

Senator Hastings: That was the act of a Speaker who respected a minority.

Honourable senators, we should not be surprised at what is transpiring here. We were warned of it in 1988 by the Prime Minister, when he said, "We are going to sell the GST in the same way as we sold free trade and Meech Lake." Of course he made that statement. He bragged about Meech Lake before it went to its untimely end. And what was the way to sell it? The end justifies the means! Use any method! Tell any lie! Get to the end! Break any rules! Break any laws!

That is the essence of what has transpired in the discussion of the GST since it was introduced in the other place. We have had the instructions read to us tonight: No discussion, like Meech Lake; no public discussions. Prevent any dissent being discussed! Ram it through secretly, any old way!

Honourable senators, there is a great deal of secrecy around here these days, sneaking people up back stairs, secretly being sworn in. What an act! What acts of this great Parliament, to fulfil the Prime Minister's narrow objectives for this country. I have said that in 1988 he said, "Sell this the same way," and they started in the House of Commons: Choke off dissent; choke off discussion, debate, use closure every step of the way. When two members of his party from my province dared to dissent—out they went! "Nobody is going to dissent from me, and when it gets to the Senate we will take on the Liberal senators!"

When we suggested holding public meetings, senators opposite opposed that on instructions. Senator Molson is not here, but he would oppose it, too. He said we were a circus. If we were a circus, you were the clown, Senator Simard, as we travelled across this country.

Senator Simard told the people of the Maritimes, whenever he could get a microphone in front of his face, that this was an exercise in futility. He said that we were spending $500,000 and that the Liberals would pass the GST when they got back to Ottawa. Then, when we got to western Canada, it got up to $1 million, but he changed his tune. He said that the Liberals were not going to pass it as quickly as possible.

Senator Simard was following instructions: Discredit the committee; discredit the chairman—those were his instructions. He rose on points of privilege every morning. The spin-doctors were there every morning to give him his points of order so as to get the noon hour telecasts. It didn't do him any good—all of the spin-doctoring that he did at public expense didn't do him any good. The people of Canada didn't change.

I can tell Senator Molson that the people of Canada said to us, "We know we have to pay taxes, but all we are asking is fairness." As strange as it may seem to Senator Molson, they asked that the corporations pay their fair share, too. That is strange to Senator Molson and all of the other senators opposite, because they pay your way and keep you over there. As the return of the electoral officer has shown, they are the ones who keep you there through the contributions they make to you.

Senators opposite have followed their instructions carefully. They never wanted to discuss the bill. They did not want to discuss the fallacy of its being revenue-neutral, except for one moment of frankness on the part of Senator MacDonald, who, in Whitehorse, said it was a farce for the minister ever to have said that. He was being frank that morning.

What about medical expenses? Tell the people they don't have to worry about their medical programs. Tell them that their medical programs will not be hurt. Why did the Canadian Medical Association come before us and say that it will cost the doctors of Canada $100 million the first year? Where do you think the $100 million will come from?

Take the price of beer—tell them the price of beer is going down. The Brewers' Association came before us and told us that the price of beer is going up.

Take housing—tell the people of Canada that housing will not cost any more, that housing will be stable—don't worry. But the housing people came before us and told us that it would cost $10,000 more per house in Toronto.

Don't talk about inflation! Don't talk about unfairness! Attack the committee—attack the Liberals! You followed your instructions carefully.

Well, honourable senators, we have come to today and they continue on this journey of using any method or means to jam this damnable bill through Parliament and to hell with the public, to hell with Parliament. But what did they do to this institution? What did they do to the rights of the minority? Don't worry about the minority—trample on it! September 24th was completely vilified by the Speaker today! The Speaker said today that everything that was done within that meeting on September 24 was within the rules of the committee. So what are you talking about? Does Senator Simard want to bellyache about that?

Senator Simard: Yes, I will. You will hear from me next week!

Senator Hastings: Honourable senators, where do we go from here? I don't know what the future of this institution will be, but I tell you that you have poisoned the atmosphere of this institution beyond repair. I have been here for nearly 25 years. I don't think I have ever had occasion to be saddened or to regret anything that has transpired here through all those years, in this Chamber or in the other Chamber. I am saddened, honourable senators—some senators can laugh. I know that what senators opposite have done here today is a joke to them—it is a destruction of this institution and of this Parliament.

I deeply regret that my privileges as a senator were trampled on and extinguished by you, Mr. Speaker, today.

Hon. Louis J. Robichaud: Honourable senators, I would like to say that at approximately 5:45 this afternoon, if we consider the parliamentary language, I was furious. Now it may be too late for me to be furious, but I am still wounded and I am bleeding. I was furious at 5:45 because at that time there was a knock at my office door that I answered, and I was told by Senator Graham's secretary to rush to the Senate because there would be a vote. I rushed at 5:45. I came here and the vote had taken place. I was furious, and for good reasons, because my privilege as a member of the Senate had been violated. I don't know that I am still furious, but I am still bleeding, as was stated, and all because the members on the government side are endeavouring to force upon the people of this country a tax that the people of Canada reject, and reject not only by a majority, but they reject it massively.

● (0340)

I have good reasons to oppose that tax. That is why I am still here at 4 o'clock in the morning. I oppose that tax because it will affect my constituents, and they are not the wealthiest of people. I can understand certain senators supporting this tax because big corporations support it and big people support it, but small people do not support it because they will have to pay.

In the United States recently there was one girl, a very wealthy girl, who said, "Only little people pay taxes. I don't pay taxes". She is now in jail, or should be, or at least is on her way.

It is the small people who will pay this tax and that is why I am dedicated to opposing it. I will do whatever I can in this

institution to oppose this tax imposed upon us by a man who claimed that he was the saviour of Canada; he was responsible for national reconciliation. His name is Brian Mulroney. National reconciliation—what did he accomplish?

I have never seen Canada in such a chaotic situation. I have never seen in Canada Anglos against Francos as we see them today, and Francos against Anglos; not only that, the Inuit against both Anglos and Francos. I have never seen such a situation in Canada.

In this institution, I have never seen members on this side losing respect for members on the other side, and members on the other side losing respect for members on this side. It is unheard of and it is something that I deplore very much. I think the author of all of this is a man from Baie Comeau, Brian Mulroney. It is most unfortunate. I truly believe in this.

I would like the eight newcomers to this place—I will not call them senators yet. Maybe I will sometime in the future, I do not know, but I cannot call them senators yet. I would like to tell them that I have absolutely nothing against them personally, but I think that they are intruders in this institution because they are the instruments of Brian Mulroney who is trying to impose a tax on the Canadian people that the Canadian people at one point in time, and I hope very shortly, will reject.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I want to put on the record, because this will be an important record, a few details of what happened today. First, let us get the setting and realize that the report that Senator Buckwold brought forward from his committee was tabled on September 26, 1990. The 26th of September was last Wednesday.

We were unable to deal with that report, and we know why we were unable to deal with the report, so that the first couple of days that went by were the responsibility of our friends opposite. Then we came to the weekend.

In the meantime, there had been added to the Senate a number of senators under Section 26 of the Constitution. Then everything changed and the government wanted to deal with the GST, but of course still only a couple of days had passed. This is the long obstruction that we have been hearing about.

The question then arose in the country, and here, about whether these senators should be permitted to vote on this legislation, because there were serious questions being raised as to whether their appointments were authentic. That is very important, because everything is still linked to the GST. Nobody is about to suggest, or has even thought of suggesting, that those eight senators were put here for any other reason than to support the GST. Not even they would quarrel with that. We were told that that is what they were brought here for, and it was the GST. They would not have been brought here for Bill C-21. They were brought here for the GST.

Now we are at October 5, still really only October 4th. We sat this week for two days. This is the obstruction—two days. Wanting to get this straightened out—still it was the GST that was the objective of the government—we were told by the

Speaker that we could not raise that question here in the Senate.

In order to have the opportunity to straighten that out, on Wednesday, giving that as the reason, we moved the adjournment of the Senate. The bells started ringing at 2.40 p.m. We went into caucus. No messages were received.

● (0350)

It is not unusual, if I want to talk to Senator Doody and he is in caucus—or if he wants to talk to me and I am in caucus—for him to send a note to me. He did it today on another subject. We received no communication from the Speaker, no communication from the Whips, no communication from anyone on the other side. I came out of that caucus at about 4.30.—and I was not keeping notes, because I had no idea that this would happen. I was immediately 'scrummed', if that is the right word. The reporters said, "How long are you going to stay?"

I now want to recall something to you. When the Speaker decided to turn the bells off last weekend, he did so because he said that we had taken the public position that we would be coming back on Tuesday and, therefore, he had decided to do that. He said that in a letter. But not this time. He did not bother to check about the public statement or communicate in any way.

The press said, "When are you going back?" I said, "I do not know; we are in caucus." They then asked, "When could it be? How soon could it be? Could it be this afternoon?" I said, "Yes, it could be. I am not trying to escape you; I am telling you that I want to go and phone Mr. Chrétien to bring him up to date and make some other phone calls to consult." They said, "Could it be tonight?" I said, "Yes, it could be tonight." No checking was done on that. If any checking was done on that, it did not suit the purposes of this conspiracy because that was not referred to in this letter. It was only referred to in last week's letter when it was used to justify the action taken.

Senator Grafstein: Does the leader's office have a little tape recorder taping what you have said? Does he have a message of what you said? Does the Leader of the Government have that information in his office on a tape recorder?

Senator Frith: I do not know. Anyway, there was no communication at all until this letter was shown to me. I was in Senator MacEachen's office. My secretary then came up with my copy of the letter. Senator Fairbairn was with me. I said, "What time is it?" I was making these phone calls when I was handed this letter. It was approximately 5:04 or 5:05, something like that. The letter said—well, you heard what the letter said. We have been through it—and when I say *ad nauseam* I do not mean too often, but I mean that it is nauseating to receive a thing like that and be told that the vote was to be at 5:30.

So I started dictating an answer with the intention of bringing the answer down to the Speaker or bringing it into the house, depending on the circumstances. But my intention was to give it to the Speaker. You know what happened then. I heard on the electronic speaker that the doors were being locked. So I said to whoever I was on the phone with, "It is done. They have locked the doors. They are taking the vote."

I also checked the time. I looked at the clock in the office. I find that Senator Phillips, having been told, as we now know, by Senator Petten that he was not ready to go in; and remembering the number of times that Senator Phillips had said to him that he was not ready to go in—and neither Senator Petten nor any other Whip in the history of this place has ever gone in when the other Whip said that he was not ready—at 5:25, Senator Phillips entered the chamber and the doors were locked immediately.

Senator Cools: That is right.

Senator Frith: And then the dirty deed was done!

Senator Perrault: At 5:25!

Senator Frith: And what was the plan? Of course we heard, "Oh, well, this is just on an adjournment motion." I heard that being said, namely, "This was just on an adjournment motion. That is all that was involved." That is all that they wanted to accomplish. They just wanted to do this dirty deed to defeat an adjournment motion. But I was asked to appear on the *Newsworld* program. They said, "If you do not come here, only the Tory side will be heard," because Senator Beaudoin had just been on that program. So, over I went. This was at approximately 7:30.

I saw Senator Beaudoin on the tape that they had done. He had just left, I take it. After some very limp excuses—especially for a professor—about why the rules were not being used instead of this so-called precedent of Michener, Senator Beaudoin said, "Yes, there is some sort of custom about the Whips going in. There is something about that. Oh, yes, it is some custom or tradition, I understand".

Senator Perrault: Tradition!

Senator Frith: He went on to say, "It has been done. There is no doubt that it has been done." And the interviewer said to him, "But isn't it in the *Rules of the Senate* as to how it should be done?"

Senator Forrestall: No it is not.

Senator Frith: And, yes—no it is not, is it not?

Senator Forrestall: Read sections 49 and 50.

Senator Frith: Yes, I will read sections 49 and 50, senator. You have been wanting to get that read, haven't you? I will read sections 49 and 50.

An Hon. Senator: You have put your foot into it this time.

Senator Frith: This instant expert from the other place wants us to read sections 49 and 50. I take it this instant expert has read it himself. I will read them now. Section 49(1) states:

> When a question is put to a vote, the Speaker shall ask for the "yeas" and the "nays" and shall thereupon decide whether the question has carried.
>
> (2) In the absence of a request for a standing vote, the decision of the Speaker is final.

(3) Upon the request of two senators before the Senate takes up other business, the Speaker shall call for a standing vote, at which time the "yeas" shall first rise in their places, then the "nays", then the abstentions.

Next is "Pecuniary interest" and reads:

A senator is not entitled to vote on any question in which the senator has a pecuniary interest not available to the general public. The vote of any senator so interested shall be disallowed.

I do not know whether that applies. Is that the one? Did something happen? Was someone voting here without the—

Senator Forrestall: Where is the first—

Senator Frith: All right, let us go. Section 49(5) states:

Questions arising in the Senate shall be decided by a majority of voices. The Speaker shall in all cases have a vote. When the voices are equalled the decision shall be deemed to be in the negative.

50(1) A senator shall not vote on any question unless the senator is within the Bar of the Senate when the question is put.

(2) Without leave of the Senate a senator shall not speak to a question after the order has been given to call in the members to vote thereon.

(3) With leave of the Senate, the vote of a senator may, for special reasons assigned by the senator be withdrawn or changed by the senator immediately after the announcement of the division.

I will tell you what happened, Senator Forrestall.

An Hon. Senator: Sit down!

Senator Frith: You asked for this. You said read sections 49 and 50.

An Hon. Senator: Sit down!

Senator Perrault: Sit down!

Senator Lucier: Sit down!

Senator Frith: I will tell you exactly what happened.

Senator Perrault: You asked for it!

Senator Frith: Since you want information on this, what happened was that we ran into some problems with people coming into the chamber, because there is nothing in sections 49 and 50—

Senator Forrestall: Well, come on—

Senator Hastings: Listen!

An Hon. Senator: You just got here!

Senator Frith: This is exactly what happened, sir. You may not like it—I do not know where you were when it was happening, but you were not here. If you want to get the information, I will tell you.

The problem was that people were coming in after the vote had started. The Rules Committee was asked to look into this question and clarify the procedure. The Rules Committee did so, and in explanation, they gave a report, which was worked through by members on both sides. You will find it on page 70. It says that voting in the Senate is described in rules 49 and 50. It then proceeds to give the details as to how that is done. At the conclusion of a debate, the Speaker puts the question.

Senator Forrestall: That is the title page!

Senator Frith: If there is uncertainty of agreement, the Speaker asks for a vote. Your Whip was there when we did this.

• (0400)

Senator Forrestall: Answer my question!

Senator Frith: I am quoting from the appendices in the book which were adopted by the Senate, sir, before you got here.

Senator Hastings: Before you even got into the tunnel!

Senator Forrestall: Read the rules!

Senator Frith: You should read them, and read them all.

To get back to Senator Beaudoin, and to remind honourable senators what we were talking about before the genius expert raised his question, we were talking about what the plan was. I watched Senator Beaudoin. The interviewer said to him, "Is it not in the rules in this case?" Senator Beaudoin replied, "Yes". He asked, "Are you not establishing a precedent? Is the Speaker not deciding that he just does not like the system provided in the rules, so he is going to send a letter to create a new precedent on this adjournment motion which he could then use on the GST?" Beaudoin said, "Yes, he could use it". The interviewer was wondering if there was a difference between adjournment motions and legislation. When the interviewer said that, the reply was, "That procedure is used on legislation". So the interviewer said, "So that means you create a precedent and then use it and say, 'I ignored the rules then, so I can ignore them again'".

The next question went more or less like this: "Will it be used on the GST?" The answer was, "Oh, yes, we will bring on the GST and it will be used on the report and at third reading". "What procedure will he use?" asked the interviewer. "He will use the new precedent that he has created for this purpose," was the reply.

The whole thing is a detailed scheme with every detail worked out. Of course, the hit man in the whole scheme was Senator Charbonneau. It will be interesting some day to find out just what happened. Would it have been like this: "Okay, in you go, this is it. Send the letter and get in there. Lock the doors and get the deed done"?

That is the obstruction. That was justified by the fact that for two days the government filibustered its own legislation. We then raised the question regarding the authority of these senators and were told there is a good reason, because the whole system has broken down. That is what Senator Charbonneau said. Thus, he had to go in to force a vote on the adjournment motion. He laid down a few little hints in his ruling in which he referred to rule 15.

Is he using rule 15, which states that he must maintain order, to do such a disorderly thing? What was happening was that the bells were ringing. Is that disorder? If that is disorder, we have been doing a lot of disorderly things, as someone said, in the last 123 years in this place.

That is the obstruction that Senator Molson and Senator Everett talk about. When members opposite were obstructing their own bill, did he think perhaps that was disorderly and that he should force a vote on Senator Buckwold's report?

Some Hon. Senators: No!

Senator Frith: No, that was not disorderly enough. The system had not broken down enough at that point. It only got disorderly when the bells were ringing. He was the one who said, "Call in the members". The bells rang and he used this as a reason.

I would now like to talk about partisanship. Have honourable senators noticed that the term "partisan politics" has become a negative thing? What is the source of partisan politics? It is based on the fact that we have a multi-party system in this country. That is where the term comes from. People sneer at the fact that you may be doing something for the interests of your party, a thing that until very recently in most of eastern Europe Senators Molson and Everett would have had no problem with, because there was only one party. There was no partisanship. They could have had their lofty principles and said, "We have only one party here, the Communist Party. There is no partisanship around here".

As Senator Molson says, "There happens to be a few of us in here," something which, incidentally, does not include members opposite. He says, "There are a few of us in here who have principles". Apparently, if you are a member of a political party, that means you do not have principles. Do not forget that when Senator Molson talks about partisanship and the fact that he has principles, it is because he is an independent. He does not think senators opposite have principles either—remember that he just talks about a "few".

Yet the same highly principled, independent man, for many years chairman of our rules committee, came in here and voted with the government members who, I am bound to say you ought to know, Senator Molson, are also members of a political party, and have been known occasionally to engage in partisan activity. The most recent time that they have been known to engage in partisan activity was today. You came in and supported them. I would like to hear more about these principles. I do not even know what they are. I do know that they do not relate to what you are talking about when you talk about partisan activity in the Senate, because you came in and participated in the most highly and infamously partisan, from your terms, device imaginable.

It is unprecedented, and do not try to tell us that the same thing has happened here before. I would never have dreamed, when I was sitting where Senator Doody is now and when Senators Flynn, and sometimes Roblin and Murray were where I am now, of going to Senator Deschatelets and saying, "Speaker, I want you to have a vote without Senator Flynn's party". Can you imagine what Senator Flynn would have done? What do you think Senator Deschatelets would have done? If Deschatelets had even dreamt of anything close to that, you can imagine what would have been going on in here tonight with Senator Flynn.

Would anyone have dreamt of going to Senator Lapointe and saying, "Senator, here is what you have to do. I have a letter which I want you to send out and we will have a vote in 30 minutes"? She would have said: "What do you mean?" "Don't ask questions. Just send the letter. Don't worry. We have the Whip ready. Our Whip, who is Senator Petten, will go in there, and if he runs into Phillips, don't worry about it. Phillips will say he is not ready to go in, but Petten will go in anyway. You get into the chamber and just listen to Petten."

• (0410)

Think of the complaints we would have heard. We were talking about how Flynn would have reacted. Can you imagine how Senator Phillips would have reacted had Senator Petten tried to pull something like this on him? Would we have gone to Senator Marchand or Senator Riel and asked them to do this? Can you imagine any of these people even thinking about it?

Senator Grafstein: Paul Martin.

Senator Frith: Yes, even Paul Martin.

Senator Hastings: He was partisan.

Senator Frith: He was sort of partisan. Honourable senators, the proposition I put to my colleagues and ask them to support is that until Senator Charbonneau resigns and is replaced by a Speaker who is prepared to reinstate the rule book and respect it, we will do everything to stop business being done in this place. When he has resigned and been replaced by a Speaker who will reinstate the rule book and undertake to respect it, we will get back to business. Until then, we will do everything to stop any business being done under his regime.

Senator Simard: That is a decision you announced last week. That is nothing new.

Senator Cools: Get your facts right.

BUSINESS OF THE SENATE

The Hon. the Speaker: Orders of the Day.

Hon. Royce Frith (Deputy Leader of the Opposition): No, you are not calling any Orders of the Day.

Hon. Stanley Haidasz: You have to leave the Chair. Go back to Montreal. You have no authority.

The Hon. the Speaker: I am calling for the Orders of the Day.

On Order No. 1 being called:

A Clerk at the Table: First Order. Resuming—

Some Hon. Senators: No, no!

Hon. Royce Frith (Deputy Leader of the Opposition): No orders until that Chair is vacated. Unless the Speaker is replaced, we are not going on with any business.

• (1740)

BUSINESS OF THE SENATE

ORDERS 1, 2, 3 AND 4 POSTPONED

Hon. Michel Cogger: Honourable senators, pursuant to Rule 46(*c*) I move:

> That the Orders of the Day 1, 2, 3 and 4 be postponed until the next sitting of the Senate.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I have had a meeting with the Leader and Deputy Leader of the Government in the Senate to discuss how we can proceed with the business of the Senate. I have had an opportunity to consult with my colleagues regarding that meeting with Senators Murray and Doody.

I should like to tell you exactly what we think should happen today and Tuesday, which is as far as we have gone. We propose to accept Senator Cogger's motion, which has the effect of allowing debate to start today on Bill C-62, the Goods and Services Tax. On our Order Paper at the present time it takes the form of consideration of the report of the committee. Honourable senators will recall that the committee's report is that the bill be not proceeded with. We propose simply to start that at this time. It has been taken into consideration. Senator Buckwold will simply move the adoption of the report, and will perhaps say a word about why he would prefer to continue next week. We will then adjourn the debate until Tuesday, October 16.

On Tuesday we will be starting with a fresh sitting and at the top of the Order Paper. Order No. 1 deals with Bill C-28, which is known as the clawback bill. Order No. 2 deals with Bill C-21, the unemployment insurance legislation. Order No. 3 deals with third reading of Bill C-39, which is an act to apply federal laws and provincial laws to offshore areas. As far as I know—and the Speaker is the Chairman of that committee—that bill is quite uncontroversial. I am sure Senator Marsden would like us to proceed with Bill S-8, and I may have a short speech to make with regard to it. We will then deal with Bill C-62.

We have not come to an agreement about the extent of debate on Bill C-28, although we have discussed it. We believe there will not be a long debate on that bill. We will have to reopen and continue our negotiations with regard to Bill C-21. Bill C-39 will probably pass because it is a third reading and there is no controversy that I know of. Bill S-8 I have just mentioned. We would then be back at Bill C-62.

Senator Nurgitz will put the question. As far as we are concerned, we can adopt it, because that will enable us to implement the short introduction of the goods and services bill by Senator Buckwold. On Tuesday we will revert to the Order Paper that we have before us.

[The Hon. the Speaker.]

Because of the way things were left on the record after the points of privilege that were raised, everyone's position will remain the same. Our position is that the vote on Wednesday should not be a precedent, and that such votes should be held in accordance with Rules 49 and 50. Proceedings for a vote are outlined on page 70 of the rules. As I say, our positions remain the same on that. Our position with respect to Speaker Charbonneau remains the same. I think that covers everything that we discussed.

• (1750)

Hon. C. William Doody (Deputy Leader of the Government): I should explain to our caucus that we did indeed have those discussions with Senator Frith, and the report that he has given is correct in every detail.

The last two items mentioned, the vote on Wednesday and the position on Senator Charbonneau, are just as diametrically opposed on this side now as they were yesterday and Wednesday. Our friends opposite feel very differently than we do about that, and that has not changed.

I would ask that the Speaker not see the clock and that we proceed with the Order Paper.

The Hon. the Acting Speaker: Honourable senators, it has been moved by the Honourable Senator Cogger, seconded by the Honourable Senator Doody, pursuant to rule 46(c),

> That the Orders of the Day 1, 2, 3, and 4 be postponed until the next sitting of the Senate.

Is it your pleasure, Honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND-REPORT OF BANKING, TRADE AND COMMERCE COMMMITTEE—MOTION FOR ADOPTION—DEBATE ADJOURNED

The Senate proceeded to consideration of the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commmerce (Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act), presented in the Senate on 26th September 1990.

Hon. Sidney L. Buckwold: Honourable senators, I move that the report be now adopted.

The Hon. the Acting Speaker: Is it your pleasure, Honourable Senators, to adopt the motion?

Hon. Senators: No.

Hon. Sidney L. Buckwold: Honourable Senators, this very important piece of legislation, of great interest to Canadians across the country, has been very thoroughly reviewed by the Banking, Trade and Commerce Committee, and its views have been expressed in our report. I think it is a very important report that requires the concentration and energy of every Senator as we move into debate on this question.

With that in mind, and drawing to our attention the fact that most of us are quite tired having had a long few days and nights, and that I would like to have all the energy I can muster to state the case that I think is correct, I move adjournment of the debate.

On motion of Senator Buckwold, debate adjourned.

ADJOURNMENT

Leave having been given to revert to notices of motions:

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable Senators, before the question is put, may I take 30 seconds of your time to wish all Honourable senators and their families a very happy Thanksgiving weekend, and to have a particular thought for the staff of this place who, over the last few days in extremely trying circumstances have once again proven their tremendous devotion to duty.

Hon. Senators: Hear, hear!

Senator Frith: Honourable senators, politics is a miraculous and wonderful thing, because who would have thought an hour ago that I would stand and enthusiastically support remarks made by the Leader of the Government in the Senate; but I do.

Hon. C. William Doody (Deputy Leader of the Government), with leave of the Senate and nothwithstanding rule 45(1)(g), moved:

> That when the Senate adjourns today, it do stand adjourned until Tuesday next, October 9, 1990, at 2 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until Tuesday, October 9, 1990, at 2 p.m.

THE SENATE

Tuesday, October 9, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

THE SENATE

STOPPING OF DIVISION BELL—SPEAKER'S LETTER—QUESTION OF PRIVILEGE

Hon. John B. Stewart: Honourable senators, I rise on a point of privilege. I hold in my hand the official report of Senate debates from October 4, 1990, in which is recorded the division of this house reported to have taken place at 5:25 p.m. that day.

It is my right, my privilege is to be present and to vote in this house, not for my own glorification but for the benefit of the people whom I was summoned to represent. I am rising to defend my privileges, because my privileges are their privileges.

Last Thursday, Senator Charbonneau wrote a letter to four senators. Copies of that letter were sent to eight other senators. Therein, he stated:

> Dear Senator,
>
> In light of the failure of the mechanisms established by the political parties within the Senate to assemble Senators for a division within a reasonable time, I will be stopping the division bell and will proceed to put the question now before the Senate at 5:30 p.m. this day.
>
> I have taken this decision after much reflection to protect the rights of individual Senators to perform their duties.
>
> Sincerely,
>
> Guy Charbonneau.

Honourable senators, that was the first act in a violent, tyrannical attack on the rights of honourable senators. Later that day, Senator Charbonneau ordered that the doors of the Senate chamber be locked, and he called a vote contrary to the rules of the Senate.

The other evening, questions were raised on very point. It was stated that the part of our rules entitled "Appendix I, Forms and Proceedings" is not a rule, but, for the benefit of those who are new here, let me draw the attention of honourable senators, first, to rule 1. That rule says:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

Then we turn to Appendix I, "Forms and Proceedings". There we find the head note:

> *This appendix is a general description of Senate practice and is included in this volume as a source of information on the customs, usages, forms and proceedings of the Senate referred to in Rule 1.*

Later in that Appendix we have a description of how formal votes are taken in the Senate, and I read, in part, from what is found on page 70 of the *Rules of the Senate of Canada*:

> If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote.

Then the Speaker again puts the question.

Thus we see that there can be no doubt about the authority of the description of a vote as set forth on page 70 of the rules.

What happened here last Thursday was that Senator Charbonneau ordered that the doors be locked, contrary to the rules by which this house is governed.

Did Senator Charbonneau regard his action as being in conformity with the rules? No, he did not. He found it necessary to write a letter to four senators notifying them of his intention. He found it necessary to give four senators special notice and, thereby, he showed that he knew full well that he was innovating in contravention of the rules of the Senate.

He did not write to me. He did not write to many senators. He led me and many senators to believe that the procedures of the Senate, as established by long-respected precedent and confirmed by our rules, would be followed last Thursday.

Honourable senators, cast your minds back to what happened at the sitting of Thursday, September 27, 1990, as recorded in the official report of the *Debates of the Senate*. A motion "To Order Withdrawal" of strangers was moved. A formal division was called; the bells rang. I was in my office—which is over in the Victoria Building—and suddenly the bells stopped ringing. I did not know what was going on. Had the vote actually started? After making inquiries I found that the vote had not started. All on his own Senator Charbonneau had instructed that the bells be turned off. He left the Chair. He locked the doors. How was I to know, when the bells stopped ringing on Thursday, October 4, that the same arbitrary action was not being repeated?

• (1410)

It may be said that the Liberal Whip should have contacted me. For all I know, he may have tried to reach me; but he

never did. That is not a material point. My ability to exercise my rights as a senator—my right to be present when a vote is taken and to vote—is not conditional on receiving messages from a party whip. My right to participate in the business of this chamber is my right as a senator, not as a Liberal.

Do honourable senators remember what happened in August 1987? My native province, we were told by the government, was being invaded by Tamils. The two houses of Parliament were recalled to deal with that great emergency. At that time, Senator Charbonneau did not send a telegram to Senator Petten asking him to "give Stewart a call". He sent me a telegram in my own right. He did not follow that pattern last Thursday. He left my right as a senator to depend on someone else—someone who is not an officer of this house.

The responsibility for my being excluded from the chamber when the vote was taken last Thursday rests squarely on the shoulders of one person: Senator Guy Charbonneau. It was Senator Guy Charbonneau who decided to break the rules; it was Senator Guy Charbonneau who wrote to some and not to others; it was Senator Guy Charbonneau who left some of us in the dark and outside the door. He did this deliberately—to use his own words, "after much reflection". This was not mere inadvertence. This was not the act of a man moving hastily under the pressure of rapidly changing circumstance. This was an act done after much deliberation.

Then, as the official report of the *Debates of the Senate* shows, on Thursday last he locked the doors, not at 5:30 p.m. but at 5:25 p.m. Thus he protected, and again I quote, "the rights of individual senators to perform their duties."

Let me tell senators what happened in my own case last Thursday. Some senators know that as long as I have been a senator I have occupied the same office on the eighth floor of the Victoria Building. I heard a rumour—and that rumour took the form of a phone call from Senator Grafstein, who happens to have an office next to mine, but who, at that time, was over here in the Centre Block—that Senator Charbonneau had decided, notwithstanding the rules, to bring on a vote at 5:30 p.m.

Well, honourable senators, I scrambled. I rushed over here. When I came into the lobby the doors had been locked.

Those of us who travel across time zones when we come to Ottawa are, perhaps, more attentive to the accuracy of our watches than those who stay here in Ottawa, because we have to adjust them a couple of times a week. I had thought that my watch was running about a minute fast. My watch said 5:27.My immediate conclusion, honourable senators, when the bells stopped, was that my watch, which is about at the point where it needs a new battery, had either stopped or slowed down.

But now we have the official report of what actually happened. In that report we see, at page 2343: "The Senate resumed at 5:25 p.m." The Speaker said: "Let the doors to the chamber be locked."

The motion was put and was negatived on the division shown there.

Present at that division were two independents and 53 Progressive Conservatives. Senator John M. Macdonald was here but did not vote, because he was paired as is reported.

Honourable senators, what does this show? It shows that 53 Progressive Conservatives had been told in ample time what was planned.

• (1420)

They did not straggle in, in the way we normally do for a vote, coming in at perhaps 5:26, 5:27, 5:28 or, like some of us, just making it through the door. No. They were all nicely in the chamber before the doors were locked.

Senator Simard: You were outside the chamber refusing to come in.

Senator Stewart: That is not correct. That is not true, Senator Simard, and you know that it is not true.

Senator Simard: Pushing Liberal senators to go away.

Senator Stewart: No, no, I was not. You only help me make my point, Senator Simard. I was not outside.

Senator Simard: You were not outside, but a number of you were.

Senator Stewart: I am talking about my own case. Other people can talk about theirs. I am rising on my question of privilege, not on someone else's.

The official report also shows that two independents were here. For all I know, they may have come in at 10 minutes after 5. All I know is that everyone who voted on that day was in here before the doors were locked at 5:25.

Even if Senator Charbonneau had had the authority to rewrite the rules of the Senate, an argument can be made that he should, at least, have informed all the senators of his decree. Moreover, having issued the decree, consistency required that he adhere to that decree. But, of course, he had no authority to rewrite the rules, he had no authority to make the decree, and he showed the invalidity of the whole proceeding by sending the decree to some and not to others and by locking the doors at 5:25 p.m.

Honourable senators, the role of the Speaker of the Senate is very different from that of the Speaker of the House of Commons. Over the years the Speaker of the House of Commons has been given great authority and, over the years, steps have been taken to assure his impartiality. His authority and his impartiality travel hand in hand.

The Speaker of the Senate is not in that position at all. Two historical factors shaped the Speakership of the Senate. First, there was the tradition of the British House of Lords where the presiding officer, the Lord Chancellor, technically sits outside the House of Lords and may even be a commoner. That is one reason why our Speaker of the Senate does not have authority to rule conclusively on points of order.

The second factor is that this house represents the people in the provinces. If we were to do with our Speaker in the Senate what has been done with the Speaker in the House of Commons, one of the divisions would be deprived of the vote of one

of its senators. That is why the Speaker of the Senate is expected, from time to time, when he or she wishes, to leave the Chair and to participate in debate, even in highly partisan debate. That is why the Speaker of the Senate is expected to vote—not to break a tie but as a representative of the people in the province that he represents.

There is a passage in T*he Unreformed Senate of Canada*, by R.A. McKay, which is revealing on this point. It is found at page 65. There McKay writes:

> Following the precedents of the House of Lords and of the nominated councils in the provinces prior to federation, the British North America Act provides that the Speaker of the Senate shall be appointed by the Crown. The Speaker of the Commons, on the other hand, is theoretically elected by the House.

That was prior to the recent change in their procedure. He goes on to state:

> In practice both Speakers are appointed by the Prime Minister; and both offices are patronage reserved for eminent party supporters. But in both Houses, despite the partisan nature of the appointments, tradition requires that the duties connected with the office shall be performed in an impartial manner.

Mr. McKay then goes on to say:

> Unlike the Speaker of the Commons, the Speaker of the Senate is, however, an active supporter of the party when he is out of the Chair. He may still attend the party caucus; he has a vote on any question like any other member of the Senate; he uses his personal influence in support of party measures; and may even descend from the Chair and take part in the debate.

One Speaker was actually a member of the cabinet at the same time. That was Speaker Macpherson, from 1880 to 1883. McKay then states:

> But while the Speaker is in the Chair he assumes a correct attitude.

McKay explains how our Speakership comes down from the office of the Lord Chancellor, the presiding officer of the House of Lords. He concludes:

> . . . the Speaker of the Senate is in reality but a chairman or presiding senator, not the spokesman of the House in dealing with the Crown as the Speaker of the Commons is historically, nor yet a president who sits above the party struggle.

All that is important, because it clearly shows that by the Constitution, and by the practice of this House, the Speaker of the Senate does not have the authority vested, in increasing degree, in the Speaker of the House of Commons. Out of the Chair he is one of the players like the rest of us. But we need an umpire or a referee. One of our players is put in the Chair. Because he is recruited from among ourselves and may become a player again, we expect him to act with manifest impartiality. Because he is one of the players, one given a special role, it is incumbent upon him to make a greater effort to be impartial than is required of the Speaker of the House of Commons, who is protected in various ways from party influence. Honourable senators, in this instance that requirement has been ignored.

• (1430)

This is not the first controversy in recent times over the way votes are taken in the Parliament of Canada. There was a famous example in the House of Commons in 1982. It has been described as the longest bell. I wish to read now from an article in a book entitled: *The Canadian House of Commons: Essays in Honour of Norman Ward*. It was published by the University of Calgary Press, 1985. I quote:

> By far the most dramatic episode of the thirty-second Parliament—and one of the most notable in Canadian parliamentary history—was the famous "bellabuster" of 1982. The sitting that began on Tuesday, March 2 did not terminate until Wednesday, March 17. The episode had farcical aspects, but it also had serious constitutional implications.

It is important to remind ourselves of how that famous, not filibuster, but "bellabuster", took place.

What had happened was that the Minister of Energy, Mines and Resources, the Hon. Marc Lalonde, had given notice of a motion for leave to introduce the Energy Security Act, a bill that was called an omnibus bill.

A member of the House of Commons, one Harvie Andre, argued that the bill was out of order on the grounds that it was an omnibus bill. He invited the Speaker, Madame Jeanne Sauvé, to rule that such bills were out of order. She refused to rule that they were out of order.

Keenly disappointed, Mr. Andre retorted:

> If the Speaker cannot do anything because there is no precedent, the Speaker can never do anything. Precedents are only established by Speakers. Having ruled that you cannot act because there is no precedent, Madam Speaker, you have in essence ruled that no Speaker can ever act.

There was then a lively exchange between Mr. Andre, Mr. Nielsen, and others, and the Speaker. Eventually, Mr. Andre moved, "That this House do now adjourn".

The Progressive Conservatives went out and the bells rang for over two weeks.

Senator MacEachen: How long?

Senator Stewart: For over two weeks.

Senator Frith: Weeks?

Senator Stewart: Weeks. The article continues:

> The impasse was finally broken when the Government agreed to break Bill C-94 into eight distinct bills.

Senator Cools: A sensible government.

Senator Stewart: Whether the government was sensible or not is not really the question now.

At that time, honourable senators, I thought that Madame Jeanne Sauvé should have intervened. I was asked by *The Toronto Star* to write a piece making that argument. I wrote

that piece, making the argument that she ought to have intervened. But she did not intervene. Advised by the officers of the House of Commons, and relying on her own judgment, she refused to intervene. She refused to yield to the entreaties, to the pleas with which she was bombarded by members of the House of Commons, by ministers and by members of the public. She refused to yield.

On March 18, 1982, at the end of that episode, Madame Sauvé delivered to the House of Commons what is called "Reflections on Recent Events". These appear in the *House of Commons Debates* of March 18, 1982, at pages 15555 and 15556, and comprise a carefully-reasoned explanation of the stand she had taken.

I should like to share with honourable senators a few sentences from Madame Sauve's statement:

> I admit that I was often tempted to respond to appeals, first by some hon. members, then by the press and even by the public, that I should write history and create the precedent that would resolve the situation. However, it seemed to me that any action on my part would be incompatible with my concept of the responsibility of the Speaker to the House. In support of this view I would like to quote Josef Redlich, an expert on parliamentary procedure, who said:
>
> > The modern president of the House of Commons, . . . is a judge who has to apply the rules of procedure to the best of his ability and with perfect impartiality, maintaining with a firm yet sensitive hand the proper relations between the two parties to the proceedings before him, the majority and the minority; he must do so by maintaining the rules and the usage of centuries, and by taking care that both majority and minority are unimpeded in their use of the forces and the weapons which the order of business provides for strong and weak.
>
> I was therefore faced with duties and responsibilities that seemed to be at odds in most respects. References have been made here and there, and mostly in the press, to precedents that had no bearing on the present situation. First the situation in 1961, when one of my predecessors, Mr. Michener, did not let the bells ring for even as long as an hour before he sent a message to the whips ordering them to enter the House for a division. There was no parliamentary crisis, it would seem. There is no reference in *Hansard* that sheds any light on the circumstances of the incident, and no one, not even Mr. Michener, can remember why the whips were late. Upon receiving the Speaker's message, they entered the House, and no questions were raised by any one. Who can tell whether this precedent, if it is one, is valid? What would my predecessor have done if the whips had refused to come and vote?
>
> Another important precedent has been cited this time, from the British House of Commons. It relates to the occasion when Mr. Speaker Brand terminated a debate on his own initiative after it had continued for 41 1/2 hours. It took place at a time when the Irish Nationalists had some 60 members. There were then no time limits on debate and the use of closure was unknown. The Irish Nationalists had employed obstructive tactics over a long period designed to bring the process of government to a standstill. The Speaker put the question, but only after consultation with the Prime Minister and the Leader of the Opposition and with their joint support. I could not see that similar circumstances existed in Canada in 1982 and, therefore, felt the intervention of the Speaker could not be justified.

● (1440)

She goes on to deal with what would have been the consequences of an "arbitrary decision" that did not derive from any of the rules approved by the House of Commons nor from a precedent with any relevance to the present situation. Her conclusion was that if she had taken that course, she would not have created a valid precedent. She spoke the following words, and I submit that they are wise words:

> The authority of the Chair is no greater than the House wants it to be. When the rules are clear and offer precise guidance to the Speaker, the authority of the Chair is absolute and unquestioned, for this is the will of the House. On the other hand, when there are no rules to fall back on, the Speaker must proceed very cautiously indeed. The most the Chair can do is to lay the matter before the House which can then itself create a new precedent.

She then quotes Josef Redlich, who said:

> It is no part of (the Speaker's) office to consider how he may use his power to devise new reins or bridle for the House. The guiding principle is that the Speaker is not the master of the House, but its representative . . .

Those are the words of Speaker Sauvé, a Speaker whose authority, by reason of the nature of her office and by reason of the powers conferred upon her by the House of Commons, was far greater than the authority of the Speaker of this house. Madam Sauvé, with all the power and authority of the Speaker of the House of Commons, said, in effect, that she would obey the will of the House as set forth in its rules. She said that it was not for her to rewrite the rules, that, regardless of what she might think about the rules and practices, she was only the servant of the house, not its master.

Honourable senators, my reaction last Thursday was one of hot anger. Over the weekend that hot anger has burned down to cold fury and revulsion. I do not say that Senator Charbonneau is a tyrant—I do not think that he has the stuff of tyrants in him—but I do say that what was done here last Thursday was an act of tyranny.

Tyranny is not a genuine form of government. I remind honourable senators that the difference between a tyranny and a democracy is not that tyrants' decrees by definition are unreasonable or immoral; the difference is that in tyranny there is no rule of law. In a tyranny the only rule is: whatever the tyrant decides and orders is law.

It may be said that what Senator Charbonneau did was necessary to ensure that the government could carry out its mandate to bring in the GST. I believe that about 43 per cent of the Canadian electorate voted for the present government in 1988. Forget the others—ask the 43 per cent who voted Progressive Conservative if, in 1988, they gave a mandate to the present government to introduce the GST. Did they understand that they were voting for the GST?

Honourable senators, it may be said that our rule concerning divisions is unreasonable. That certainly is the implication of Senator Charbonneau's letter. Let us remember that whenever tyranny undertakes to justify itself, it always claims that what it did was necessary for the good of the people. That was the cry a few decades ago: "It is necessary for the good of the people!" Again, tyranny will always claim that it acts reasonably to rectify an unreasonable situation. That is the claim of Saddam Hussein: "It is unreasonable that millions of people in my country should be poor when next door a few people are deluged by richer."

Not only do tyrants always claim the necessity and reasonableness of their decrees; the truth of the matter is that they generally believe their own claims.

Honourable senators, a rape is never pretty. On the one hand we have the rapist, driven by his necessity; on the other hand we have the victim crying out and struggling to prevent the rapist from having his way. Last Thursday we saw a parliamentary rape.

I want now to speak chiefly to some of the new senators. Eight of you have taken the Prime Minister's shilling. You now have no choice; you will carry out the deal you made. The Prime Minister has even said that thereafter you may resign. I speak not to you but to the other new senators who are not so committed, and to the many senators who have been here a long time. It is to those particularly to whom I speak.

I have searched the records of our Canadian House of Commons—not now over the weekend, but over the years—and I have found nothing comparable to this incident. In 1956 Mr. Speaker Beaudoin was only a bungler who made mistakes. However bad any particular incident was, it was not comparable to this.

● (1450)

When I looked in the records of the British Parliament, the House of Lords and the House of Commons, I found that once upon a time there were provisions which enabled members to put down motions of censure against the Speaker, but that those provisions have since been dropped. Why? Because the impartiality of the Speaker of the British House of Commons is now so great that occasion to use such a motion never arises.

I think it was Mr. Balfour who referred to a possible motion in 1902. He said that the only precedent before that was 70 years back, and that one was based on one in 1777. Speakers do not do this sort of thing.

What we have seen here, honourable senators, is absolutely unprecedented in the history of the Parliament of Canada. What we have seen here will be recorded in the history of our parliamentary institutions. It will be noted and remarked upon by parliamentarians wherever parliamentary government is practiced around the world. It will be recognized that these have been days of infamy in Canada.

I ask you, as honourable senators, are you prepared to live with that?

Hon. Peter A. Stollery: Honourable senators, I rise to speak on an issue of privilege that was brought before all of us us last Thursday night. I am sure that I am not the only senator who, over the weekend, has reflected deeply on the terrible events that took place here last Thursday night and Friday.

I was elected to the House of Commons in four Parliaments: two minority Parliaments and two majority Parliaments. I have served here in the Senate, both as a government supporter and as a member of the Opposition. In my 18 years in Parliament I have always been taught that the first rule is respect for the Chair. I have never conceived that I would see a situation in which the chair would conspire to rig a vote in the Senate; but that is what took place last Thursday night.

Some Hon. Senators: Oh, oh!

Some Hon. Senators: Hear, hear!

Senator Stollery: There are two issues; and I do not think that has yet quite sunk in. The rig that took place was not a single rig; there were two elements to it. The first is of primary importance and is the whole reason why we have rules and procedures, including the right of the minority to have its opinions heard in Parliament.

The rights of the majority are guaranteed by their majority. They do not need the rules in Parliament. There is no need for rules and procedures if you are the majority, because you guarantee your own rules and procedures. The traditions and the history of parliamentary democracy exist so that the minority has rights, and among those rights is the right to delay. It is a legitimate right to delay an issue. That is legitimate parliamentary practice, and that was hoisted on Thursday. It was hoisted illegitimately; it was hoisted in a manner that will be never be forgotten in Canada.

Let us look at what happened. First, we have, in our rules, a rule that says that both whips must be present when a vote takes place.

Senator Barootes: It is not a rule.

Senator Stollery: In all of my years in Parliament and in committee it is a primary rule that both parties be represented when any serious business is discussed. In our rules it says that the two whips must appear. Why? Because if one party does not agree to hold the vote at a particular time, it has the option of having the whip not appear; and that is a legitimate parliamentary practice that has been practiced for over 100 years.

However, that is not the only violation. For Senator Charbonneau to involve himself in hoisting a parliamentary practice that dates from at least early in the nineteenth century is unbelievable, but it was worse than that. It was much worse than that, because he then tried to rig it by sending notices

out, being assured that the members could not possibly get the notices in time to show up. It is unbelievable. They first sent a selected number of notices to a selected number of senators—

Some Hon. Senators: Shame!

Senator Stollery: —ensuring that they could not possibly get there, and then they shut the doors five minutes before the notice said they would be shut.

Some Hon. Senators: Shame!

Senator Stollery: It is beyond anything one could conceive. Senator Stewart said that the outrage on Thursday and Friday, on reflection, becomes a burning fury. It becomes a realization that this Parliament cannot work. We cannot possibly operate so long as Senator Charbonneau is in the Chair. It is impossible to accept that rule. It is impossible to accept a rigged vote.

In the Watergate scandal the whole issue, as we remember, was the conspiracy of President Nixon to conspire for his own re-election, to try to rig the election, even though he probably would have won it anyway. The incredible thing about last week was that the governing party may well have won the issue anyway, but the leadership of the governing party decided it was not enough to win the issue; they had to rig it. They had to hold an illegal vote.

Senator Petten: The fix was in!

Senator Stollery: The fix was in—a state of corruption unprecedented in Canadian history.

Honourable senators, it leaves one speechless. Things have been said that I would not have believed could ever have been said in a chamber of the Parliament of Canada. I am sure that all of us were shocked and revolted by that performance. We were obliged to take steps that none of us had ever thought would occur to us. I join with Senator Stewart on his question of privilege. However, it is more than a question of privilege; it a question of whether Canada has a Parliament.

● (1500)

Some Hon. Senators: Hear, Hear.

Hon. David A. Croll: Honourable senators, I speak as the dean of this House, and also as the dean of the other place, having recently replaced Sir Wilfrid Laurier as the longest-serving parliamentarian. I realize some will say that that and $1.25 will buy me a cup of coffee, and they would be right; but one who has watched this Parliament for as many years as I have has some responsibility.

I originally intended to participate in the debate, but the debate has lost its significance. No one is paying attention to the debate. What has happened under the guise of a debate is almost unbelievable. The Prime Minister took it upon himself to appoint eight extra senators. I am not questioning whether he was right or wrong, but they are here and they are estimable people. However, the appointment of eight extra senators is only intended when the two Houses are in deadlock, when Parliament cannot move ahead. The idea was that the eight extra senators would come to the assistance of their fellow members. That is justified.

Following that, there was a public statement made by the Minister of Finance, who said: "We will pass the bill even before the eight are appointed." He also said: "I have something up my sleeve and I can get the legislation passed."

What shocks me, as a senator who has spent many years here, more years than any other member of this chamber, is that the Minister of Finance admits that he visited the Speaker, or had someone visit the Speaker on his behalf. What is this all about? In Britain this would be a hanging offence, even if the person involved were a member of Parliament. If this occurred in the United States, there would be riots in the Senate and the House of Representatives. This is unheard of!

I cannot understand the Speaker allowing the vote to be taken with one party absent. Although I have been around here for a long time, I cannot understand that. What are you people doing to Parliament? Never mind the bill!

Parliament is a place where we can express our views, where there are rules, and where people live by rules. All of a sudden new rules have been made up by appointed officials.

It really does not matter what happens to the bill; the bill has lost all of its significance. When the country wakes up and realizes what we have done to Parliament, there will be a furor that will last for years and years.

Senator Austin: Right!

Senator Croll: They will ask: "How could they have done that? We trusted them with a democratic institution for years and years, but look what they have brought to us."

I am not going to talk about tyranny; that is not what I have in mind. What revolts me and astonishes me is the fact that my fellow parliamentarians, whom I have known for years and years— colleagues from both sides of the House—have put Parliament in this impossible position in order to win a point.

There comes a time when Parliament is more important than any of us or any of our parties. Parliament is an institution.

I remember when Parliament burned. I came down here afterwards to see if it was still standing; it was! That is my concept of Parliament. All my rights are here, as are all of your rights. We cannot give those rights away. That is why we are here representing the people.

Unless we do something quickly, and something that will appeal to the people, we are putting a blemish on this parliament, a blemish it does not deserve. It has been a good Parliament. To walk away from it as though we were in a tyrant's den leaves me very dissatisfied.

● (1510)

Parliament has been my life. In the beginning I was a practising lawyer, and Parliament stood for its ability to serve the people. Have you any idea of what we have in this country? I lived through the Depression, and during that time I looked after an important city in an important province. I know what it is all about. I know how other countries govern

themselves, and the idea of losing one portion of what we fought for all our lives astounds me. I do not know what I can say that will put you on the right path—but what we are doing is wrong. We are sacrificing something that we do not have the right to sacrifice. The rights that we have in Parliament are not yours or mine; they came from hundreds of people who fought hard and made sacrifices for them, thinking that those rights would be preserved forever and a day.

This comes at a bad time for me. I had thought that we had reached a better understanding of ourselves as a nation, regardless of what we call ourselves, that little by little we had built a better country—one that would make a difference to the provinces. We now find that the principles upon which we all depended are starting to crumble. That is not a nice thing for me to say. I think I am somewhat responsible for what has happened, but I am telling you what is on my mind, honourable senators, because it should be on your mind and you should see that the situation is corrected as soon as possible.

Our traditions came from Britain. Do you think that this would be tolerated for one minute in the British House of Commons? We have taken other practices from the United States. Do you think that the United States Senate or House of Representatives would tolerate this sort of thing? Not in a thousand years. Neither should we. Often there is a price we have to pay for legislation, but this one is much too high. It is not worth it. Our democracy has been admired by the rest of the world, but I do not know what the world is going to think now. We cannot get along with our native peoples and we cannot get along with ourselves. What is happening to us? Is it not about time that we gave this a second thought? I am sorry I took up so much time.

Some Hon. Senators: Hear, hear!

Hon. D.G. Steuart: Honourable senators, I would like to take a moment to review what has happened and recall how we ended up in this unhappy situation. None of us was sworn in as a Liberal, Conservative or Independent. We were sworn in to take our place and act as senators. It was said that by notifying our whip we would be notified; but those of you who have been here for any length of time, along with the Speaker, know that is not true. Our whip was not in his office. I heard the bells quit, as did Senator Denis, who has been here for over 50 years. When we came down, the door was locked. When I looked through the little window, I saw what looked like a full house of Conservatives and one so-called Independent Liberal.

When we finally got in, there was bedlam. That is to be regretted. I played a part in it, and I regret it. However, I do not regret how the situation ended. I thought we had made a compromise to return to the business of the Senate. But the Leader of the Government in the Senate knew there was one unacceptable situation, namely, that we would not have sitting in the Chair a gentleman I now see sitting there. I also thought he said that until negotiations, or sober second thought, occurred, he would not be in the Chair. Perhaps I was wrong. He is in the Chair.

[Senator Croll.]

When we adjourn—and I say this to the new members—and we are called back, the Speaker does not notify our whip to call back the members; we are notified by registered mail. Each senator is notified to return and take his or her place in this house and deal with its business, otherwise who knows who would show up. The Constitution of this country never did and still does not recognize political parties. With every vote we decide which political party we will support and which side of the house we will sit on. Having sat in this place, I have seen those of the Conservative persuasion and those of the Liberal persuasion vote against their government. They have not been thrown out of the caucus, but in the case of Senator Everett, after doing it too often, he decided on his own initiative that he no longer wished to sit in the Liberal caucus. That was his decision. We are not recognized as members of political parties.

To say that by notifying our whip we had been notified is so patently wrong as to be unbelievable.

• (1520)

There is no question but that Speaker Charbonneau took the rules into his own hands. I do not think he did so on his own volition. I think the decision was plotted and planned somewhere else.

Honourable senators, I twice saw the Honourable Michael Wilson of the other place smirking on television over the weekend, saying that they had something up their sleeves that would bring the Liberal senators to heel. I did not know what that would be. I thought they would send in forces day in and day out until we were worn out, after which the vote would be held. It would not have been very pleasant, but at least it would have been legal and proper. As it is, we have no rules; so we can sit here day in and day out until the majority gets its way.

Honourable senators, it has been said here before, and I will repeat it: The rules of Parliament and the rules of the Senate are constituted for the protection of the minority. We may not know how to act too well in Opposition. I find that every now and then we agree with the government, which I do not think the Opposition should do too often. Every time we have agreed with the government, be it on Meech Lake, Free Trade, or anything else, it has been to our regret. But I can say this, honourable senators: If we don't know how to act in Opposition, senators opposite don't know how to act in power!

The senators opposite have the power. They did not even need to do this. They did not need to have the Speaker held in disrespect. They did not need to threaten his position as it is now threatened. They simply had to wait for a little while. They could have won their vote. They would still have had the respect of this chamber, and the respect of Canadians, and they would have had their own way.

I do not know why the honourable senators were in such a hurry. I do not know why they had to do this. They never gave us, on this side, a chance, just as they did not give a chance to the millions of Canadians who have pinned their hopes on us.

Honourable senators, I sat in the Saskatchewan Legislature for 16 or 17 years. It was a wild place compared to this chamber up until last week. We used to say that the Speaker of the Saskatchewan Legislature had his chair nailed down so that he only faced the Premier. Well, whether that was true or not, I will tell senators that we did not get too many good rulings from that Speaker.

Times have now changed and the Saskatchewan Legislature is a much more civilized place. The rules are obeyed by both sides. But even in the most undisciplined days of that legislature, I never saw, nor did anybody else, a trick pulled like the one pulled on this institution last week—and that is what it was, honourable senators, a despicable, low trick; a the Canadian people are the losers in the long run.

Honourable senators, the more I thought about this over the weekend, the more I thought about Speaker Charbonneau. I thought about some of the people I know who are also friends of his. I thought about his background. He is a respected man of business and a respected man in this chamber. I thought of how, by a single act, perpetrated, in my view, by the Leader of the Government in this place, egged on by the Prime Minister in the other place, they not only took steps to destroy this institution and put it into disrespect, but they ruined His Honour's reputation. I think they should be totally ashamed of themselves. I do not think that His Honour thought of this little trick—he is not that kind of man. But I can tell honourable senators right now what they have done to him. Look at him—he is embarrassed, he is ashamed, and he is destroyed as the Speaker of the Senate.

Senator Murray can smirk—he was put in this chamber without any background of an election. If he has been elected anywhere, I would ask him to stand up and tell me so. Was he elected to city council or town council? No! He obviously has little or no respect for the institution of Parliament, and he has shown that.

The odd thing, honourable senators, is that he was going to get his way at any rate. He has the majority. There are far more senators on the other side than there are on this side. When the courts find, if they do, that the eight new senators were legally appointed, senators opposite will have the majority. They had better learn how to use it.

You don't think you have the majority? Just count the numbers. You had the votes—I can tell you that—even before you put the eight in. But you didn't know it.

Obviously, honourable senators, the tragedy lies in what has happened to this place and what has happened to His Honour the Speaker. I would suggest that we recess for an hour or two, or three, to give senators opposite and His Honour a chance to reflect on what has happened. If he does not leave, we are going to be in for a long, unhappy battle that will bring to this institution even less respect than it now has.

● (1530)

[*Translation*]

Hon. L. Norbert Thériault: Honourable senators, I believe it was last Thursday that I rose to say that it was sadness and sorrow that I was adressing my colleagues in the Senate. Over the weekend, I discussed with several people what happened in the Senate Thursday and Friday of last week.

It is an open secret that our Rules are not a major concern for a great many Canadians who, for that matter, do not hold politicians in general, those in the House of Commons in particular, in very high esteem.

It is an unfortunate situation, because I feel that this Parliementary institution has performed well for our country.

As my colleague Senator Steuart has just said, what was the hurry? You have a majority. You have the body count in our favour, at least for the time being, and if ever the status of the eight additional senators is confirmed, you may be able to pass your legislation. For that matter, some 300 pieces of legislation have been passed by the Senate since 1984. At the present time, three are being held by the Senate.

Over the weekend, I had the opportunity to discuss this issue with people from all walks of life. A great many of them were unaware of our Rules. As I said earlier in my remarks, and a few who had been especialy impressed by the fact that the Speaker had been reported as having used Part I, entitled "Interpretation", where Rule 1 of Part I, under the title of "Interpretation", reads:

> In all cases not provided for in these rules, the customs—

The Customs which were quoted by my revered colleague Senator Croll and by Senator Stewart, our parliementary expert.

> —the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed by the Senate or in any committee thereof.

The Rules of the Senate of Canada are there to protect the rights and privileges of the minority in the Senate. As a matter of fact, these rules had protected our own rights for several years; I have been a senator for the past twelve years, twelve years during which Liberal senators were the majority, and the Rules of the Senate have preserved your rights.

I reiterate what my colleague Senator Steuart said, i.e. that Senator Charbonneau did not act on his own decision. I would not believe that even for a moment. That decison was made by the Government leader in the Senate, the same person who made decisions concerning the Meech Lake Accord. He has no parliamentary experience and has no respect for Parliament. He does not know the rules either. He found a way because, as we saw in this House and as Mr. Wilson told the other place: "We'll find a way to have laws passed".

My privileges were totally ignored. I am sad when I see someone like the honourable Senator Beaudoin, who claims to be a constitutional expert—and I believe he is, while I am not—set himself up as a parliamentary expert to defend certain actions. I must say, Senator Beaudoin, that I would have expected you, as a constitutional expert and based on the impression I had of you when you first arrived at the Senate,

to defend the rights and the privileges of the minorities. But, for a seat in the Senate, you set all that aside. That hurts.

For a respected parliamentarian like Mr. Lavoie-Roux to come from the Quebec National Assembly, where she has seen the Rules of that Parliament protect minorities, and to totally ignore the Rules of this House and vote to deprive me of the right to vote, I find that hard to accept.

Is Senator Castonguay, a former member of the Quebec National Assembly and a respected citizen, who must be well versed in parliamentary procedure, going to tell me he agreed to sit in this Parliament with the intent of preventing minorities from having the right to vote?

This is a serious matter. Granted, the Senate as an institution is not exactly popular. However, the individuals I just named, and many others, accepted their appointments, including the person who literally gave me my second lease on life, Dr. Keon. Dr. Keon, as a benefactor of society, did you accept your appointment to the Senate to snatch away my right to vote, after saving my life?

Hon. Jean-Maurice Simard: Senator Thériault, you are not the government's conscience.

Senator Thériault: Honourable senators, the decision made by Senator Charbonneau and by the Leader of the Government has, I am sure, done great harm and caused great damage to the Senate as an institution. Honourable senators, in a case like this, we should close the doors of the Senate and go home. That is what we ought to do. Close the doors. Honourable senators, I look at Thursday's *Debates of the Senate* and at a letter I received at nine o'clock that evening, saying that the Senate:

> . . . put the question now before the Senate at 5:30.

In the Debates of the Senate, it says:

> The Senate resumed at 5:25.

Could you not have waited five minutes more? Honourable senators, how do you expect people to respect the institution where we work? How do you expect people to respect those who work in Canada's parliamentary institutions, if whenever a government has a majority in Parliament, it doesn't bother to follow the rules, nor wait and see if eight newly appointed senators have legal standing or not? We saw a radical change in the whole conduct of the Speaker, as Senator Stewart pointed out. There was a complete change in behaviour, at the behest of the Leader of the Government. Instead of abiding by the rules as is customary when one has a majority in Parliament and one wants to have legislation passed, they completely ignored them. How would you have felt, honourable senators, you who were in the minority until last week, if before 1984, the Speaker of the Senate had decided to ask the Senate to sit at midnight or Saturday night or Sunday morning? There is nothing in the rules that says this cannot be done, and if the Speaker has discretionary powers and the Leader of the Government in the Senate has discretionary powers, it could have been done, according to you. Today, we your colleagues are in the minority, and what is to prevent the Speaker from entering the Senate five minutes from now and saying: "time is up. Time to vote". What assurance do we have that will not happen? We cannot count on the people who just betrayed us. They failed to protect our rights when we were entitled to a vote.

Honourable senators, if there is to be any respect for Canada's parliamentary institutions, at the very least, Senator Charbonneau should become leader of the government and and Senator Murray, Speaker of the Senate.

[*English*]

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I did not live through the experiences of Thursday and Friday last, although I lived through them vicariously by way of the reports which I received from time to time about the unexpected developments in the Senate.

When I left the chamber on Wednesday afternoon, the Senate was on the threshold of paying well-deserved tributes to Senator Guay, and it was my expectation that the next two days would be taken up with government business.

What a shock it was to discover that, on Thursday afternoon, the Speaker of the Senate made an unprecedented decision that brought about the reaction Senator Stewart described, which could only follow from parliamentary rape.

"Whom the gods would destroy, they first make mad." It would appear that "godly" intervention has been evident in the sequence of events over the past short period of time. One would have thought that the Government of Canada would have been satisfied for the moment, having increased its membership to the Senate by 15 in a very short time. That was quite an addition. But, not satisfied, the government then resorted to an illegitimate technique, through section 26 of the Constitution, of adding eight additional senators to this body. Thus they achieved their majority. They increased their numbers to 46 by the addition of 15, and then they added 8 more. Consequently, they had their majority.

• (1540)

Why did they not feel confident that they could manage the Senate and achieve their objectives with a majority, even though illegitimately attained? But, not satisfied, they needed further incursions and further demands upon the principles of probity and proper conduct.

We do not accept, honourable senators, that the eight members who are sitting here today, and who proceeded to vote, are entitled to sit in this chamber. We do not accept that. We do not think that any of the conditions that should surround the appointment of eight additional under section 26 of the Constitution Act senators have been fulfilled.

Senator Stewart and others have pointed out the historical circumstances under which those individuals involved in the formation or the development of section 26 have described the conditions that surrounded any possible use of that section. We know that one of our premiers—later a senator—reported that the use of section 26 was "akin to the Reform Act," and would require an election before the Crown would act to meet the wishes of the government. So serious a crisis would have to

exist that an election would intervene before the Crown would act.

We know that the third draft of the British North America Act cited clearly the conditions under which section 26 would apply, namely, a money bill would have to be defeated once in the Senate, and any other bill three times. That was what the Canadian ministers and the British thought was a reasonable condition.

Well, nothing has been defeated in this Senate. But, nevertheless, section 26 has been grounded only in the false allegations made by the Prime Minister in his press conference. If he told those senators on the telephone—as described by Senator Keon—the same alleged facts that he gave on that nationally televised press conference, then he misled those senators.

Senator Graham: Hear, hear!

Senator MacEachen: He told them inaccuracies and falsities.

An Hon. Senator: Lies!

Senator MacEachen: None of the conditions that he asserted existed.

We know that the colonial secretary who was asked to move ahead by Alexanader Mackenzie laid down his firm conditions before section 26 could be used. He said that "a paralysis would have to take place so that government would be incapacitated." That is what he said. Every contemporary observer outlining the "grounding of facts" denied the validity of the Prime Minister's actions.

In his speech at the press conference the Prime Minister said that there was "obstruction." His main line was that there was "obstructionism" around three bills. He then moved to create eight additional senators. How ashamed he was, as were the rest of you about your new colleagues when you had them sworn in in secrecy in the Speaker's chamber. Not one of us was told that this was happening. You intended to bring them in surreptitiously to the Senate—not standing before the Table to take the Oath; not being walked up as proud recruits—

Hon. Stanley Haidasz: Like all of us!

Senator MacEachen: —as Senator Buchanan was; they were put in at two corners because all of you were ashamed of what had happened.

The courts will determine the results and the validity of these senators. The *Ottawa Citizen* said that "the new senators follow a grimy tunnel to clandestine ceremony." What a wonderful way to reach the red chamber!

What has happened to the principle of independence of senators and parliamentarians? Is it now possible that the Prime Minister can call up individuals and say, "I will make you a senator if you will vote for Bill C-21"— which is hated in the Atlantic provinces; or "if you will vote for Bill C-62"— which is loathed throughout Canada; or "if you will vote for Bill C-28"—which denies the historical privileges of the senior citizens of Canada.

Did all you new senators say, "Yes?" Were you asked? Where is your independence? Or was there no discussion about these bills? I should like a clarification on that, because it is plainly stated in the *Ottawa Citizen* that the commitment was asked for and delivered by the new senators.

I am sure that they can clarify that, and they will do so. It would relieve our anxiety if they are still free agents. Please tell me that you are free agents and that when it comes time, honourable divisionals, to debate these bills, your minds will be free and you will listen to the arguments that we can make on this side of the house—arguments that we will make on behalf of all the citizens who have appeared before the committee of the Senate.

So there you have it. We thought that it was improper. In other words, the circumstances did not exist to summon eight new senators under section 26. The Leader of the Liberal Party, the Leader of the Opposition in the House of Commons, and I, as Leader of the Opposition in the Senate, wrote to the Governor General asking him to hold off. We said that there is eminent authority that a constitutional convention requires the Governor General to accept advice from the Prime Minister to appoint such senators only when certain extraordinary circumstances exist. Such circumstances do not exist today.

• (1550)

Senator Beaudoin, who, as far as I am concerned, is a giant in constitutional matters but an infant in parliamentary matters, had the nerve to say, "It is crystal-clear that a deadlock exists". That is nonsense. There is no deadlock. There has been no vote and no deadlock according to the definition of those who put Article 26 together. But perhaps there is, according to a modern University of Ottawa definition that is totally unrelated to parliamentary reality. I am not convinced at all by that.

We said to the Governor General that we do not believe that those circumstances exist. We asked him to hold off. We said, "We can argue it. We have a powerful case". Yet the Governor General gave us the brush-off. He failed to do his duty to listen to the minority of those in Parliament who had a view. He said, "I have talked to government lawyers and to outside experts, but you Liberal senators have no place in my lexicon of Canada". He gave us the brush-off. He had a responsibility. Somebody had a responsibility. An essential quality of the exercise of Article 26 is an arbitral quality.

It was British ministers who imposed Article 26 on colonial ministers in London. The Canadian ministers did not want it. They turned it down three times. But the British ministers said, "No, gentlemen, we want this instrument, this deadlock breaking instrument." Finally, the Canadian ministers agreed on condition that there would be an independent arbitral finding outside Canada, that the Governor General or the Prime Minister would not be permitted to act, but that the advice would have to go to British ministers and then be acted upon by the Queen. In this way, an independent outside arbitral opinion would be found as to whether indeed a deadlock existed.

The situation here is that the Prime Minister has declared a disagreement, and only he is entitled to have his views known

as to whether indeed the disagreement did exist. Surely, the Governor General ought to have probed and said, "Well, tell us what your plans are on these bills. Is there a deadlock or not?" But he acted as a rubber stamp for the Prime Minister, a puppet, and denied to those of us who have some rights any opportunity to express our views. Politically it was a disgrace, because the word of the Prime Minister, one of the parties to the dispute, was listened to, and the other party was ignored, contrary to the inherent arbitral quality of the original Article 26.

So we feel pretty disappointed that no effort was made. However, we swallowed that. We said, "Yes, all right, we will do the best we can," and various court actions have been taken. In the meantime, the government had its majority. It had gone to the Queen. It had gone to the Governor General. It has had its way. That was September 27.

Even though the government has its majority, this is a very finely balanced house. There are 54 Progressive Conservative senators, some recently created. The magic of the Prime Minister's word was able to transform life-long Liberals into instant Tories. Now they sit in the Tory caucus, and there are 54 of them.

We have 51 Liberals on this side. That makes for a rather finely balanced house in any man's language, and anyone who throws his weight around as a government leader in the House of Commons with a majority of three is heading for disaster. I say that because those 51 other senators here, whose actions and words will influence every event that takes place, despite your majority of three, have to be taken into consideration. That is your situation.

I cannot believe that having gone through that process, which we regard as improper constitutionally, but which can only be decided ultimately in the courts, the government has now decided to take advantage of the Speaker of the Senate in order to rebalance further the political situation in its favour.

"Whom the gods would destroy, they first make mad". Do you understand, honourable senators, the implications of this ruling? Do you understand why there is a custom and a rule in our Parliament that a vote does not take place until the whips of both parties come in and say that the vote should take place? It is a simple fact. As we know, we are in an adversarial position, and on a key vote the responsibility of bringing in the members—all the members, every last member—can only be exercised by a loyal adherent of the party. He is the only person who can say, "I have brought in the last possible follower for this vote". It is not a function of the Speaker to say, "Well, now, the vote can take place at 5.30. All the Liberals are here and all the Tories are here". Or was there collusion? It is not a function of the Speaker.

Let us consider, for example, that we are debating a government bill, a bill of substance, and that the debate terminates perhaps unexpectedly and the bells ring, as I have found it to be in my case when leading the government. Let us say that we start to tally up the members and we find that 11 are in Montreal, many others are in Toronto, while others are in their homes in various parts of Ottawa. The whip will get on the phone, as will the deputy whip. This is something that occurs on both the opposition side and the government side. They never stop; they have their lists. They say, "A member is in the hospital and is unable to be here." They consult, and after many hours they say, "These are all the members who will be here for the vote. We are ready." The government whip then goes to the opposition whip, Mr. Kempling, in the House of Commons and says, "Mr. Kempling, I am ready"; but Mr. Kempling says, "I am not ready. I have five members motoring here from a meeting that is taking place in Pembroke. They were there for a Tory fundraiser and you cannot have the vote until we are ready to come in." That is the political dynamic of this rule.

• (1600)

To say now that the Speaker can decide when the vote is held is parliamentary injustice. It is blasphemy. It is an outrage, and it cannot be maintained. It was a glorious mistake. That is the reasoning for it, of course. The rule says that the bells are rung and when the whips enter the vote is put, or words to that effect.

What are we going to do about this? How many divisions are we facing? How many divisions or amendments will there be on Bill C-21, Bill C-28 or Bill C-62? How many times will the bells ring, and how many times will members have to be called in? I would say that the whip on the other side would want to know that he has everyone in place, unless he has a private arrangement with the Speaker that the Speaker will send out the letter only when all his members are in place. That is the only way it could work. Unless there is consultation between the two, it is likely that the government whip would not have his members in the chamber at the crucial time, as would the opposition whip.

Honourable senators, why is it that we are confronted with this situation? I find it regretful that we are plunged into this situation. I was involved in the pipeline debate. The process destroyed the government of Mr. St. Laurent and destroyed the Speaker of the day. The debris of political miscalculations was strewn behind for years.

I asked our whip, Senator Petten, about the practice in the Senate because I have been here only six years. Senator Petten said, "I have been here 20 years, and it is a firm practice that the vote is held when the whips come in." The chairman of the Rules committee, Senator Molgat, said that that is what it says on page 70 of our Senate rule book. We reviewed it recently. We added a provision which permitted the Speaker to lock the doors. Am I right, Senator Molgat?

Hon. Gildas L. Molgat: Yes.

Senator MacEachen: It is ironic that the lock-in provisions were used because the doors were locked, yet the other provisions were ignored. It was a parliamentary lock-out. There should be no lock-out, because that is not a prerogative of any person, except the whips of each party, in a parliamentary system. That is as strong and as solid as any parliamentary principle.

When the bells rang the weekend of September 27, the Speaker shut off the bells by his own decision, which caused a number of my colleagues to telephone me and say, "What is going on? What right does the Speaker have to shut off the bells?" The bells rang for 15 days in the House of Commons. Madame Sauvé reduced the sound of the bells, but they continued to ring. I did not make an issue about that because I had received an explanation that it was for practical reasons and that it had no reference whatsoever to the key provision of the section, namely, that the vote starts when the whips come into the chamber.

On Friday, September 28, I wanted to find out what was going on, so I went to the Clerk of the Senate. I thought the Mace was on the Table and tour groups were coming into the chamber.

Some Hon. Senators: They were.

Senator MacEachen: The Mace was on the Table as if this were a public washroom. I went to see the Clerk of the Senate, accompanied by Senator Frith and Senator Molgat. We sat down with him in his office and asked, "What is going on?" He tried to explain, and, in the course of that conversation, we referred to page 70 of the red book. I said, "My understanding, Mr. Barnhart, is that a division cannot take place until the whips enter the chamber. What is your interpretation?" He said, "That is my interpretation also." Senator Molgat and Senator Frith were there to hear it. So I was confident that the rule was to be carried out as stated in the rule book and according to our custom, but that was not to be.

• (1610)

The dean of the Senate, Senator Croll, has mentioned the remarks of Mr. Wilson, who had said last week something to the effect that the bill would go through this week because he had a method. The press came to me and asked what Mr. Wilson had in mind. I said, "I have no idea," and I did not have any idea. I never had in mind that his method would be to find a new interpretation of the rules through the Speaker. We object to this action. It is outrageous and unworkable, and, if the rules of the game are not followed, it will make most difficult the operation of this chamber in circumstances that are finely balanced.

We cannot remove the Speaker from office. He is appointed by the Prime Minister. In fact, he is the only person in the chamber who is accountable to anyone. He is accountable to the Prime Minister because he is always eligible for reappointment, and he was reappointed after the last election. We cannot remove him from office. However, I can assure honourable senators that the 51 members on this side of the house have lost confidence in the Speaker's ability to discharge his duties fairly. I say that with great sadness and with no pleasure, although it is a fact.

I ask Senator Murray—you, sir—and all of us in the Senate: What are we going to do about it? We saw the reaction to this initiative on Thursday and Friday. Do you think, if such an effort were undertaken again, that there would not be an equally explosive reaction? Do you think that we are going to accept peacefully, in a submissive manner, this trampling of our individual right, our rights as a party, the rights of our whip, our rights to vote, the dangers to us if these rights are to be administered, not by the whips but by the Speaker? That is the situation. I did not create this problem. However, it is a major problem and it will have to be resolved before we can debate in an orderly way the bills—

Senator Simard: You made a deal last week; you are going back on your word again!

An. Hon. Senator: Quiet!

Senator Simard: You are going back on your word! Never trust a Grit, and this is the proof!

Senator MacEachen: Honourable senators, do you think if, on third reading of Bill C-21 or Bill C-28 or Bill C-62 the Speaker, without the consent of our whip, stops ringing the bells and calls a division, that we will stand with our hands folded and not do everything we possibly can to observe the rules? If the Speaker is not prepared to observe the rules, we shall do our level best to have them observed as they are written in the rule book and as they have been established by many years of custom in the Parliament of Canada.

Some Hon. Senators: Hear, hear.

Hon. Keith Davey: Honourable senators, I rise on the same question of privilege. I would like to begin by putting on record the response of the press to this sordid affair over this past weekend. I would like to begin with an editorial that appeared in the *Toronto Star* of October 6, 1990, entitled "An abuse of power." It reads:

> Without rules, there is chaos. By throwing away the Senate rulebook and all sense of fair play, Senate Speaker Buy Charbonneau has plunged the upper house into a state of anarchy and done it further damage.
>
> By rule and tradition, the Senate does not hold recorded votes until both parties agree.
>
> So it was unacceptable late Thursday for the Speaker to order a procedural vote and then hold it 25 minutes later without the Opposition Liberals in their seats.
>
> Clearly, this was a partisan move by Charbonneau to establish a precedent for the ultimate vote in the Senate on the 7 per cent GST.
>
> But by shattering parliamentary rules and practices, the Speaker has run roughshod over the rights of all senators—not just Liberals.
>
> With this tactic, Prime Minister Brian Mulroney is, in effect, trying to impose the GST by dictatorial decree.
>
> If Parliament is to be the cornerstone of our democracy, its rules and procedures must be honoured by all members of both houses.
>
> That's why, last June, the Manitoba Legislature permitted Elijah Harper, an eagle's feather in hand, to raise the lone voice that stopped the Meech Lake accord. To have trampled Harper's rights would have made a sham of democracy.

Maybe Canadians should not be surprised by this latest turn of events in the Senate. Conservative Senate leader Lowell Murray had expressed dismay when the Manitoba house insisted that its rules had to be obeyed and Harper's rights respected.

The parliamentary rulebook allows ample room for skilful manoeuvres by all members. They can be frustrating at times. But take away the rules, and laws will have no moral authority at all.

Another article appeared in the *Toronto Star* of October 7, 1990. It was written by David Vienneau. The heading is, "Senate chaos hurt Tories, experts say", and it reads:

OTTAWA—Chaos in the Senate may have cost the Progessive Conservatives the high moral ground in the battle for public opinion, experts say.

The Tories would have been better off biding their time rather than forcing a confrontation that produced pandemonium last week, say constitutional and political observers.

Prime Minister Brian Mulroney was "caught between a rock and a hard place" over the goods and services tax, said John Trent.

Forcing a vote may win Mulroney his tax, but it won't increase his standing in the public opinion polls, said Trent, of the University of Ottawa's political science department.

On Friday, Liberal senators ended their 24-hour filibuster over the tax—it requires Senate approval—and agreed to start debating it this week.

But agreement came only after a raucous attack of desk-pounding, horn-blowing and whistling.

A major Liberal grievance was Senate Speaker Guy Charbonneau's decision to break the rules and force a vote in the absence of the Liberal opposition.

Did Charbonneau, a Tory, act alone?

Probably not, experts agree.

● (1620)

In the Commons on Friday, Liberals said Charbonneau's instructions came from the government.

Finance Minister Michael Wilson did not deny that someone had spoken to Charbonneau but said there had been no "directive" to the Senate Speaker.

The experts say, however, the Tories should have taken it slower.

If they'd wanted to force the issue, they should have had Charbonneau wait a couple of weeks and then announce he was stepping in to break the impasse on the Senate floor.

Instead, they were so preoccupied with defeating and humiliating the much-despised Liberal senators appointed by former prime minister Pierre Trudeau they missed an opportunity to use them to their advantage, the experts say.

[Senator Davey.]

The experts' rationale is that the GST is so unpopular the only way the Tories could score points with the public was by continuing to hammer home that it was the policy of an elected—albeit unpopular—government.

At least the voters could boot the Tories out if they didn't like it.

Instead, the Tories chose to force a vote in the Senate, breaking the rules to do so.

Charbonneau's decision to force a vote will only contribute to the rapidly growing public cynicism about the political process, the experts say.

"Mulroney had the high moral ground when he said the process had been hijacked by the unelected Senate, thereby forcing him to appoint the eight additional senators," said John Whyte, dean of law at Queen's University.

"But he seems to squander the high ground to win. He builds no sense of public acceptance of the conflict in the Senate."

"This is a very dangerous thing," said Bill Dawson, a University of Western Ontario political scientist, of the latest Senate chaos.

"The Speaker is saying, 'I know better than the rules,' simply because it will help the government."

Now, honourable senators, I should like to quote from the *Toronto Sun* Sunday edition, an article by Mike Duffy which is entitled "Falling on his sword." The article states:

In every war there are victims. And in the Senate war over the GST, the most prominent victim appears likely to be Guy Charbonneau.

Until he decided to allow the Senate to vote without the Liberals being present in the chamber, Charbonneau was slated to join that long list of forgetibles who have been honored by being named Speaker of the Upper House.

Now, however, Charbonneau joins Erik Neilsen on a short-list: the Liberal list of 'most-hated' Tories.

Neilsen is there because it is Liberal doctrine that Neilsen was an anti-French bigot who set out to destroy Guy Favreau and others on trumped up charges of unethical conduct during the Pearson governments of the mid-sixties.

Neilsen wasn't a bigot, but he was tough, he played politics for keeps, and only an idiot wouldn't think the people Neilsen nailed weren't out of line.

That's not the case with Charbonneau, a Montreal businessman, to whom politics was a hobby, a game never intended to be played the way they're playing now in the Senate.

But while they say they support him, privately, many Progressive Conservatives are shedding few tears for Charbonneau.

There are two reasons for their indifference: Brian and Joe.

Charbonneau was appointed to the Senate in 1979 by Joe Clark. But Charbonneau was never a Clark supporter. He was, and still is, a Mulroney man.

Charbonneau helped Mulroney work his way up through the Montreal business community. There were few Tories in Quebec in those days, and they often could be found in the bar of the Ritz Carleton Hotel, huddled together for warmth.

When Mulroney's pals in the Tory caucus decided to force Clark out, Charbonneau and former Newfoundland Premier Frank Moores raised the money to keep the anti-Clark campaign going.

Clark fell, and when Mulroney became prime minister, Charbonneau got his reward: he was named Speaker of the Senate.

For a man who made millions in insurance and vending machines, Charbonneau has shown little skill in the chair.

His Conservative colleagues complain, 'he'd just sit there like a pillar of . . . ' as Allan MacEachen and the Liberals walked all over the Senate Tories.

When Charbonneau did complain about the Liberals breaking the rules, they used their majority to 'regularize' whatever it was they wanted to do.

That all changed when the prime minister stacked the Senate, and Charbonneau, former 98-pound weakling, suddenly had the Liberals outgunned.

Thursday Charbonneau flexed his muscles, decided he'd taken enough, and sent his historic two-line letter to the Liberals.

He told them 123 years of precedents didn't matter. The Liberals could not ring the bells and hold up the Senate indefinitely. He announced he would stop the bells and call a vote, even if the Liberals weren't in their seats.

The Liberals didn't believe he'd do it. But he did.

It was the first vote the Liberals had lost in the Senate in 42 years.

In the process, the Senate, and Charbonneau lost their innocence.

Now the Liberals are howling for Charbonneau's head the way the Tories demanded the resignation of Commons Speaker Rene Beaudoin after he caved in and did the bidding of the Liberal government during the pipeline debate of 1956.

Beaudoin didn't return after the 1957 election and died a broken man, working as a bartender in the U.S. West.

After enduring a brutal assault Thursday evening, Charbonneau hid out Friday. The Liberals want him to quit. But even though the Tories think he's been ineffective, they don't want him to resign.

The rules don't allow him to be replaced immediately, and his vote is essential if the GST is to make it into law.

Charbonneau has one more tough job to do for Brian. He'll do it, but it won't be easy. He knows the Clark Tories will be silently cheering on the Liberals—silently enjoying their moment of revenge.

Honourable senators, another article which I think is worthwhile drawing to the attention of all honourable senators is an article again in the *Toronto Sun* with the headline, "Senate Bedlam." The article is written by Tim Naumetz in Ottawa and in the box preceding the article it is stated:

> Bitter resentment over the GST has been building up for a year and Liberal senators claim that gives them the mandate to do whatever they can to kill it. As an unelected body, they may be wrong about that. But they are right in their belief their war could get Grits more votes in the next election.

This article reads as follows:

> Ottawa—Sen. Herbert Orval Sparrow was in the thick of the shouting and pushing and the clutching hands.
>
> Quiet Herbert Orval Sparrow, 60, son of Abiah Andrew Sparrow of Saskatoon.
>
> Herbert Sparrow, once honored with the Vanier Young Man of the Year Award, the UN Environmental Leadership Award, the America Honor Award for Conservation. A Mason, a Shriner, a life member of the Kinsmen Club, for gosh sakes.
>
> There he was, nearly screaming on the red carpet floor of the stately old Senate of Canada: 'This is a frontline for democracy, there has got to be a frontline for democracy in this country.'
>
> Bedlam erupted in the Red Chamber when the Liberals broke 123 years of precedent last Thursday night and invited a horde of scruffy journalists into the hallowed sanctum to protest a Tory vote.
>
> This was before they staged an all-night filibuster. This was before they brought out their bells and whistles.
>
> This was when Herbert Orval Sparrow found his destiny.
>
> He confronted Senate guards to stand between them and the interloping journalists. He defied authority to form his frontline for democracy.
>
> At first, he was anonymous. The reporters, none of whom ever cover the Senate on a regular basis, didn't know him.
>
> 'Which one is he?' they whispered, lost, until one finally asked him his name.
>
> 'Senator Sparrow,' he replied, turning a moment from the struggle.
>
> And from then on the irony was great, because Herbert Sparrow represents both the good and the bad of the Canadian Senate. He could stroll unrecognized through any crowded shopping centre in the country. A man ordinarily of quiet distinction, he is everyman's senator.
>
> He failed twice to win a seat in the Saskatchewan Legislature and so was named to the Senate, by Lester Pearson, at the ripe old age of 38.

And here he was, fighting for democracy on the floor of the most powerful unelected House of Parliament in the world.

It's the only appointed House in a democracy, in fact, that still has real power with no trace of accountability, not a smidgen, to the people of the land.

• (1630)

There was Herbert Sparrow, a man of honor and accomplishment, losing it.

You can't really blame the Liberals for throwing the Senate into chaos. After all, it's been their domain for the last 39 years.

You might do the same thing, if you were spoiled and stood to lose the game you'd been winning for so long, just because some new kid moved in and took all the marbles. Like the Liberals, you might not even really know why you were rebelling.

You'd have an explanation, which would sound plausible. You'd be fighting not for yourself, but for the neighborhood, upholding its rights. But deep down, if you looked really hard, you might find a burning, red ember of resentment, a childlike anger at losing control, losing the game.

The Liberals honked bicycle horns, read from the Bible, slammed desktops, blew whistles. They did everything they could to keep the Tories from finally wresting control of the Red Chamber out of their hands.

It was inevitable they'd lose, of course. Brian Mulroney had named his eight extra senators to ram the hated goods and service tax through. The Liberals were outgunned.

But the Tories weren't being gentlemen. They BROKE THE RULES. Sure, there are no rules to get into the Senate, except maybe for piling up IOUs in the party or lifelong service in the lobbies. Once you're in, you PLAY BY THE RULES.

And maybe there is a kernel of truth to what the Liberals said. Once you start breaking the small rules, the big ones may come tumbling down.

Membership in the Senate is undemocratic but once you've got one of those soft, red velvet seats, you run on the rules of democracy. You vote.

In Parliament, the vote is the reason for being, as Grit Sen. Royce Frith said. And the Tories did hold a vote without the Liberals, though they could have been there even if they were protesting. But this is getting dangerously close to the head of the timeworn pin.

It's certainly no reason to call the Tory Senate Speaker Guy Charbonneau another Adolf Hitler, as one of the Grits did. Charbonneau fought Hitler with the Mount Royal Fusiliers in World War II.

What's clear is that we knew the showdown was coming.

[Senator Davey.]

The GST is easily the most unpopular tax of recent memory. Perhaps in the country's history. Bitter resentment over it has been building up for a year.

The Grits argue that gives them the mandate to do whatever they can in the Senate to stop it. They may be wrong about that, but they are right in their belief their war could get them more votes in the next election.

Mulroney didn't help things by dusting the cobwebs off the old 1867 British North America Act, now called the Constitution Act, and naming those eight extra Tories to the Senate. He did it just as much to show he's decisive and in charge as he did it to get the GST through.

Most independent observers agree it was a major blow to his credibility as a self-described champion of Senate reform.

It also gave Liberal MP Mary Clancy the opportunity to call Mulroney the "Caligula of Baie Comeau" in reference to another long-ago emperor who named his horse to the Roman Senate.

As humiliating as the Senate spectacle was this week, as sad and pathetic as Royce Frith and the Liberals looked, it may have taken the country to an important milestone.

For the last 123 years, we've been sleeping under an unelected Senate that has the power to kill most laws passed by the elected House of Commons.

It's a cushy haven for old political warhorses, rich men who've filled Tory and Grit coffers, even doctors, teachers and writers who got their plums out of friendship instead of partisanship.

The Liberals, most likely on purpose, just set off the alarm clock.

Now I would like to quote in part from the *Edmonton Journal* from Saturday, October 6:

The Speaker of the Senate has lost the confidence and respect of his colleagues to the degree that the upper house can no longer function. He should resign, and his ruling on the vote should be referred to a higher authority.

As it stands, Prime Minister Brian Mulroney has stuffed the Senate with enough marionettes to do the government's bidding on the goods and services tax. He'd be wiser to reconsider the legislation than to win the skirmish with such despicable tactics.

Canada's political institutions will emerge from this fight in dismal condition. A democratic government can't function properly when citizens and elected leaders hold its institutions in contempt. Is the GST really worth this heavy price?

Honourable senators, I should next like to quote from the *Globe and Mail* from October 6, where, under the headline "Senate anarchy more than an act", Susan Delacourt writes:

The Senate is lying cracked open in anarchy, with sleep-deprived Liberal senators banging their desks and shouting accusations of tyranny and dictatorship.

It is good television and historic intrigue, but for the senators and the people close to the drama it is more than a mere passing act in the play of Parliament.

The Liberal senators, and even some of their unlikely allies, fervently believe this is a crisis of legitimacy for Prime Minister Brian Mulroney's government—that this is what happens when public opinion and the leadership of a country have drifted so apart.

"I guess for us Mulroney doesn't have a lot of legitimacy. No one believes he is acting in anyone's interest but his own," says Bert Brown, an Alberta farmer who has helped lead the Senate-reform crusade in the West.

"Maybe it would be different if anyone believed that the Mulroney government actually cared about the Canadian people and their opinions."

Jeffrey Rose, head of the Canadian Union of Public Employees, is in favor of abolishing the Senate, yet he too sees this as an issue of respect—for the Canadian public, for the history of accommodation in Canada, and for the tradition of compromise in Parliament.

"Our institutions are set up for people who can exercise power with self-control. We've had 125 years of cautious progress out of respect for the public," Mr. Rose said.

"What we're seeing now is the collapse of our institutions because a government failed to exercise that self-control and that respect for the public."

This is the second time in less than five months that Mr. Mulroney and his policies have come under attack in a strange, round-the-clock, televised siege in Ottawa. Four months ago the Meech Lake constitutional accord set off the fireworks. This time it's the Liberal senators and the government's proposed goods and services tax.

But in both cases the fight came down to Mr. Mulroney versus the Canadian public. The issue in both has gone beyond substance, to whether Mr. Mulroney's government was ever willing to bend to meet the concerns of the electorate. And both times the angst exploded on the national stage in strange fashion.

The Liberal senators, like Meech opponent Clyde Wells, have established themselves as champions of the public antagonism toward Mr. Mulroney, brandishing their bags of letters and telegrams as marching orders for their fight.

Yesterday, for example, while the desk-banging, book-pounding Liberal senators continued their war of anarchy in the Senate, their offices continued to log their phone calls of support, while encouraging mail was being delivered by the sackful to the office of Liberal Senate Leader Allan MacEachen.

Public opinion, whether expressed in those letters or phone calls or recorded by the multitude of pollsters, is becoming the No. 1 enemy of Mr. Mulroney and the invitation for no-holds-barred demonstrations of protest.

The federal Progressive Conservatives may hold a majority of seats in the House of Commons, but opponents of the government seem to no longer see the Commons as a mirror of the nation—or the place to register their opposition.

As Government House Leader Harvie Andre noted yesterday, a simple vote of 'no' is not enough in Canada these days. "It's a very significant problem," Mr. Andre told reporters. "There seems to be this feeling that real opposition cannot be expressed by a negative vote. It has to be expressed by all manner of tools and exhibitions."

There are other marks too, of a diminishing respect for the simple expression of protest within the chambers of Parliament. Closure, a procedural device for forcing an end to debate in the Commons, has been used more times since 1984 than it was in the entire history of Canada to that point. Once it was a scandal, a weighty risk, for a government to use closure. Now it is hardly noted.

The defection of several Quebec MPs to the new Bloc Québécois earlier was seen as another sign of the demise of representative government in Canada. Should an MP truly interested in representing constituents simply bolt across the floor, without consulting the voters in an election or by-election?

All of these, worried observers say, are signs of trouble for the notion of representative and responsible government—no light terms in the history of Canadian government.

But clearly and above all, the Prime Minister himself is bearing much of the blame for this degeneration in the public administration. If Mr. Mulroney respected the institutions of government, his adversaries say, then the institutions would continue to function as they always have.

"This is a radical reformer who is confronting our national institutions to the breaking point," Mr. Rose says. "The man is not a democrat . . . He deserves to be judged by history as a very, very destructive force in democracy."

● (1640)

Mr. Mulroney's defence in all of this is to stress the importance of leadership and the challenge of steering unpopular policies through difficult times. "You can't run a country the way you run a hotline show," the Prime Minister said in a recent speech.

But this is the politician who has come to be linked with poll-driven policies. Linda Dyer, head of the Maritimes-based Baseline Research polling firm, said she has witnessed a fundamental shift in the way politicians and the public view the influence of polls during Mr. Mulroney's tenure. Pollsters such as Ms Dyer have come to be regarded as intermediaries in the whole political process.

"You hear a lot more politicians mentioning polls now, which I think is just preposterous. They're supposed to be relating to their constituents, not the polls."

What makes Ms Dyer sad, however, is the fact that the public regards the polls with equal significance. "They tell us, 'We hope you send a message,' or 'We hope you make sure they notice this.' I don't feel uncomfortable with that; I feel sad. The public should be talking to the politicians directly, not to the pollsters."

Mr. Brown said it is difficult for Canadians to respect the current system for political debate, when the MPs are expected to act like "trained lapdogs for their parties."

This is how the senators have gained the support, for now, of people such as Mr. Brown, Mr. Rose, and other opponents of the GST.

We then have William Johnson's column of October 6, 1990, in *The Gazette*, which states:

Ottawa—What a mess.

The insurrection in the Senate of Canada would be a coast to coast joke were the implications for the entire country not so serious.

There is clearly something comical about white-haired men staying up all night and, quivering with indignation, calling each other "despicable little bugger" or "little Hitler."

These are not usually considered parliamentary terms. They even suggest a certain lack of decorum—and in the Senate, decorum is next to godliness.

To have the sedate upper chamber become the scene of jostling and pushing, of a day-and-night occupation, of banging on desks like riotous prisoners banging on their cell bars is indeed a spectacle to strike the populace open-mouthed with amazement.

Our senators?

To think that reporters and cameramen were invited into the sacrosanct chamber, with senators running interference, interposing their bodies to keep the security staff from ejecting the intruders *manu militari*.

Seeing the battleground, who could keep from making a parallel with the recent scenes of Warriors at Oka and Kahnawake, disporting themselves riotously under the eye of television cameras? What will we see next—Senator Jacques Hébert or Senator Royce Frith eyballing Senator Murray, nose to nose, knee to knee, and mouthing intimidating imprecations? Will the senators don masks and raise a feather?

It's all as funny as a funeral. But there is a serious dimension.

In government, proper procedure is an essential condition of legitimacy. Laws passed with improper procedure become of questionable legitimacy. Ultimately, a law passed contrary to proper procedure could be found invalid, non-existent.

So let us look at the rules for voting procedure in the Senate, since it is at the heart of the dispute.

"At the conclusion of a debate the speaker puts the question. If there is uncertainty of agreement, the speaker asks for the 'yeas' and the 'nays' and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the speaker calls for a standing vote."

Now, here is the critical rule which was either applied or violated in the Senate on Thursday.

"The division bells are rung, and when the whips have entered the chamber and have indicated to the speaker that they are ready to proceed to the vote, the speaker should say, 'Let the doors of the chamber be locked.' The doors will then be locked by the pages and the speaker will call for the vote."

On Thursday, the speaker called for the doors to be locked and for the senators to vote without having waited for both whips to enter the chamber, and without the Liberal whip telling the speaker that the Liberals were ready to proceed to the vote.

In other words, on the face of it, it seems to me that Speaker Guy Charbonneau violated the rules for holding a vote in the Senate.

What are the implications? They are beyond my competence to establish. But it seems to me that, at a minimum, no further contested votes should be held in the Senate until the government has put a reference to the Supreme Court of Canada to establish whether the vote as conducted Thursday night is valid. That will establish whether the precedent which occurred then is valid, and can be used in future.

The Conservative government is counting on the fact that public opinion cannot be aroused over a technical question of procedure in the Senate. The real issue, the Tories are saying, is who will govern, the elected Commons or the appointed Liberals in the Senate.

The government is pretending that the issue is merely one of bad losers among the Liberal senators. This was the line taken in the Commons yesterday by Finance Minister Michael Wilson.

"The arrogance of the Liberal senators is—if we can't win a vote, we will take our marbles and go home."

That sounds good, but it is demagogic. The real issue is that of the legitimacy of rules and of procedure. The Senate, whose legitimacy to do its constitutionally mandated duty is already questioned by the Conservative government, is now operating in apparent violation of its own rules.

Prime Minister Brian Mulroney ran the risk of illegitimacy when he appointed eight extraordinary senators last week. Former Supreme Court Justice Willard Estey has said that the appointment was of doubtful constitutionality, and that the prime minister should have referred the question to the Supreme Court before making the appointments.

The government has now compounded the possible illegitimacies. The court might some day rule that the

eight senators, the vote Thursday and, eventually, the goods and services tax and other legislation passed by the new Senate are, in fact, invalid.

Poor Canada. Not only the federation but its central institutions of government seem to be disintegrating.

Thank you, honourable senators.

Hon. B. Alasdair Graham: Honourable senators, last Thursday afternoon I reacted with shocked disbelief when I was told over the telephone that the Tories had begun their own vote in the Senate.

Last weekend the people in my province with whom I met also reacted with shocked disbelief that one of the people who is supposed to represent them in the Senate of Canada was denied the right to vote.

When this exercise first began, I asked myself whether or not the Senate had a constitutional right to defeat, to amend or to delay this legislation. This piece of legislation is so important to the fundamental nature of our country that I said to myself I would listen to the people and then let my conscience be my guide.

We, as a Senate, determined that we should send the Standing Senate Committee on Banking, Trade and Commerce across Canada to listen to the people, and the people told us, in very convincing terms—indeed, overwhelming terms—that they were opposed to this tax.

• (1650)

Listen to the people. Either that exercise was a charade or we are a bunch of hypocrites—or both. We have heard a preponderance of evidence against the GST in Halifax. Gerald Yetman, who is a distinguished Nova Scotian well-known to all senators from my province and a former president of the Nova Scotia Federation of Labour, had this to say on the constitutional point, and I quote:

> Every democratic system in the world has in place a set of checks and balances which constrain the actions of its elected government, preventing it from abusing its majority... In Canada the primary check on the majority power of the government is the Senate... the Senate has a constitutional responsibility to ensure that the elected government of this country acts in a democratic manner. That is why the Senate must reject the government's goods and service tax.

As long as the Senate operates under the present Constitution, we have the legal authority to amend, defeat or delay legislation. We are all in favour of reform, and I am on the record as favouring an elected Senate. Unless we are allowed to respond and to represent the people of our province, I believe we should be abolished.

On the weekend I listened carefully to the Nova Scotians I represent. I listened to my children who asked me "What is happening to Parliament and to our country?" This afternoon we were moved by Senator Croll who asked the question "What are you doing to Parliament?" The right to vote is the cornerstone of our democracy. Many of you have gone to war to serve your country. Many of your comrades gave up their lives for democracy and to preserve the right to vote. People all over the world are giving up their lives in order to enjoy the privileges that we enjoy in our country. Last Thursday the privileges that were given to me to represent the people of my province were denied. Again I am sad to say, Senator Charbonneau, you have indeed lost the confidence of the senators on this side of the chamber.

Some Hon. Senators: Hear, hear!

Hon. Paul Lucier: Honourable senators, I rise on this question of privilege to put a few comments on the record. As you go through the *Debates of the Senate* for Thursday, October 4, 1990, you read words, referring to the Speaker, such as "repugnance", "shame", "pity", "disgrace" and "sadness". I do not know which is worse, "sadness" or "repugnance". I would like to read a couple of paragraphs from page 2400. The author does not know that I am reading his words and I hope he does not object. I am quoting the words of Senator Molgat:

> I want to clearly establish my personal point of privilege. Honourable senators, we are involved in a political system. The basis of the democratic system is the individual vote. Today in this house I was denied my vote, and I have come here, like you, as a properly nominated senator, and I have my rights, and you have denied me my rights.

Carrying on a few paragraphs below:

> Think about it, ladies and gentlemen. This is not a figment of our imagination. There is a deep, fundamental question here. You people—you, Mr. Speaker, you, Lowell Murray, and your boss Brian Mulroney, who is behind it all—today deliberately denied the people on this side of the house their fundamental, democratic right. Think about it, honourable senators, particularly you new senators who have come here. Did you come here to be involved in that kind of a charade?

Then in the next column:

> There is not one single precedent in this House, which has been in existence for 123 years, and there is no line in the rule book that gives you, Guy Charbonneau, the right to send that kind of letter. You do not have that right. You have given yourself rights that you do not possess. This Senate has never given you, or any previous Speaker, that type of authority. Never!

Continuing on down the page:

> You cannot believe that we run a system whereby the Speaker, of his own volition, with no background, with nothing in the rule book, without precedent, can decide on his own when the vote will be held. Do not tell me about order and management of the Senate. Come on! You are striking at a fundamental component of our democratic system, which is the right to vote. Our ancestors fought for that right. Think of what has happened in eastern Europe in the last few years. People have been fighting for that right to vote. Do you mean to tell me that you support what went on today?

> Guy, you were wrong, but you had to be advised by Lowell Murray and Brian Mulroney. I would like to give my friends opposite some advice. I think it is high time you had a revolution in your party before Mulroney ruins the whole country.

That is the end of my quotes of Senator Molgat.

Honourable senators, if those quotes had been made by anyone else, they would not mean as much to me—I do not know about the rest of you. Coming from a gentleman with the stature of Senator Molgat, those words take on an additional meaning. Senator Molgat was elected to the legislature in his province. He was the Leader of the Opposition and the Leader of the Liberal Party. He believes in the political system, regardless of what party you belong to. The political system operates on a set of rules, as must the Senate. When a person of the stature of Senator Molgat makes that kind of statement, honourable senators on both sides should reread what he said last Thursday, because I think it is important. He made some profound statements.

We now have a situation that must be resolved. We can speak about it, but sooner or later it must be resolved. The Speaker is appointed by the Prime Minister and serves at the pleasure of the Prime Minister, which means that he can be fired at any time.

• (1700)

I think it would be a pity if the Prime Minister were to fire the Speaker. I would like to think that the Speaker would try to recoup some of his honour and resign on his own. I have a problem accepting that a person of his stature would allow himself to be subjected to what he has taken in this chamber and what he will continue to take until this issue is resolved—and that is not going to be easy. It has not been easy, and it will not get any easier.

Honourable senators, I would like to touch briefly on a number of items. I have noted, through this debate, that Senator Murray on several occasions has found a lot of humour in what has taken place here. But I would like to tell him that when Senators such as John Stewart and David Croll say that he is taking away their right to vote, he had better stand back and look at what he is doing. Senator Murray is a minister of the Crown. I repeat that he had better take a look at what he is doing. Those senators are making a fairly serious accusation.

I notice, Senator Murray, that you are laughing again. You think this is funny. I think that falls right in line with what Senator Steuart has said about you: You have never been elected to anything and you never would be. You couldn't be elected as a dogcatcher. Your behaviour fits right in with what he has said, if you can laugh at people of this stature when they make these comments.

Senator Simard: Be serious!

Senator Frith: I don't agree—he could be elected to something.

Senator Buckwold: He might be elected to dogcatcher.

Senator Lucier: The poor dogs!

[Senator Lucier.]

I understand that Senator Murray has a fairly serious problem. He is being led by, and subjected to, a man who just wanted to be loved by everybody and who has become the most despised citizen in this country. The Prime Minister has 15 per cent popularity in the most favourable polls and about 9 per cent in others.

Senator Simard: Get some order in this house!

Senator Lucier: Senator Simard might consider putting his brain in gear since his mouth is running.

Honourable senators, I just want to say—and I am speaking to senators on both sides of this chamber—that, as Senator MacEachen has said, we have a serious problem here and it must be dealt with. Senators opposite have a lot of work they want done. They have a lot of legislation to pass and they now have the numbers. They can pass some of that legislation, but they will not pass it with the situation as it presently stands unless they want a continuous fight on every issue. If a fight is what they want—and I think that is what they have signalled—then they can just keep going, because we are prepared to give it to them.

Senator Simard: Empty tricks!

Hon. P. Michael Pitfield: Honourable senators, I cannot match the eloquence of Senator Croll, Senator Stewart and Senator Stollery, but I do wish to associate myself with their remarks on the question of privilege that has been raised.

Some Hon. Senators: Hear, hear!

Senator Pitfield: After Senator Frith moved the adjournment of the Senate on Thursday last, when the Opposition members left the chamber, I discussed with a distinguished senator on this side what was going to happen. I was told not to go far away because the Speaker was going to call the senators back.

Senator Frith: Did you hear that?

Senator Hastings: The deal was already made.

Senator Pitfield: I simply did not believe it.

An Hon. Senator: Shame!

Senator Pitfield: I said that I could not understand how that could happen. It would be an inaccurate view of the jurisprudence of the House of Commons that would permit it, and, in any event, the Speaker of the Senate is not the Speaker of the House of Commons. But I was told that this obstruction could not be allowed to go on.

I now feel that the situation was born in an atmosphere of collusion between the Chair and the government. That is confirmed on the perfect voting record which the government was able to come up with after one hour and 40 minutes. It is virtually impossible to think that a group of people could be kept together like that, have a vote sprung on them suddenly and maintain such perfect attendance.

My feeling was confirmed by a second incident, the arrival of the letter from the Speaker at my office at 5:20. It was being opened just as the television broadcast that the doors to

the chamber were to be locked. Not only was there a question of collusion, in my view, but there was also a question, with my being deprived of my vote, of a biased, prejudiced act by the Speaker.

Honourable senators, I am an independent senator. I depend, to a degree that most honourable senators do not, entirely on the Speaker. I depend on him to protect me and my rights from the majority and I depend upon him for those services which most senators get from the whip.

Consequently, it is for me a matter of the gravest possible concern that the Speaker should act in a collusive manner with the government. How can I, as an independent senator, have the protection that I need if the Speaker is to be used in that manner? It seems to me, honourable senators, that a strong *prima facie* case has been made. I hear no evidence being offered from the government side that this is not so. Within this chamber I have read *Hansard* and I have not heard any such evidence.

I urge senators on the government side to provide the evidence. If there is no such evidence, then one must conclude that we are possessed of a Speaker who is prepared to act in collusion with the government, that we are possessed of a Speaker who is prepared to act according to his own biases against a private senator and an independent senator. In that case, Mr. Speaker and honourable senators, there is no alternative but to ask that the Speaker resign.

Senator Hastings: The deal was made! The dice were rolled!

Hon. Joyce Fairbairn: Honourable senators, we returned here on September 25 full of resolve to engage in a battle on the goods and services tax. On the government side it was a battle to pass this tax into Canadian law, and on the Opposition side it was a resolve to fight a bill that is possibly the most widely unpopular, perhaps most despised, piece of legislation that has ever been placed before the Canadian Parliament. We came back to wage this battle, using the tools that were available to us in a Canadian House of Parliament. In all the battles that rage in either house of this Parliament there are used the parliamentary tools, namely, the rules and procedures. No matter how tough the battle gets, the use of those procedures and rules over the years has brought about, one way or another, a solution.

● (1710)

What happened here in the last few days has shown that without those tools we have had to resort to extraordinary and, I must say, highly distasteful measures to register our outrage at the disregard which this government has exhibited toward the rules of this house and the democratic process. To use the Office of the Speaker of the Senate to deliberately abandon the rules of this place in order to force the GST through the Senate is truly beyond belief.

We now had some inkling that some tricks were in the air.

Senator MacEachen: Dirty tricks.

Senator Fairbairn: Michael Wilson told us so. In an interview on CTV's *Sunday Edition* a week ago Sunday, he told Mike Duffy, and I quote:

> We will get that legislation through. I am not going to talk about it at this point in time, Mike, but we will get that legislation through. We will see certain things happening in the Senate this week, more than that I cannot say.

On Friday, in the House of Commons, there were a number of questions. The Prime Minister, strangely enough, was not in the chamber, or, if he was, he let his Minister of Finance carry the ball. There were several questions from around that chamber asking what exactly did Mr. Wilson mean in the light of what occurred behind closed doors in this chamber last Thursday. He was asked repeatedly whether, at any time, he or any member of the government, or anybody representing the government, had been in touch with the Speaker of the Senate to advise on the strategy regarding what happened here on Thursday. He said at one point that no directives were issued. Then, as reported in the *House of Commons Debates*, October 5, 1990, at page 13863: "Mr. Speaker," said Mr. Wilson, "I am advised by my colleague that the advice was given . . . on the floor of the Senate."

Honourable senators, I suppose, after what has gone on here in the last few days, that does not come as much of a shock to us or even a mild surprise. It does not come as a surprise, particularly when we consider that back in June, at a moment of great tension within this country, as the Meech Lake process was grinding inexorably to a halt, the Leader of the Government in this chamber was urging the Premier of Manitoba to go against the rules of a province—not even the rules of our Parliament, but against the rules of his legislature—to prevent one member, Elijah Harper, from using his right to say no.

Some Hon. Senators: Shame!

Senator Fairbairn: Therefore it comes as little surprise to us to know that we, all of us, had our rules cast aside—what used to be an inalienable right to vote, cast aside—as we were locked out of this chamber last Thursday.

Senator Simard: Why did you not come in?

Senator Fairbairn: That is a very good question, honourable senators.

Senator Simard: Senator MacEachen was in Brussels, but you were in Ottawa.

Senator Fairbairn: I happened to be with Senator Frith when Senator Frith received his letter, and that was after 5 o'clock.

Senator MacEachen: Mine was not delivered.

Senator Fairbairn: Out of courtesy, Senator Frith prepared a response to the letter from the Speaker indicating that the rules were to be suspended and that he was calling a vote at 5:30 p.m. Just before 5:25 p.m., Senator Frith, almost with pen in hand, was about to sign this letter, to come down to this chamber, and to give the letter to Senator Charbonneau and say, "For God's sake reconsider."

I came down with Senator Frith and the door was locked. There was absolutely no way that we could respond to the communication we had received from Senator Charbonneau.

Senator Frith: We were not intended to. He did not want us to.

Senator Fairbairn: So it was bad enough for the Speaker to succumb to pressure to do the bidding of the Prime Minister and the Leader of the Government in the Senate, but the method whereby those doors were locked so that there was no communication possible not only did dishonour to everyone in this house, but certainly did dishonour to the Office of the Speaker.

The message is out across the country that by denying the rights of senators on this side, members of the Opposition, the government pulled a fast one on the Liberals. However, honourable senators, the message is also out that the government pulled a fast one on the Canadian people. It has denied their rights by destroying the rules which constitute parliamentary law.

What do the people think? Those who have watched the spectacle over the last few days have communicated some of their thoughts to us directly through their telephone calls and their messages. Senator Davey has set out some of the comments, and I should like briefly to touch on a few of them myself, because the reality of what happened in this chamber, much as we would wish otherwise, cannot remain hidden behind those locked doors. Through communications it travels across this country.

One of our friends in Alberta, Bert Brown, a farmer, has spent the best part of the last several years speaking to anyone who would listen on the question of Senate reform and a Triple-E Senate. He is a Conservative, honourable senators. He ran in the Senate selection process in Alberta, which was won by my friend Senator Waters. Mr. Brown came third. He said:

● (1720)

> I guess for us Mulroney doesn't have a lot of legitimacy. No one believes he is acting in anyone's interest but his own.
>
> Maybe it would be different if anyone believed that the Mulroney government actually cared about the Canadian people and their opinions.

Another comment was from Jeffrey Rose, head of the Canadian Union of Public Employees—a large union—who said:

> Our institutions are set up for people who can exercise power with self-control. We've had 125 years of cautious progress out of resepct for the public.
>
> What we're seeing now is the collapse of our institutions because a government failed to exercise that self-control and that respect for the public.

In direct reference to the Prime Minister, Mr. Rose says—and I quote:

> This is a radical reformer who is confronting our national institutions to the breaking point . . . The man is not a democrat . . . He deserves to be judged by history as a very, very destructive force in democracy.

[Senator Fairbairn.]

All summer, honourable senators, this Prime Minister and his government have been loftily taking the moral high ground in relation to events—particularly events occurring at Kanesatake and Kahnawake. They have impressed upon all of us the necessity of respecting the primacy of law and, indeed, sent in the Canadian army to enforce that law. Yet, honourable senators, when it comes time to apply the rule of law in the highest offices of the land, this government exempts itself. The Prime Minister rolls ahead relentlessly. Being unable to take a seat himself in this place, he uses the Speaker of the Senate to do his work for him.

An Hon. Senator: Dirty work!

Senator Fairbairn: What conclusion can we, or Canadians, draw from such actions? If a government does not respect the rules as they apply in this country's Parliament, how can it expect the citizens of this nation to respect either this Parliament or the laws made by it? If the people do not respect their own Parliament and the laws that it makes, they are unlikely to respect or accept a bill that they find as abhorrent as Bill C-62.

By its actions—taken in this place only last week—the government is tacitly giving permission for forms of civil disobedience never before seen in this country. Anyone who travelled to a single hearing of the Senate committee that went across the country this summer on Bill C-62 heard witness after witness, including senior citizens—sometimes quietly, sometimes defiantly—talking about civil disobedience. It was an unnerving experience, particularly the hearings that we went through in Edmonton, Alberta.

So we examine the record. The recent actions taken here and in the other place are unprecedented in Canadian parliamentary history. Even when the bells rang for two weeks in 1982, the rules were followed scrupulously by the government and the Speaker of the day.

I should like to read again what Madam Sauvé had to say when that very difficult episode in House of Commons history came to an end, because she was under pressure from outside and around this building to find a way to put an end to it. She refused. She said:

> What would have been the consequences of an arbitrary decision that did not derive from any of the rules approved by this House nor from a precedent with any relevance to the present situation? It would have meant breaking with an age-old practice that has proved its worth. How can the Speaker make sure that all members available to take part in the division are in the House? Is it the responsibility of the Chair or the whips? What would prevent the Speaker from setting the time of the division in other circumstances? The Chair would have set a precedent that might create even greater confusion in the case of a minority government.
>
> In any event, such action on my part would have been open to allegations of partiality. Clearly, the Speaker must at all times be impartial.

I submit, honourable senators, that these events are only the latest of such actions by those who form the Government of Canada—actions that demonstrate the basic contempt in which this group of people holds the function of governing and the people of this nation.

One of these actions, as I said in the course of my remarks the other night, has been the unprecedented use of closure—one of this government's most visible and frequent tactics in its disrespect for the system. Since 1984 closure has been invoked more times in the House of Commons than at any time in the history of our country, all governments put together. As noted in the *Globe and Mail* of Saturday, October 6—and I quote an article by Susan Delacourt:

> Once it was a scandal, a weighty risk . . . Now it is hardly noted.

Honourable senators, over the years those kinds of methods, such as closure and time allocation, were used only after great care and consideration and after lengthy debate in which a case was made. In this house we have not even reached the stage of debate on the GST.

The same kind of thing has happened to many other aspects of democratic procedure in this country in the past six years. I suppose the most memorable, and perhaps offensive until now, was the closed-door process of negotiating the Meech Lake Accord. At that time ten premiers were locked up with the Prime Minister, this time in a room—and he might have been here last week, but he could not get in either. They were locked up without public consultation to negotiate a "cast-in-stone" accord under artificial and ridiculously short deadlines, leaving outside that locked room all the people represented by my friends, Senator Lucier of the Yukon, and Senator Adams of the Northwest Territories. In those circumstances there were public hearings, where no amendments of any kind were even considered. It was a process that completely antagonized a Canadian population that had become accustomed to expecting due process from its political leaders and its system of law.

● (1730)

The cynical way in which this government has treated the claims of native peoples came home to roost finally and decisively with the death of the Meech Lake Accord in the presence of Elijah Harper who, with his sacred eagle feather, said "No." Now they are at it again by trying to hide away the court challenges that are being introduced to establish whether or not our eight new GST-buster divisionals are legitimate under an old section of the Constitution which has never before in our history been used.

On October 6, the *Toronto Star* reported:

> The government has failed in a bid to have a court challenge to the validity of nine senate appointments handled in private.
>
> Mr. Justice Joseph O'Brien of the Ontario Court, general division, yesterday refused to consider the justice department's request to handle the matter in private, and adjourned the hearing to an open courtroom on Tuesday,

which is today. They are not only locking the doors in Parliament, but they are trying to close the courts to the people of Canada.

Some Hon. Senators: Shame, shame!

Senator Fairbairn: If I were to sum up what has gone missing in these last few years, I would have to say that it is a basic respect for the process of governing and for the people of Canada. It took a while, honourable senators, but Canadians are onto this. The country learned of it, as I said, through the process of the Meech Lake Accord. The volume of mail and commentary objecting strenuously to the GST tells me that the people of Canada are on to the government once again.

In a representative democracy I believe that disrespect for the system is tantamount to disrespect for the people. The business of government is not like the business of running a corporation or labour union. It is not us, (the government), against you, (the people), a situation where government generally wins because it has the power and the tools to use that power.

As I listened today to Senator Croll, I realized again that there is much wisdom in that gentleman. He reminded us that in governing this country, ultimately we are all in it together. The tradition of representative democracy demands that we work together for the best possible solutions and that we use every legitimate tool at our disposal to fashion those solutions. When we do that, the solutions generally are not perfect for either side, but are almost always acceptable to the Canadian people. Ultimately, leadership is about guiding that process intelligently and sensitively. It is not about bluffing and tricks and, in the end, force.

The democratic process is there to form the best way for the majority of our citizens. It works because to a great extent people respect that process and respect our institutions. The way to gain and hold that respect is for each of us in this chamber to respect ourselves. Indeed, it is our basic and collective duty to do so. This is a time when nations around the world are attempting to create their own form of democracy and are looking to us as a model. In the past few days we have taken actions under which our form of democracy runs the risk of disintegrating into—and this is a term that I heard all weekend—a representative anarchy.

Senator Charbonneau, I am disheartened to see you here today. I had hoped that over the weekend you might have reflected on the depth to which your actions—actions which I am sure were taken under extreme pressure—have driven this house. It is not dishonourable to say "no" when a Prime Minister or leader asks too much of his friends and associates, no matter how loyal. There is still time to undo the damage which is haunting all of us. I would urge you to look into your conscience and accept your responsibilities.

[*Translation*]

Hon. Jacques Hébert: Honourable senators, for the reasons senators MacEachen, Stewart and the others expressed with eloquence and conviction, I rise too on a question of privilege to denounce once more the contempt senator Charbonneau

showed for the Rules of the Senate and for my rights as a senator.

The dictatorial decision he made, at someone else's instigation of course, to blatantly disregard a basic rule of the Senate, to make up one when he had no right to do so and to prevent all senators from the opposition from voting is ignominious and absolutely unique in the history of British parliamentarism. Incidentally, this is what senator Charbonneau will be remembered for in history. A hundred years from now, the Gérald Beaudoins and Eugene Forseys of the day will study the Charbonneau affair.

They will wonder, as we do today, why a speaker who had managed until then to retain the respect and trust of the senators from all parties and even the esteem of several of them suddenly decided to repudiate his past and to turn into a docile Mulroney slave.

All of a sudden, he lost all credibility and dignity. The only honorable thing he can do now is to resign and maybe to go into exile, as the speaker of the other place, Mr. Beaudoin, a Liberal, did for a sin infinitely more benign. Personnally, I believe he is going to resign.

The alternative would be for Mr. Mulroney, who designated him, to dismiss him. But that would surprise me on the part of a prime minister who has long lost all sense of decency by imposing on the House of Commons the dictatorial rule of the majority. Everyone knows the regard he has for the rights of the opposition, applying closure to muzzle the House of Commons more often in the past six years than all of his predecessors since Confederation put together.

● (1740)

Before Mulroney came to power, a government who would dare use closure was criticized and blamed for days and weeks by all the newspaper editors and commentators in this country; it became an indelible stain on the leader and his party. Nowadays, the newspapers are so blasé that they hardly mentioned that the government had just imposed closure for the umpteen time in order to limit debate on some legislation. As to the finer minds of newspaper editors, they have much more important things to do than blame these blatant abuse which are undermining our democratic system. They are much too busy denouncing the Senate.

Therefore, you can rest easy, for Mr. Mulroney will not repudiate his friend Charbonneau and the Senate lacks the power to do so. One thing is clear: for nearly half the members of the Senate, Mr. Charbonneau is no longer morally its Speaker. When he opens his mouth, we will not hear what he says. When he decides something, we will not want to know about it. When he enters the Senate, we will not see him. If he sits again on the Chair, we will see only an empty chair. I am sorry to say that, but Speaker Charbonneau has ceased to exist. He is a ghost.

That is what I think, personally, as a senator in the Opposition, now in a minority situation in the Senate. Yet, when I look at the men and women across the floor I recognize some famous men and women I used to admire, some of them former members of my own party. How can they accept to become blind instruments of Mulroney, a man which is being repudiated by 85 per cent of Canadians. How can they allow the Rules of the Senate and democracy itself being trampled upon without having the courage to stand up and say: Mr. Mulroney, I know that you appointed me to the Senate on the understanding that I would vote for the GST and some other reactionary legislation such as Bill C-21, which will mark the beginning of the end for our unemployment insurance scheme, a scheme which, in spite of its shortcomings, remains one of the best in the world. I understand that, Mr. Prime Minister, but I will not be a senator at any price. When you called me on the phone to tell me of my appointment, you forgot to mention that, in addition to voting blindly in favour of all your legislation, you wanted me to be an accomplice in the rape of democracy together with Senators Murray and Charbonneau. You forgot to mention this detail the other day on the phone when you told me the good news, Mr. Prime Minister. Enough is enough; therefore, I have the honour to offer you my resignation. This is what I hope to hear in the near future.

I am not being facetious. I am absolutely convinced that one senator or another, on the other side, especially among the new ones and most of all among those eight appointed in the circumstances we all know, I am sure, honourable senators, that there must be some people with a conscience on the other side of the House and that through Murray and Charbonneau, they will finally say no to Mulroney's tricks. Even if they do not all resign, the so-called eight senators of the Queen could at least withdraw from the Senate until the Court has ruled on their case. About the Court, it might be useful here to quote, partially at least, the words of the request filed by ten Liberal senators with the Court of Ontario in the form of an affidavit from the Honourable Royce Frith. I believe this should interest not only the eight senators but also all others, and especially the so-called experts.

THE HONOURABLE ROMÉO LEBLANC
THE HONOURABLE GEORGE VAN ROGGEN
THE HONOURABLE H.A. (BUD) OLSON
THE HONOURABLE RICHARD J. STANBURY
THE HONOURABLE D.G. STEUART
THE HONOURABLE PHILIPPE D. GIGANTÈS
THE HONOURABLE JACQUES HÉBERT
THE HONOURABLE CHARLIE WATT
THE HONOURABLE MICHAEL KIRBY
and THE HONOURABLE PAUL LUCIER

Applicants

- and -

HER MAJESTY THE QUEEN IN RIGHT OF CANADA THE ATTORNEY GENERAL OF CANADA and HIS EXCELLENCY THE GOVERNOR GENERAL OF CANADA

AFFIDAVIT OF THE HONOURABLE ROYCE FRITH

I, Royce Frith, of the City of Ottawa, in the Regional Municipality of Ottawa-Carleton, Deputy Leader of the Opposition in the Senate of Canada representing the Division and the Province of Ontario since 1977, MAKE OATH AND SAY:

(1) PART A: Violation of s. 51A of the *Constitution Act, 1867*

1. The Applicant, The Honourable George van Roggen, is a member of the Senate from the Division of the Western Provinces and he further represents within that Division the Province of British Columbia.

2. The Applicant, The Honourable H.A. (Bud) Olson, is a member of the Senate from the Division of the Western Provinces and he further represents within that Division the Province of Alberta.

3. The Applicant, The Honourable D.G. Steuart, is a member of the Senate from the Division of the Western Provinces and he further represents within that Division the Province of Saskatchewan.

4. The Applicant, The Honourable Richard J, Stanbury, is a member of the Senate from the Division and Province of Ontario.

5. The Applicant, The Honourable Jacques Hébert, is a member of the Senate from the Division and Province of Quebec.

6. The Applicant, The Honourable Philippe D. Gigantès, is a member of the Senate from the Division and Province of Quebec.

7. The Applicant, The Honourable Charlie Watt, is a member of the Senate from the Division and Province of Quebec.

8. The Applicant, The Honourable Roméo LeBlanc, is a member of the Senate from the Division of the Maritime Provinces and he further represents within that Division the Province of New Brunswick.

9. The Applicant, The Honourable Paul Lucier, is a member of the Senate from the Yukon Territory.

10. The Applicant, The Honourable Michael Kirby, is a member of the Senate from the Division of the Maritime Provinces and he further represents within that Division the Province of Nova Scotia.

11. On or about September 26, 1990, the Privy Council, on the recommendation of the Prime Minister, issued a "Minute of Council". This Minute of Council, attached as Exhibit "1" requested the Governor General to recommend that Her Majesty the Queen issue Letters Patent directing that eight members be added to the Senate pursuant to Section 26 of the *Constitution Act, 1867*.

12. Section 26 of the *Constitution Act, 1867* provides as follows:

> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight Members be added to the Senate, the Governor General may be Summons to Four or Eight qualified Persons (as the Case may be), representing equally the Four Divisions of Canada, add to the Senate accordingly.

13. Immediately prior to September 27, 1990 the Governor General of Canada, Ramon John Hnatyshyn, recommended to Her Majesty the Queen by letter that additional Senators be appointed pursuant to Section 26.

14. On September 27, 1990 Her Majesty the Queen approved the Governor General's recommendation and issued the Letters Patent. The Letters Patent issued by Her Majesty the Queen have been published in the Canada Gazette. A copy of the relevant excerpt from the Canada Gazette dated Monday October 1, 1990 is attached as Exhibit "2". The Letters Patent directed the Governor General, pursuant to Section 26, to add eight members to the Senate.

15. Upon receipt of the Letters Patent the Governor General issued eight Summonses purporting to appoint eight individuals to sit in the Senate. The Summonses also specify the place of residence of the purported appointees. The purported appointees are as follows:

(a) Michael Arthur Meighen, a resident of the Province of Ontario;

(b) Wilbert Joseph Keon, a resident of the Province of Ontario;

(c) Janis Johnson, a resident of the Province of Manitoba;

(d) Eric Arthur Berntson, a resident of the Province of Saskatchewan;

(e) Norman Grimard, a resident of the Province of Quebec;

(f) Thérèse Lavoie-Roux, resident of the Province of Quebec;

(g) John Michael Forrestall, a resident of the Province of Nova Scotia; and

(h) James W. Ross, a resident of the Province of New Brunswick.

16. Pursuant to Section 128 of the *Constitution Act, 1867*, before taking his or her seat in the Senate a person must "take and subscribe before the Governor General or some person authorized by him" the Declaration of Qualification contained in the Fifth Schedule to the *Constitution Act, 1867*. Attached as Exhibit "11" is a copy of the Declaration as required by the Fifth Schedule. Attached as Exhibits "12" to "19" are the eight Declarations of the purported appointees.

17. Exhibit "12", the Declaration of James W. Ross, affirms that James W. Ross "of the Maritimes" is "seized as of Freehold . . . in the Division of the Maritimes". Although the Commission for James Ross (Exhibit "3") lists his residence as Fredericton, New Brunswick, his Declaration does not specify his Province, as is required

by Section 128 of the *Constitution Act, 1867* and the Fifth Schedule. John Michael Forrestall, Janis Johnson and Eric Arthur Berntson similarly fail to specify their Provinces in their Declarations.

18. Under Section 26 of the *Constitution Act, 1867* provision is made for adding either four or eight members to the Senate. Such additions must represent equally the Four Divisions of Canada which for this purpose Section 22 deems to be:

1. Ontario;

2. Quebec;

3. The Maritime Provinces, Nova Scotia and New Brunswick, and Prince Edward Island;

4. The Western Provinces of Manitoba, British Columbia, Saskatchewan and Alberta

Therefore, there must be either two additions for each of the four Divisions or one addition for each of the four Divisions.

19. Section 51A of the *Constitution Act, 1867* states that a Province shall always be entitled to at least as many members in the House of Commons as there are Senators representing such Province:

I shall read Section 51A:

51A. Notwithstanding anything in this Act a province shall always be entitled to a number of members in the House of Commons not less than the number of senators representing such province.

That, Senator Beaudoin, seems clear to me, crystal clear, wouldn't you say?

20. Immediately prior to the eight purported appointments in question, the Maritime Provinces were represented as follows by a total of 24 Senators and 25 Members of the House of Commons:

	Senate Members	House of Commons Members
Nova Scotia	10	11
New Brunswick	10	10
Prince Edward Island	4	4
(TOTAL)	24	25

21. Therefore, by reason of Section 51A, it would not have been possible, without first increasing the Maritime Provinces' representation in the House of Commons, to increase Nova Scotia's Senate representation by more than one member, nor to make any increases at all in the Senate representation of either New Brunswick or Prince Edward Island.

That is crystal clear.

22. It follows that the Government could not lawfully use Section 26 to add eight members to the Senate unless it was also prepared to increase the number of members of the House of Commons pursuant to Section 52 of the *Constitution Act, 1867* which reads as follows:

and I quote:

52. The Number of Members of the House of Commons may be from Time to Time increased by the Parliament of Canada, provided the proportionate Representation of the Provinces prescribed by this Act is not thereby disturbed.

• (1750)

23. The said Letters Patent purported to direct and authorize the appointment of eight additional members to the Senate of Canadian circumstances where it was not possible to appoint more than four additional members without violating Section 51A of the *Constitution Act, 1867*. The Applicants' position herein is, therefore, that the said Letters Patent and the eight appointments purportedly made under the authority thereof, were inconsistent with the Constitution of Canada and of no force or effect.

24. Among the eight purported appointees is James W. Ross who, as explained above, is a resident of the Province of New Brunswick. The result of Mr. Ross' appointment, if it were valid, would be to give New Brunswick 11 representatives in the Senate and only 10 representatives in the House of Commons, contrary to Section 51A, an overriding provision that by its terms is declared to apply "Notwithstanding anything in this Act . . .".

(2) PART B: Improper Use of Section 26 of the *Constitution Act, 1867*

25. The Government of Canada's reasons for making these appointments pursuant to section 26 of the *Constitution Act, 1867* were given by the Prime minister in a speech to the Progressive Conservative Canada Fund in Ottawa on September 25, 1990. An excerpt of the speech, as published by the Toronto Globe and Mail on September 28, 1990, is attached as Exhibit "20". The Prime Minister is concerned that certain Bills including the Goods and Services Tax ("G.S.T.") will not be passed by the Senate and, in order to assure the passage of those Bills, has used section 26 in order to obtain the support of eight additional Senators.

Eight additional docile senators. The word "docile" is not in the text.

The Prime Minister alleges that there is "deadlock between the two Houses of Parliament', and that there is no other way "to break the deadlock caused by the Opposition" other than through the use of section 26.

26. Attached as Exhibit "21" is a press report from the *Toronto Globe and Mail* dated October 2, 1990. According to the press report the government intends to press for a quick vote on Bill C-62 (the Bill proposing the G.S.T.). The Finance Minister, Michael Wilson, is quoted as

telling reporters on October 1, 1990 outside of the House of Commons that "the legislation will get through".

27. No such "deadlock" between the two Houses of Parliament, as mentioned by the Prime minister, existed on September 27, 1990 and no such "deadlock" exists now. The reasons for this are as follows.

28. There are a number of Bills currently before the Senate. These are as follows:

(a) Bill C-18, an Act to establish the Department of Multi-Culturalism and Citizenship and to amend certain Acts in relation thereto;

(b) Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment in Immigration Department and Commission Act;

(c) Bill C-28, an Act to amend the Income Tax Act and other Acts;

(d) Bill C-34, an Act to establish the Canadian Centre for Management Development and to amend certain Acts in consequence thereof;

(e) Bill C-39, an Act to apply federal laws and provincial laws to offshore areas and to amend certain Acts in consequence thereof;

(f) Bill C-43, an Act respecting abortion;

(g) Bill C-62, an Act to amend the Excise Tax Act and other Acts ("the G.S.T. Bill");

(h) Bill C-69, an Act to amend certain statutes to enable restraint of government expenditures.

With respect to Bills C-21, C-28 and C-62:

(a) Bill C-21 and Bill C-28 were passed by the Senate on March 3, 1990 and June 15, 1990, albeit with amendments;

(b) Bill C-62 is still at the Report stage and no debate or vote on the Committee Report has taken place; and

(c) there is a motion presently before the Senate that the difference between the two Houses on certain amendments to Bill C-21 be referred to a Conference between the two Houses but to date the Prime Minister and his government have refused such a Conference . . .

As we all know.

None of these Bills has been defeated in a vote of the Senate.

I'll repeat that, even though it is not repeated in the text, because I want to be sure that Senator Beaudoin has heard it.

None of these Bills has been defeated in a vote of the Senate.

29. Most Bills sent up from the House of Comons are accepted and passed without amendment, but this has not always been the case in the past. Under the *Constitution Act, 1867* the Senate has the same powers as the House of Commons, except with respect to money bills which under section 53 must originate in the House of Commons.

Thus, the Senate has the power and the right to accept, reject or amend Bills sent up from the Commons.

30. In my experience,

This is still Senator Frith speaking.

it is accepted practice that the Senate will on occasion amend or reject a Bill sent up from the Commons. According to F. A. Kunz, *The Modern Senate of Canada 1925-1963: A Re-Appraisal (1965)*, Appendix 1, which is attached as Exhibit "22", of 2,136 Bills passed by the House of Commons between the 1925 and 1962-63 Sessions—

The Hon. the Speaker: Honourable Senators, pursuant to rule 12 of the Senate, I do now leave the Chair until eight o'clock p.m.

The Senate took recess until 8.00 p.m.

At 8:00 p.m. the sitting of the Senate was resumed.

[*English*]

Senator Hébert: Honourable senators, I will continue where I left off. I was at point 30.

[*Translation*]

it is accepted practice that the Senate will on occasion amend or reject a Bill sent up from the Commons. According to F. A. Kunz, *The Modern Senate of Canada 1925—1963: A Re-Appraial* (1965), Appendix 1, which is attached as Exhibit "22", of 2,136 Bills passed by the House of Commons between the 1925 and 1962-63 Sessions, 324 (15.2%) were amended, 32 (1.5%) rejected, 1,772 (83.0%) passed without amendment and 8 (0.4%) withdrawn. Since the current government took office in 1984, out of 318 Bills, 300 (94.3%) have been passed unchanged by the Senate . . .

That was not always easy, as they were not always good bills. This, by the way, was not in the text.

—18 (5.7%) have been passed with amendments and none have been rejected.

No bill has been rejected since Mr. Mulroney took power.

31. With respect to the holding of Joint Conferences with the House of Commons, this mechanism has often been used since Confederation in order to resolve disputes between the two Houses concerning amendments to legislation. Attached as Exhibits "23', and "24" are two papers prepared by Habib Massoud of the Research Branch of the Library of Parliament which outline the instances in which a Joint Conference has been held.

32. The use of the appointment power in section 26 of the *Constitution Act, 1867* in the circumstances of this case seriously undermines the position of the Senate in the legislative process and impairs the functioning of the Senate as a body to provide "sober second thought" concerning proposed law.

33. I have reviewed a research paper prepared by Mollie Dunsmuir entitled "Section 26 of the Constitution Act, 1867: The Power to Appoint Additional Senators". Ms Dunsmuir is a Research officer with the Law and Government Division of the Library of Parliament. This research paper is attached as Exhibit "25".

34. I have also reviewed a 1946 article by Eugene Forsey entitled "Appointment of Extra Senators Under Section 26 of the British North America Act". A copy of this article is attached as Exhibit "26".

35. From these sources and from the statistical evidence in paragraph 14, above, I conclude that even though the Senate has frequently amended or rejected legislation, section 26 of the *Constitution Act, 1867* has been invoked only once before, in 1873-1874. In 1874, Her Majesty the Queen refused to accept the recommendation of the Governor General in circumstances where no "deadlock" was present.

36. Exhibit "25" extensively canvasses evidence which is of assistance in determining the meaning of section 26 of the *Constitution Act, 1867* and makes the following conclusions:

(a) section 26 arose as a result of a Resolution at the London Conference immediately prior to Confederation;

(b) it was the intention of the British Government and the colonial Delegates to the London Conference that section 26 was to be used only on extraordinary occasions when a situation of serious and irreconcilable deadlock existed;

(c) previous drafts of section 26 clearly demonstrated this intention; and

(d) numerous experts on Canadian constitutional law confirm that it was intended that section 26 be used only on extraordinary occasions when a situation of serious and irreconcilable deadlock existed.

Ms. Duinsmuir herself concludes that:

. . . [S]ection 26 was to be used only when there was a collision of opinion between the two Houses of so serious and permanent a character that the government was incapacitated. Additionally, it had to be at least possible, and perhaps probable, that the extra appointments would resolve the problem.

37. I have reviewed Chapter V of G. Ross, *The Senate of Canada: Its Constitutional Powers and Duties Historically Considered* (1914), which is attached as Exhibit "27". This source explains that cases of considerable public importance have arisen in which the action of the Senate was regarded at the time as "a wanton interference with the prerogatives of the popular Chamber". Five such cases are listed on pp. 74 and 75, but in none of these did the government of the day resort to the use of section 26. In the fifth listed case, the controversy surrounding the Naval Aid Bill,

Excellent idea!

the delaying of the Bill resulted in the calling of a general election so the verdict of the electors could be obtained on the measure.

38. I attended the Senate on October 2, 1990 and observed that the eight purported appointees were present. From the debate that took place in the Senate it appears to me that they intend to participate in Senate proceedings, debate and vote as soon as possible.

39. If the eight purported appointees take part in Senate proceedings and vote on Bills pending this Honourable Court's determination of these issues and this Honourable Court ultimately holds that the appointments were improperly made, then all legislation passed by the Senate, including the eight purported appointees, from September 27, 1990 may be ruled invalid. If the Senate passes the Bills pending the final resolution of this matter by this Honourable Court, persons who suffer damage as a result of relying upon and acting in accordance with legislation subsequently found to be invalid may not legally recover compensation for that damage. Finally, unless the eight purported appointees are prevented from acting as Senators until such time as their rights and qualifications to do so is resolved, considerable uncertainty and confusion will be caused by the uncertain status of any legislation passed with the assistance of the eight purported appointees.

• (2010)

End of quote.

You probably noticed, as I did, honourable senators, that the Mulroney government is now trying everything to delay the court actions to invalidate the appointment of the new senators. That is strange, to say the least.

It is interesting to note that merely ten days ago Mr. Mulroney was saying that all such actions were futile and ridiculous. Now, all of a sudden, his lawyers are trying to get a two week extension to prepare a case which has suddenly become important.

There is no doubt that the Conservatives will try everything they can think of, including violating the Rules of the Senate, to force a vote on the GST before the courts stop them from doing it.

In the light of the events of the past few days, the only question I have now is this: Which man or woman from the other side will be the first to stand up and tell the prime minister "Thanks, but not thanks; I will no longer pay with my dignity the honour of being called "honourable senator"."

[*English*]

Hon. Len Marchand: Honourable senators, while listening to the many speeches over the past few days, I have experienced many emotions, the most consistent one being sadness. I feel sad in many ways about what is happening here.

Just last week we were saying goodbye to our colleagues, Senator Guay and Senator Bielish. Many nice things were said about them, and they deserved all that was said of them.

When Senator Charbonneau decided that he would, in effect, usurp the rules of the House, things changed for the worse in here. I was sitting in my office—I had gone back there for a few minutes to do some work—when, all of a sudden, the bells stopped ringing. I asked my secretary what was going on, and we tried to make a few telephone calls to determine that. Finally I rushed up here, and, by the time I arrived, Senator Frith was already debating the question of privilege with respect to the illegality of the action taken by Senator Charbonneau.

• (2020)

I deliberately began my remarks this evening with some nice comments about the Senate. At my earliest opportunity I wanted to welcome my friend Walter Twinn to the Senate. I welcome him for a number of reasons. Our people did not have the right to vote in this country until 1960. I make reference to Senator Twinn because he is the second senator of native heritage to be appointed from Alberta. The first was the late James Gladstone, who was appointed in 1958 by John Diefenbaker.

The first experience I had of talking about human and democratic rights was when I was at university. I do not know how many in this chamber may have voted in an election illegally—illegally because you did not have the right to vote. I was remembering those things during this debate. During the election of 1958 my landlady put me on the voters' list. I was in my last year of university at the time. I said that I could not vote because I am an Indian. She said that it was fundamentally wrong that my people were not allowed to vote, and she told me to vote anyway. So I did. I voted illegally. I believe this is the first time I have ever admitted that in this chamber. At the time, I was extremely worried about voting illegally; but I did. I worried so much about it that I decided I would never do it again. The only thing I could think of was, if there was a controverted election, someone would come to me and say "Hey, Indian, you voted wrongly. You did not have the right to vote, Indian". Those things hurt me and they still hurt me when I think about them today.

Anyway, I wanted to welcome Walter. I guess I could be called an unofficial dean. I was elected in 1968, won three following elections, and was appointed to the Senate in 1984. Senator Williams was here before me, along with our Inuit friends Senator Watt and Senator Adams. These things are fundamental. 1960 was not that many years ago. We often hear of what a great country we have. I often wonder how great we are. We have to remind ourselves about the things we have done wrong. How long was it before women got to vote in this country? We have had some bad moments in our history. We are not that great when we look at ourselves and think about the things we have done wrong.

Thank God a few more of us have been elected to the other place—Willy Littlechild from Wetaskiwin, Ethel Blondin and Jack Anawak. It is sad that we even have to talk about them. These are new events for us. It is new for our people to participate in the political process of this land. It is new for us to be able to say that we have members of Parliament, and it is good. I do not think I need to tell anyone here about the plight of our people. Max Yalden called it a national disgrace. I have always felt that one of the ways we will make progress over the long haul is by participating in the political process. I thought of these things while thinking about what Senator Charbonneau did last Thursday. He took away the fundamental rights of this place. He took away our right to vote. I did not have the opportunity to vote.

Other senators previously referred to the rules. The rules are clear. Page 70 says that a vote cannot be taken in this place until the two whips come in that door and say, "Mr. Speaker, we are ready to vote". That was not done.

I do not know what we are going to do from here on in. I hope we will work out an arrangement so as not to destroy this institution. If we see more actions like those of Senator Charbonneau's last Thursday, we may see the destruction of this institution. That would be sad; it would be wrong. In spite of the fact that our people were not present here until 1958, the Senate has played a meaningful role in the parliamentary life and democratic process of this country.

I think we should think seriously about what was done last Thursday and do everything we can to rectify the situation and reinstate the good reputation of the Senate.

Some Hon. Senators: Hear, hear!

Hon. Anne C. Cools: Honourable senators, I too rise on the point of privilege. As senators will recall, last Thursday, or perhaps Friday—the days seem to merge—when I spoke, I expressed embarrassment for some of the new members across the way. In addition, I believe I said that wisdom in life is really founded in the sandbox of the kindergarten.

• (2030)

When saying that, I thought that Senator Charbonneau would perhaps heed those words. I thought we might get out our childhood memory spades and dig in our individual mental sandboxes to see what we would find. It seems that to date Senator Charbonneau has not done that.

I also concluded on the weekend that perhaps I personally should get out my little spade and dig in my own psychological sandbox to see what I could find. As I set aboug doint that, I found myself in my library. I found myself musing and meditating on the books of John Buchan—now, I did not say "John Buchanan"; I said "John Buchan". Senators will recall that John Buchan wrote several books which, I am sure, many of us enjoyed. They included *Mr. Steadfast, Freemantle* and, his most famous of all, *The Thirty-Nine Steps*.

I mention the name John Buchan not so much because of his skill as a novelist but because of the fact that he was a Governor General of Canada. He was known as Lord Tweedsmuir. Since the matter of section 26 of the BNA Act and the Governor General are very much on our minds, I thought that we should take a look at what Lord Tweedsmuir had to say on the subject of the Governor General.

As I played around with my spade in my mental sandbox, I came across the following statement by Lord Tweedsmuir in which he talks about the powers of the King and of the Crown. He said:

> ... (The King's) importance is not so much in what he does as what he is. We are a democracy in which the will of the people prevails by means of their elected representatives. But the King represents the people in a deeper sense—the abiding continuity of the nation behind all the mutations and vicissitudes of parties.

I know that that is not a popular thought today, but many have agreed that within our system the Prime Minister speaks for the government but the Sovereign speaks for the people.

As I continued to do more research, and as I mused on the last few years of our service in this place, I realized that we have watched the current Prime Minister constantly circumvent Parliament. He did so in the adjournment and proroguing of Parliament in 1988 and 1989, with the intention of using Governor General's special warrants to obtain money from the Consolidated Revenue Fund rather than go through Parliament.

He did so in the famous episode at Quebec City, where the Governor General was side-stepped. We all know that incident. I think it has remained in our memory through the embodiment of the particular piece of music, "When Irish Eyes Are Smiling".

Whether we think of those or other incidents, we are a little shocked that the Governor General and Parliament are consistently side-stepped and circumvented in this place by this government.

I would like to put on the record a few of the things that other Prime Ministers have had to say about the Office of the Governor General and about Governor Generals themselves. Sir Wilfrid Laurier said that:

> The Canadian Governor-General long ago ceased to determine policy, but he is by no means, or need not be, the mere figure-head the public imagine. He has the privilege of advising his advisers, and if he is a man of sense and experience, his advice is often taken.

Sir Robert Borden said, at the Imperial Conference of 1926:

> It would be an absolute mistake to regard the Governor-General (as the office was altered by the 1926 Conference) as a mere figure-head, a mere rubber stamp. During nine years of Premiership I had the opportunity of realizing how helpful may be the advice and counsel of a Governor-General in matters of delicacy and difficulty; in no case was consultation with regard to such matters ever withheld; and in many instances I obtained no little advantage and assistance therefrom.

Honourable senators, I found all of this fascinating, because concerning the use of section 26 the media and large numbers of people have just assumed a fait accompli. The Prime Minister and many of his ministers constantly inoculated the public to the eventual occurrence of this incident so that the issue of concern to many was not if it would happen or how right or legal or proper it would be, but just when it would happen.

That, honourable senators, is a sad thing, indeed. In the hearts and minds of large numbers of us there is a sincere belief in the office and personage of the Governor General.

I would like to put on the record some thoughts of a famous Canadian scholar whom we all know so well, namely, Robert MacGregor Dawson. I shall quote from his book, the *Government of Canada*, page 180 and give his perceptions of the role of the Governor General:

● (2040)

> A second duty of the Governor-General is to offer his services as a mediator and conciliator between the political party leaders when the occasion warrants.

Perhaps I should read that again:

> A second duty of the Governor-General is to offer his services as a mediator and conciliator between the political party leaders when the occasion warrants. Intervention of this kind is usually of an emergency nature and will occur only in time of crisis.

MacGregor Dawson then proceeds to cite occasions when such consultations have occurred.

I must tell you, honourable senators, that in my heart of hearts—and I know that I am indeed naive in my heart of hearts when I heard that all these events had been unfolding in the last several weeks and months—I had half hoped that the Leaders of the Opposition would have been summoned to Government House. For the sake of this same record I will cite some of MacGregor Dawson's precedents on this very same issue. He cites the occasion when King George V in 1916 called a conference of Mr. Asquith, Lloyd George, Bonar Law, Balfour, and Henderson to aid him in choosing a successor to Mr. Asquith who would be reasonably sure of support in the Commons.

The Lloyd George-Asquith episode is very important because, contrary to what many have been saying in the last few days, and what many journalists have been reporting about the events, in England around 1910 it was not Lloyd George who was then Prime Minister but Lord Asquith.

As we look at this phenomenon of the use of Section 26 and the invocation and the call upon His Excellency the Governor General, I thought it would be interesting to find out how we got here. So I continued to do a little more spade-work in my library. I came upon the events of 1926, in particular the Imperial Conference of 1926. That particular conference was especially important, because it was after that that the Governors General of the Dominions became the representatives of His or Her Majesty and ceased to be the representatives of the British Government and so too in the Dominion of Canada.

For the sake of recollection, memory, and love of institutions, I thought that I should put some of that on the record. I should like to read from the Balfour Report, so named for Lord Balfour, on the positon of Governors General, because, after all, we are talking about the former Dominions of the Empire, now the Commonwealth. I quote as follows:

> We proceeded to consider whether it was desirable formally to place on record a definition of the position held by the Governor General as His Majesty's representative in the Dominions. That position, though now generally well recognized, undoubtedly represents a development from an earlier stage when the Governor General was appointed solely on the advice of His Majesty's Ministers in London and acted also as their representative.
>
> In our opinion it is an essential consequence of the equality of status existing among the members of the British Commonwealth of Nations that the Governor General of a Dominion is the representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any Department of that Government.
>
> It seemed to us to follow that the practice whereby the Governor General of a Dominion is the formal official channel of communication between His Majesty's Government in Great Britain and His Governments in the Dominions might be regarded as no longer wholly in accordance with the constitutional position of the Governor General. It was thought that the recognised official channel of communication should be, in future, between Government and Government direct. The representatives of Great Britain readily recognized that the existing procedure might be open to criticism and accepted the proposed change in principle in relation to any of the Dominions which desired it. Details were left for settlement as soon as possible after the Conference had completed its work, but it was recognized by the Committee, as an essential feature of any change or development in the channels of communication, that a Governor General should be supplied with copies of all documents of importance and in general should be kept as fully informed as is His Majesty the King in Great Britain of Cabinet business and public affairs.

Essentially, the Balfour Report was the conclusion of the Imperial Conference of 1926. Historically, I shall move along a little to the Imperial Conference of 1930, the result of which was, later on, in 1931, the Statute of Westminster. I thought that we should also put some of this on the record.

I should like to quote from the Report of the Imperial Conference, 1930 (Summary of Proceedings) which states:

> The Report of the Inter-Imperial Relations Committee of the Imperial Conference of 1926 declared that the Governor-General of a Dominion is now the 'representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any Department of that Government.'
>
> The Report did not, however, contain any recommendation as to the procedure to be adopted henceforward in the appointment of a Governor-General, and the Conference felt it is necessary to give some consideration to this question.

● (2050)

> Having considered the question of the procedure to be observed in the appointment of a Governor General of a Dominion in the light of the alteration in his position resulting from the Resolutions of the Imperial Conference of 1926 . . . thereto would seem to flow naturally from the new position of the Governor General as represenative of His Majesty only.
>
> 1. The parties interested in the appointment of a Governor General of a Dominion are His Majesty the King, whose representative he is, and the Dominion concerned.
>
> 2. The constitutional practice that His Majesty acts on the advice of responsible Ministers applies also in this instance.
>
> 3. The Ministers who tender and are responsible for such advice are His Majesty's Ministers in the Dominion concerned.
>
> 4. The Ministers concerned tender their formal advice after informal consultation with His Majesty.
>
> 5. The channel of communication between His Majesty and the Government of any Dominion is a matter solely concerning His Majesty and such Government. His Majesty's Government in the United Kingdom have expressed their willingness to continue . . . in any manner in which that Government may desire.

This account continues quite extensively. What I am driving at comes through a bit more clearly as I continue. I quote further:

> Being three thousand miles away,—

And here we are talking about the King—

> —he has appointed a gentleman who ought now to be known as a Governor but as a Viceroy—as a person acting, in the King's absence, as the King himself would act . . . Whenever the Viceroy deems it necessary to obtain further instructions from the King, he will, in future, write direct to His Majesty and not, under any circumstances, to any member of the British Government.

It may seem self-evident to some of us, but in point of fact the position of Governor General, as you can see from those documents, the discussions, the debates and the conclusions over several years, was such that the Viceroy, or the Governor General, was to act as the King himself in the King's absence.

Some of us have many concerns that the Queen—not the King—has perhaps been embarrassed, as Senator Charbonneau has been embarrassed. If I continue in time, I thought that I would continue to the letters patent of 1949, and then continue again to arrive at the appointment of the first Canadian Governor General, Charles Vincent Massey.

I might remind some members on the opposite side how they felt about that. As a matter of fact, a few days ago I read that Charlotte Whitton was not the least bit shy about expressing her wrath over the fact that a Canadian, Charles Vincent Massey, had been appointed Governor General of this country.

The book that I have in front of me is entitled: "Confederation on the March." It was written by the Right Honourable Vincent Massey. The subject matter, given in a speech before the Canadian Club, or one of the Canadian clubs—is "The Crown in Canada". He is obviously speaking from the experience of having been a Viceroy. Some people have held various thoughts on Charles Vincent Massey, but he had a public reputation and a public record of tremendous importance and esteem.

In presenting his views on the Crown, the Monarch, the Sovereign, the King, Vincent massey makes four points, which he has borrowed from another famous writer, Walter Bagehot. Charles Vincent Massey says, of the Crown and these four major pillars or dimensions of the Crown, that:

> In the first place . . . there is the Crown at the head of the political system, making it more understandable for ordinary people who take an interest in the doings of their Sovereign.
>
> Then, there is the Crown as the head of the intangible thing we call 'the nation', strengthening the community and its government with the bonds of a personal loyalty much more powerful than respect for a piece of bunting or a constitutional document.
>
> Thirdly, there is the Sovereign as Head of State, keeping certain important institutions free from partisanship and political recriminations.

I think that perhaps I should read that again.

Senator Hébert: Take your time. We like it!

Senator Stewart: Read it more slowly.

Senator Bosa: There is no one in the Chair.

Senator Cools: He doesn't listen, anyway.

Senator Hébert: There is no one, anyway, when Senator Charbonneau is there.

Senator Gigantès: Wait until he sits down again.

Senator Phillips: Senator Kenny, you are interrupting the speaker. Some people get no respect!

Senator Hébert: Start from page one!

Senator Cools: Senator Hébert has asked me to start those four points again, so I shall start at number one.

Essentially, Charles Vincent Massey is saying here that the Governor General is the social and cultural leader in the country and that, in addition to being the supreme warrior, the supreme soldier of the nation, the Governor General is also the supreme moral leader of the nation.

● (2100)

As Vincent Massey states:

[Senator Cools.]

> In the first place . . . there is the Crown at the head of the political system, making it more understandable for ordinary people who take an interest in the doings of their Sovereign.
>
> Then, there is the Crown as the head of the intangible thing we call the 'nation', strengthening the community and its government with the bonds of a personal loyalty much more powerful than respect for a piece of bunting or a constitutional document.
>
> Thirdly, there is the Sovereign as Head of State, keeping certain important institutions free from partisanship and political recriminations.
>
> Finally, as with us today, there is the Queen with her husband and children—the first family of her realms, showing us the essential unit of human society at its best.

We have heard a lot of nonsense and a lot of rubbish recently. There is so much of it around that it is difficult to keep fighting it back, to keep oneself protected from it. Generally in our system there is a sense that the government should be duly sensitive so as not to involve Her Majesty or Her Majesty's Viceroy in controversial matters. There are many references and precedents in this regard. I could go on at length reading them.

However, there is the sense that in our system of Parliament-which is the system modelled after Westminster, following several hundred years of toil, suffering and fighting, and a lot of bloodshed—we have arrived at peace with the monarchy, with the sovereign, the Crown, and that at this point in time Her Majesty and her loyal Viceroy are deemed to rule in consent of the people.

I should like to return for a moment to Lord Tweedsmuir's assertion, and the feeling so many of us have, that something very precious, very vital has been violated, that something awful has happened. In all sincerity I say to honourable senators that I feel very sorry for many of them. I am fascinated by everything that has gone on, and that, Senator Charbonneau says that it has been in the name of decorum. The government's message to the public is that it has been in the name of democracy. I tell you that you do not have my sympathetic ear.

I wish now to offer my last bit of information for honourable senators, because we have gone through a great deal recently. I should like to refer again to Minister Andre's statement which I referred to in the *Debates of the Senate* on October 4, 1990. He made this statement in the House of Commons on March 12, 1990, and I should again like to read it into the record.

● (2110)

> The Senate claims that since it is a part of Parliament, that gives it the legal authority to reject. I would say again, as I said earlier, the Governor General is a part of our Parliament as well. The Governor General has that same legal authority but, of course, would never exercise it.

This government seems to be able to speak with confidence and certainty as to what the Governor General will and will

not do, what the Speaker of the Senate will and will not do, and what the Speaker of the House of Commons will and will not do. There are many more, but I place those three before you.

It is a sad day for democracy in this country. Senators on the other side can smirk. Senator Marchand asked if anyone in here understood what it meant to be unable to vote, and he talked of what it meant to him.

The experience in the West Indies is a little different. I know about voting because my family, being property owners, always voted. These experiences are very close to my person, because I grew up in a family hearing that it was our duty to bring universal male suffrage to the rest of the population of that particular colony. Last Thursday I said that a Tory was someone to be against. My own father was a candidate in 1938. There were only about 400 eligible voters on the voting list because one had to be a certain kind of property owner. My father was defeated, but my uncles won. Many of us in this place feel very intimate about this place that we call Parliament. I tell you, it is close to my person.

An ex-justice has said that the appointment of the eight new senators may be unconstitutional. I am pleased for all of us that to this date and at this time the one institution which the Prime Minister has been unable to manipulate seems to be the courts of Canada. I hope and pray that it remains so.

I should like again to put a statement on the record that has been placed on the record many times in this chamber, particularly in the last year. The following is an excerpt from a book entitled *The Government of Canada* by Robert MacGregor Dawson. Sir John A. Macdonald said:

> There would be no use of an Upper House if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the Lower House. It would be of no value whatever were it a mere chamber for registering the decrees of the Lower House. It must be an independent House, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body . . .

The next part of that statement is often omitted, and I should like to read it to you:

> . . . but it will never set itself in opposition against the deliberate and understood wishes of the people.

Honourable senators, I spent the weekend reading and studying, which is not unusual. Time and time again, throughout the speeches of Sir John A. Macdonald and of George Brown during the Confederation Debates, the issue is raised that the danger in constituting the Upper House would be that the Upper House, more readily than the Lower House, would respond to the masses of people.

I thank you, honourable senators. I hope I have not talked too many people out of the chamber. I understand that it is an occupational hazard. I must tell you, honourable senators, that I love my job, as many of us do.

It is a sad state of affairs that this current Prime Minister has successfully embarrassed the Queen, the Governor General, the Speaker of the House of Commons, the Speaker of the Senate and all of us. I thank you, honourable senators.

Hon. Philippe D. Gigantès: Honourable senators, I rise on a point of privilege. Last Thursday I was denied the right to vote. I was not outside the chamber waiting to come in. I had left.

The bells were ringing. However, in the *Rules of the Senate of Canada* under the heading "Interpretation", it says:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

Then I go back to what these customs, usages, forms and proceedings are. At page 70, under "Voting", it says:

• (2120)

> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote. The Speaker puts the question again.

And it goes on. In other words, according to the rule book I as a senator have certain expectations based on precedent, the precedent being that if the bells are ringing we are not going to come to a vote until the whips enter the chamber.

I was not notified. No one told me that there would be a vote at 5.30, which, in fact, took place at 5.25 in breach of the statement by the Speaker. Therefore, I was deprived of many privileges. Under rules 49 and 50, I have—

Senator Cogger: Would the Honourable Senator Gigantès entertain a question?

Senator Gigantès: No. Under rule 49—

Senator Cogger: Under which rule does it say that you are allowed to read a Bible into another senator's microphone?

Senator Gigantès: Rule 50(3) says:

> With leave of the Senate, the vote of a senator may, for special reasons assigned by the senator be withdrawn or changed . . .

That is a privilege that I have; I could have voted one way and then changed that vote. That privilege was withdrawn. We were told, very speciously, that the Speaker would apply rule 15 to restore "order and decorum." There had been no breach of decorum whatsoever until then. The procedure for the ringing of the bells can be found in the rules, and that is not a

breach of decorum. It is part of the practices and procedures of the Senate.

If it is not decorum, then it must be order. On page eight of the rules we are given a description of the various types of order that the Speaker must preserve. Rule 16 says:

> When the Senate is sitting,
>
> (*a*) senators shall not pass between the Chair and the Table;

The Speaker should remand any senator who does that—when there is a Speaker. We have not had one since Thursday. The rule goes on:

> (*b*) when entering, leaving or crossing the Senate Chamber, senators shall bow to the Chair;

That is if the Chair is occupied by someone who has our trust and can be called an honourable senator. The rule goes on:

> (*c*) if senators have occasion to speak together . . .

And it goes on. "Order" is described there, and until the vote at 5.25 p.m. last Thursday, order had in no way been disturbed. There was a trick, and it was put in place by the Leader of the Government in the Senate, Mr. Wilson of the other place, and especially Brian Mulroney.

I was deprived of my right to vote. Our friends in the press do not understand the importance of this situation. The Constitution of 1867 says that we will have a Senate and that there can be changes to the Senate. One change occurred when a new rule was instituted saying that senators should retire at age 75 and not stay on for life. So amendments could be made. Another amendment in 1982 limited the Senate's ability to delay a constitutional amendment to six months and no more. Also in 1982 the Constitution affirmed the existence of the Senate and made it difficult to introduce further amendments. It outlined essential roles, as, for instance, that in article 4 of the Charter, which says that unless there is opposition by more than one-third of the votes in the House of Commons, Parliament may prolong a house beyond five years. Clearly that gives the Senate the right to veto a two-thirds decision by the House of Commons. Prime Minister Mulroney had that kind of majority in the last Parliament. He could have put off an election, but the Senate would have stopped him.

There is another myth in the press, which does not do its homework, that being that we on the Liberal side have never blocked legislation passed by a Liberal Government in the House of Commons. There are many members in this chamber who know, for instance, that during Prime Minister Trudeau's leadership we did that very thing. I was not here at the time, but one of the bills closest to Prime Minister Trudeau's heart was the then Bill C-60 which proposed constitutional reform without consulting the provinces. He was told by the Liberal majority in this chamber that if he tried to pass this bill it would not pass the Senate. There were numerous other bills over which the Liberal majority in the Senate would tell a Liberal minister that "what has been proposed is to your credit, but if you make the following amendments it would be to your honour," and it was indicated that if the amendments were not made the bill might not pass. Liberal ministers, often angry, made the changes that Senate committees were suggesting.

In came the Tories with their intransigence and arrogance, and they accuse us of that very thing. This cabinet and its predecessor from 1984 did not want to listen to any suggestions whatsoever. They tried to break the rules that they themselves had upheld, fighting furiously. The first time there was a skirmish between the Mulroney Government and the Senate it was over the Estimates. In effect, the Tories were maintaining something akin to one going to one's bank manager and saying, "Give me the rest of that loan we negotiated last year, plus another $7 billion, but I cannot tell you what it is for." One would not get very far with that bank manager, I am sure! We said, "Show us the Estimates, and once we have seen the Estimates we will pass them, as has always been the case." No, they had to get stubborn. The "God-like" Mr. Mulroney felt that he had the right to do anything he wanted. What is worse—and this is part of the duplicity of these amateur apprentice sorcerers, one of whom is entering the Chamber right now, the Leader of the Government in the Senate; he is the junior sorcerer, the apprentice to the apprentice, the apprentice being Mr. Mulroney, and I shall come to his destructive bungling later. So what does he do? He says, "No, we will not table these Estimates; they are not ready." Some weeks later the Honourable Flora Macdonald, speaking in the House of Commons, lets the cat out of the bag by saying that a change could not have been made to the Estimates because they were already printed. The dates she gave indicated very clearly that before this huge fuss was started about the Liberals arresting the business of the nation, and all this hypocritical cant, the Estimates were already printed, packaged and waiting at the Queen's printer. They could have been distributed, but, of course, that would have spoiled the chance for Mr. Mulroney to go strutting about and pretending that he was God Almighty and that no one could interfere with whatever he was doing. Unlike my colleagues, I hope the Speaker does not resign but stays in this House and faces our resentment, our anger and our hurt every time he comes in. I hope that will happen, because by his act he represents in this House Mr. Mulroney; and Mr. Mulroney has destroyed this country.In two years Quebec will separate and it will be Mr. Mulroney's doing. I will explain why.

• (2130)

I have nothing against separatists in Quebec. It is their perfect right to want to take their province out of a Canadian federation and have an independent state. There is no reason why there should not be people in a democracy who think that way and who want to achieve this result by democratic means. Most of the separatists in the province of Quebec want only to use democratic means. There is also a precedent, for people who want independence for their section of a multi-ethnic country, to work from within the institutions of that country to disrupt, if necessary, in order to achieve their end of developing an independent state. The Irish did it very successfully in the Parliament of Great Britain, but they are not the only example. The Hungarians in the Austro-Hungarian Empire

were systematically playing that game and so were the Slovakians, and they are doing it again in Czechoslovakia. In my country of origin, Greece, a whole intellectual elite was stimulating separatist sentiment, and because they were in the public service of the Turkish Empire they were sabotaging it from the inside.

Separatists want to separate, and it is their right to do so by using democratic means; but then in comes the apprentice sorcerer and he says to himself, "I can win Quebec if I start using the separatist idiom and they will help me." They did not need much encouragement. They disliked Mr. Trudeau and it was their perfect right to do that. They all helped Mr. Mulroney, and many of them were elected into his caucus; and there is nothing illegal about a Quebec separatist becoming a member of the Tory caucus. One of them was sitting there the other day along with Marcel Prud'homme, and Mr. Prud'homme presented his Tory colleague to me by saying "He is a separatist," upon which the fellow smiled his assent. Mr. Prud'homme then turned around and said, "Philippe here knows them well because all of the members of the family into which he has married, with the possible exception of one, are all separatists.

Honourable senators, my own daughter is a separatist and I love her dearly. I have some nieces and nephews who are separatists and I love them dearly, but once you let separatists into your caucus you are, to some extent, their prisoner and you start seeing the phenomenon we saw many times, for instance, with the drug bill, where Mr. Benoit Bouchard was saying in Quebec—and it appeared in many newspaper headlines—that Liberal senators were opposing the drug legislation because they wanted to help the Ontario drug industry and hurt the Quebec drug industry. There is a mythology to separatism to the effect that Ontario wants to hurt Quebec and Quebec is always victimized. That game was played by ministers of the Crown and by Prime Minister Mulroney.

Senator Simard: Are you still on the question of privilege?

Senator Gigantès: I am on the question of privilege, yes.

Honourable senators, the same preachment was made so effectively with the Free Trade Agreement that we had an editorial in *La Presse* in which Alain Dubuc, the editor-in-chief wrote that if it is bad for Ontario, it is good for Quebec. Members of the Tory caucus were going around Quebec saying the same thing. In other words, for the first time in the history of Canada the federalist option was not put by the federal government. We now have a Quebec, after nine years of Parti Quebecois rule and six years of a federal government, that does not defend the federalist option.

Mr. Mulroney has a perfect right to run as a separatist in Quebec. This is a democracy and he can go and battle Mr. Parizeau for the presidency of the PQ; but a federal prime minister does not have the right, in my view, not to defend the federalist option. He has not done so. He has not done so because he will sacrifice anything—the country included—to his own electoral interests as he perceives them. He bungled that issue. It has misfired on him.

Mr. Mulroney is the one whom Speaker Charbonneau represents here, and Speaker Charbonneau took away my voting rights in order to ram the GST down the country's throat. I will read you some evidence of how the country feels about the GST. Because of that inept apprentice sorcerer Brian Mulroney and his minions I am going to have my nationality changed. I will no longer be a citizen of Canada, I will be a citizen of Quebec and I will be a good citizen of Quebec. The Prime Minister is supposed to fight against such a thing happening. This federal Prime Minister has, from the beginning, sacrificed the country and neglected his role as a defender of federalism in order to gain an electoral advantage.

Honourable senators, what you gain on the swings you lose on the roundabouts. Out west the Right Honourable Prime Minister Brian Mulroney is now the albatross around the neck of his party. Do I mind? Yes, I do. In two years' time, when the country will be facing a crisis—and even right now when the country is facing a crisis over its continued existence—this Prime Minister, who Speaker Charbonneau represented and whose tactics he used to ram through a tax the country does not want, has so destabilized the country that Parliament does not have enough authority; his own voice does not have enough conviction; the members of his cabinet, if they are francophones, support the separatists; and the country is being destroyed.

He does not have a leg to stand on anywhere else in the country, but, of course, they love him in Quebec. The media in Quebec are all separatists with some few honourable exceptions. Mr. Mulroney does what he likes, what they like, and therefore they support him.

No matter what he did, they would support him. However, it is not enough for him just to have the support of the separatist media in Quebec. It may be enough to do damage to other parties in Quebec, although we do not know what effect the Bloc Québecois may have.

• (2140)

He has lost all support in the west. His support in Ontario is very meagre. It is even more meagre in the Atlantic provinces, and he is thrashing about blindly doing all kinds of things the country does not want, insensitive to the people, so that his party, one of the two major parties in the country, is in disarray. We may have a future Parliament, the next one, without the possibility of forming a viable majority at a time when Canada will have to be negotiating with Quebec a new form of confederation or separation.

It is difficult when you have unstable situations such as the one created by Mr. Mulroney, and when you have a party that has participated with him in twisting the rules of Parliament, in abolishing the basic privileges of the minority. As Senator Stewart said, the important difference between tyranny and a democracy is that in a democracy the minority is protected by the rules. The majority does not need the rules; the minority does.

He has destabilized the country and is now on a kind of ego trip, a finishing ego trip, like a man who knows his life is going

out of him and he gets into dreadful passions to satisfy his appetites for the last time before he expires.

I should like to quote from an article which appeared in the *Toronto Star* on October 6:

> A western Tory who supports the goods and services tax sees his loyal riding executive ousted and replaced with an anti-GST slate.

Now, there are more examples I shall read to you presently, but if you are the Prime Minister of Canada and you know that you and the country are facing a major crisis two years down the road, and that there are serious, senior-level negotiations on the future structure of the country, then you should be careful about not destabilizing your party by following a policy that a large section of the country rejects. In fact, a majority of the country rejects it, and for good reason.

I will eventually speak on the GST, but there are numerous examples in this law which make it appear ridiculous, such as not taxing stock exchange transactions or caviar, which are generally purchased with the profits of those who are engaged in stock exchange transactions, but taxing a four ounce jar of yogurt that a pregnant mother might need to get her calcium supply. A similar tax applied in the same way in Britain has produced forty times more administrative costs for small businesses, and that is what this government is doing to the country. It is paying a price. It says in this article:

> Another Progressive Conservative backbencher attends a Reform party rally and sees several of his best workers in the crowd.
>
> Several MPs consider whether to leave the Tory caucus in Parliament and wonder aloud whether Prime Minister Brian Mulroney might step down before the next election, giving them at least a chance for survival.

To be succeeded by whom? By Mr. Wilson? By Mr. Wilson who has followed a policy to control inflation that enriches those who have money to lend, and breaks small business, reduces our exports, and deliberately drives the country into recession? In another context I will show you how, if he had followed reasonable policies, the national debt as at December, 1989 would have been $85 billion less than it is. But that is for another speech.

> It's tough being a Tory out West these days.
>
> The government's western power base is on extremely shaky ground.
>
> Of 24 Alberta Tory MPs, insiders say 20 could be wiped out in the next election.

● (2150)

> It seems the anti-Tory tide could sweep through British Columbia and rattle strongholds in Saskatchewan and Manitoba, as well.
>
> A group of Brian O'Kurley's constituents outside Edmonton asked him to vote against the GST. He voted for it.
>
> So in a raucous coup—

[Senator Gigantès.]

This is what is happening in one of the major pillars of the Canadian political system, the Tory party.

The article continues:

> So in a raucous coup, a group of Tories opposed to the tax packed a riding association meeting to overthrow O'Kurley's loyal riding executive.
>
> "We contacted him and told him if he wasn't going to change his position, we were going to run an executive slate that was anti-GST," says Dean Bell, the new association president. "That happened and the slate was elected."
>
> That means O'Kurley might not be able to win back his nomination to run in the next election, Bell says. Riding executives usually control who is nominated.
>
> "A lot of people are very, very disappointed that he would not support the demands and wishes of his constituency. He swallowed the party line on it. That's going to create a problem for him."
>
> The same fate nearly befell Red Deer Tory MP Doug Fee, but rather than see his riding executive overthrown, a meeting was cut short at the last minute. Constituents also tried to put pressure on Tory MP Louise Feltham (Wild Rose).

This is the result of the trickery, pressure tactics, hypocrisy and strutting of the Prime Minister. This is what the people of the country think about him. He is dishonouring his office; he is therefore dishonouring the whole concept of the Government of Canada at a time when we need a strong government, because we are facing within two years, if not earlier, a challenge to the institution that is Canada. This, just for the sake of a bad, bad bill.

This Prime Minister tells his appointee, Senator Charbonneau, "Break the rules." That is quite clear. The Speaker deprived some senators of the right to vote, something that was never done before, something that Speaker Sauvé did not do in the House of Commons—though the Liberals had the votes to do it—something that has never been done in a Parliament descended from the British House of Commons and House of Lords.

That was done just so Mr. Mulroney could have his way. Why? The GST, it is said, is revenue neutral. That was said on one occasion. On another occasion it was said that the GST was needed to fight the deficit. Which is it!

Not only do we have an apprentice sorcerer, but we have a prevaricating apprentice sorcerer. He says and unsays himself on every possible occasion. On how many occasions has he said one thing to the French CBC and turned around and said the opposite to the English CBC?

They presented the Meech Lake Accord in Quebec as a great instrument for increasing the powers of Quebec; to the rest of the country the said Meech Lake was nothing. This was Mr. Trudeau's basic objection. Mr. Trudeau objected to the Meech Lake Accord because it was bad law, because it was being interpreted in two different ways, and because it made

the unsupportable assumption that one can deal with this basic issue with the most grievous wound to the body politic of Canada by pretense and by speaking with a forked tongue.

Mr. Trudeau has said there is only one solution, and that Quebecers have to choose whether they want to stay within Confederation, with all that it implies, or choose to leave. One cannot pretend one and the other, and Mr. Mulroney has gone around doing it.

It is a nice joke when Yvon Deschamps, the Quebec comedian, says that what Quebecers want is an independent Quebec within a strong united Canada. That is a nice joke, but it cannot be done. That is what Mr. Trudeau said in this place.

Of course, members opposite would not listen—at least, some of them.

To get the GST passed, Mr. Mulroney, because he is in his last throes and is on an ego trip, steps all over the liberties of the Senate. He destroys us. He takes away my right to vote. The country is on to him, though. They know what kind of a person he is. That is why we are told that the Reform Party is blossoming out west.

The article continues:

"(The party)—-

That is, the Tory Party:

> —is completely out of touch with what's happening. They're in a dream world. I've asked them what strategy they've got in Alberta to take on this Reform party because we're going to need one. They don't have one. I don't think they think it's serious."

That is a quote from Mr. Bell, a Tory party strategist.

The article continues:

> He says Reform leader Preston Manning appeals to westerners because he's not a "made in Ontario" leader, or one of "the great plastic type of individuals we get from central Canada . . . .Preston is a legitimate guy, a legitimate force."

I had not thought of Mr. Mulroney as being the "plastic type", but I daresay he is.

Prime Minister Mulroney is not a legitimate guy, and he proved that by this tactic of invoking Rule 15, which states that it is the duty of the Speaker "to preserve order and decorum." That was invoked when order and decorum were not being breached. The trap was set. We were told to come and vote at 5.30 p.m. Most of us were not here. I was up in Aylmer walking my dog in the woods. I had a cellular phone with me. The phone number is known. Nobody from the Speaker's office took the trouble to notify me. But when we were being invaded by a handful of Tamils, boy did I get telegrams and telephone calls! I was told "Come here and stop 114 people from taking over the country. This is a major crisis. We are getting an infusion of 114 brown-skinned people, only half of them male. They are going to dilute the purity of the Canadian breed." That is what we were told. That merited bringing us back, and we came back. Terrific!

There was a crisis at Oka this summer and Parliament was not recalled. The Prime Minister entered a war, in effect, in the Persian Gulf and did not recall Parliament. He uses cheap little tricks such as, "Let's stop the ships short of where they have to go, so that I can pretend that nothing happened before Parliament was recalled," which is the same sort of base mentality he exhibits when invoking Rule 15 and arguing, one way or another, Rule 1 of the *Rules of the Senate of Canada.*

That is why I feel degraded. Honourable senators, quite honestly, in the depths of my heart, I believe in my country. I love my country. I am sure honourable senators love their country. I am sure they are as patriotic as I am; but it is going down the tubes.

On Friday, when I was acting up and making a noise and doing all of the things I did, I was doing all of that because I felt desperate. I was doing that because I felt then and feel now that what is happening to us, and what Mulroney is doing to the institutions of the country and the trust that the country should have in its Prime Minister and does not—and rightly does not—is fatal to Canada. It is dreadful, dangerous and awful. We are about to lose one of the best political creations on earth. I was a foreign correspondent in 59 countries, and I do not know of a better country than Canada; but we are losing it because Mulroney has adopted the lexicon of the separatists. The separatists were in their right. It is their right; it is not the federal Prime Minister's right to talk like a separatist just to get his way. He is using the same tactic here in the Senate.

• (2200)

When Mr. Mulroney arrives home at 2, 3 or 4 o'clock in the morning, he expects his servants to be lined up to tug at their forelock and say "Welcome, Master". This man has no pretence behind which to hide. The country knows what he is. That is why I hope that Senator Charbonneau stays in that Chair. Every time he sits in the Chair, one of us will express sadness, bitterness and despair—in my case it is despair—in some point of privilege. I wanted to settle in Canada, but I will settle in another country called Quebec. It will not be a choice of mine; it will be something Mulroney will have done to a country he took over and about which, in my view, he does not care at all. Most of the members opposite do care, but I do not think Mr. Mulroney does. I do not think he cares about anything except his cheap successes.

There have been others. When Mr. Chamberlain realized that his policies had failed the country and was asked to resign, he resigned, although he had the votes. I do not expect Mr. Mulroney or Speaker Charbonneau, who is his instrument, to have the decency to resign. I do not expect decency from this Prime Minister or from his instruments. I expected decency from many of the members opposite, but not if they are Mulroney's tools.

Does the GST justify trampling over the rights of the minority in Parliament? The Wilson legislation has nearly doubled the national debt and has not reduced unemployment. We are going to begin this recession with a higher level of unemployment than we had when we started the last one. The

government thinks it is good to have areas of the country with unemployment above 10 per cent. It keeps the peasants docile and provides cheap pools of labour for the government's friends. This government is prepared to go to any length to pass any kind of legislation, even bad legislation like the GST. If it had the courage of its convictions and wanted to have a consumption tax of the value-added type, it could have designed a tax with no exceptions, complications or favours to stockbrokers from taxing their fees, if that is what it wanted. I still think it is a regressive tax, but the government prefers to do everything it can for its little friends. Everyone pays taxes except its friends.

When there was tax reform in the United States we were told that we had to have tax reform here too. What did the tax reform in the United States do? It reduced the number of taxation levels, but it also increased corporate taxation. Corporate taxation in the United States is several points higher than here, but one of the myths perpetrated by this government is that it is not myths prevarication. So taxation on corporate profits in the United States is higher than here. If we had taxed our corporate profits as high as they are taxed in the United States, and if we had interest rates as low as those in the United States, the national debt in December 1989 would have been $85 billion smaller. In another speech on another subject I will give you all the calculations in detail so that you can have them checked.

Could we do that without the money fleeing the country? According to Mr. Wilson, yes. He told the *Wall Street Journal* what a wonderful country this is to invest in. Of course it is. Compared to other countries we are one of the good places in which to park your money if you are rich. But do we have to have interest rates triple those of Japan and double those of Germany to help the government's rich friends and to afflict the poor with an indirect tax that will hit the necessities? That is illogical.

One wonders what kind of forbidden substances they were smoking when they composed this tax. If I grow raspberries and sell them, I am not taxed; but if someone wants to buy the bush on which I grew them, it will be taxed. So it goes on. It does not end. Why? Because the government started something from which it is impossible to retreat; because the pride and ego of this Prime Minister cannot stand being reasonable and will not even save his party from the wrath of the people. I would not mind except that we are in a circumstance where the future of the country will be decided in the next two years, and the head of the affairs in Ottawa is a man who only cares about his ego. That is why he will not make amendments to the GST. He will not improve the tax. He wants to ram it down the throat of the country and, in doing so, he breaks the rules of the Senate and turns the Speaker of the Senate into a shadow of what the Speaker should be—an instrument of prevarication, deception and trickery that are characteristic of this Prime Minister.

As I told you earlier, I feel despair and difficulty in understanding what is happening to this sweet country of mine and yours. I am sure that senators opposite, who see themselves as

[Senator Gigantès.]

being patriotic, also worry about what he is saying. Don't shake your head, Senator Barootes. If you want, I will say "Let the record show that Senator Barootes shook his head in negation when I said that he was patriotic".

Senator Simard: Get back to your question of privilege!

Senator Gigantès: You heard Senator Pitfield yesterday. He said that if a vote had been taken, he might have voted on the Tory side. But you had to go and take his privilege away. You did not notify him. You played tricks on a man who was not involved in this debate, on a man who was going to vote with you.

• (2210)

Trickery comes before decency in anything Mulroney touches, in anything his instruments touch. My privilege was breached, as was that of other senators who were not here and who did not know that a vote was going to take place, because the mere ringing of the bells, according to the practices and procedures of the Senate, and according to the precedents, does not mean that a vote will take place immediately.

If the Speaker wants to change the rules to say that the vote will take place at such and such a time, then he should make sure that we all know that. He deliberately made sure that we did not know that.

Honourable senators, this is serious. Moreover, there are members of the Tory party who lie to the press about it, who try to hide it. People such as Mr. Andre and Mr. Wilson have in the past participated in the ringing of bells. At one time they made them ring for 15 days and they got what they wanted. The Liberal government split the national energy policy bill into eight parts. It realized that the minority had a case, that it was making it and that it was determined. The government decided that perhaps it should give a little, and it did.

They called the Liberals arrogant, but we had the vote then. We could simply have steamrollered the Tories, but we did not. Senators opposite did. The Speaker did not care one whit about anything other than his boss' ego. For the ego of one man, Mr. Mulroney, this country is going down the tubes.

Honourable senators, my privilege has been affected twice: once by denying me my vote, and again by endangering my country and by making me ashamed when I am abroad to discuss its affairs. I shut up. I daren't speak because I cannot talk in praise of my government. I have to keep my mouth shut.

Honourable senators, there are fine Tories. I though that Mr. Clark was a fine Tory and I still think so. I do not think Mr. Mulroney is. I do not think his instruments in this chamber are. But there are fine Tories on the other side.

Senator Simard: Name a few!

Senator Gigantès: Senator Balfour, for one. I think Senator Beaudoin is a fine gentleman.

Senator Simard: Who else?

Senator Gigantès: I like Senator Marshall and the lady in green over there—she is a very fine person.

Senator Cools: She is smiling.

Senator Cogger: You are better with the Bible!

Senator Gigantès: Well, you are going to get some of the Bible in a minute, because there are things I have to say about my privilege that are best expressed in the words of the Good Book. It would be a good idea if you people read it; and when I start reading, it will be a good idea if you listen. As you know, I have a voice that carries. You can cut off my microphone—as you would be ready to do—but my voice will still carry.

Senator Barootes: Cut it off!

Senator Gigantès: I am surprised. You know, Staff, I think you are a good man—

Senator Cools: Greek to Greek—the Greeks are at it again.

Senator Gigantès: Despite your posturing, I think deep in your heart you are a good guy.

Senator Cools: Very deep!

Senator Gigantès: I like Senator Finlay MacDonald. He is a good guy.

Senator MacDonald: Sometimes you have to die before you are thought to be a good guy!

Senator Gigantès: Never mind, I still like him, despite what he did to my sister-in-law.

Senator Cools: We want to hear this!

Senator Gigantès: There was no breach to my privilege in what he did to my sister-in-law, because I did not have any privilege— he did.

Honourable senators, here I am—I laugh for fear of weeping, in the words of Beaumarchais. This country is in mortal danger. If its central institution, which is Parliament, is attacked, then the danger is increased. Senators opposite make fighting against this danger difficult.

Oh, Doctor Keon, you are fine, too.

Honourable senators, absolutely none of this was necessary; but we came to a point where we knew that time after time the government was going to refuse reasonable proposals.

Take the refugee bill, for example. There were Tory senators on the Standing Senate Committee on Legal and Constitutional Affairs who were appalled by some of the provisions of that bill. Would the government listen? No, because Mr. Mulroney's ego is more important than the country; and there are some senators opposite who have subjected themselves to that ego when the country's existence and interests are more important. Those who have done that do not care. They do not care any more than does Mr. Mulroney. He will leave this country, will go to work somewhere for some foreign corporation and will be called "The Right Honourable" around boardrooms, while we are left to pick up the pieces.

When there is a crisis, such as separation, unfortunately it is the hotheads who will rule on both sides. Civility will have disappeared, and Mulroney will have done that. There will be putative Robespierres, St-Justes, Dumoulins and Maras on the Quebec side and there will be the beheaders of kings on the English side. The two parts of Canada will tear one another apart and the mean-minded ones will hold sway.

Honourable senators, my country is going to be taken away from me by this man Mulroney because of his ego. He could have been a good Prime Minister. He could have run the country well. He could have, for God's sake, defended federalism at least once in Quebec. Not one member of the Mulroney cabinets has defended the concept of federalism in Quebec. Those senators opposite who believe in Canadian federalism must ask themselves whether they can find one occasion when Benoit Bouchard or Lucien Bouchard or any of the separatist ministers defended federalism.

It is a defensible concept. It works. I say to my separatist friends and relatives that, yes, I came here in 1956, and, sure, Quebec was backward compared with, say, Ontario. But from observing things I have to conclude that it was not anyone's fault except that of the elite of Quebec. Once Quebecers decided to improve their estate, they did so. Nobody stopped them.

Quebecers nationalized anglophone power companies and nobody stopped them. They created the Caisse de Dépot, which is the biggest player on the stock markets of Canada and one of the biggest in the world, and nobody stopped them. They educated themselves and transformed themselves into powerful, energetic business people. They have done things which Quebec had not done before—good things—and nobody stopped them. And they did those things under this federal system of ours.

Is this not worth the support of a Prime Minister of Canada, the federal Prime Minister? Would that not have been the attitude to take, instead of bleating that if the rest of Canada rejected Meech Lake it meant that it feels contempt for Quebec? Saying that to people who wanted to hear it, to the separatists, created a self-fulfilling prophesy by pushing the negotiations over Meech Lake in such a way that they became intolerable.

Worse still, here comes the apprentice sorcerer.

● (2220)

When you go into battle, you are supposed to have fall-back positions, you are supposed to have reserves, you are supposed to know from where you retreat, where you can regroup, and where your ammunition dumps are. When he was going into a battle over Meech Lake, did he not realize that Mr. Trudeau would oppose it, that others would oppose it, and that there were academics on record against such things who would speak out, who would be published, and who might arouse a segment of public opinion to side with them against Mr. Mulroney? As a good field commander, should he not have foreseen this, and, for the sake of the country, have had a fall-back position? He did not.

When I was a young journalist I used to ask people about Chiang Kai-Shek. They described to me how his wife's family

had stolen $6 billion. I used to ask if he were a fool or a knave—there is no other choice. Either he knew about it and participated and therefore he was a knave, or he did not know about it, and he was a fool. Now, you make your choice.

In so many instances, especially Meech Lake, was Mr. Mulroney a fool or a knave? You answer that for yourselves. Would you have run the operation in the same way? Would you not have foreseen the problems, so that you would not find yourself in such a mess that your ego would not allow you to retreat on anything else; and would you have tried to push this absurd and badly constructed tax through, even though it meant that your party was being decimated out west, in the Maritimes, and in Ontario, and that you had the support only of Quebec, because naturally the Nationalists, the Separatists, thought you were a precious asset?

They love what you are doing, Mr. Mulroney, because you are destroying the country for them. You brought in a Trojan horse filled with their people, and it is their right to be in the Trojan horse; but you should not have made the mistake of Priam, of Troy, and brought in the horse. You should have had the foresight, Mr. Prime Minister, not to get yourself into that hole, into that trap, so that a man with your ego—and all people who go that high have egos—would not have to satisfy this ego, staunch the blood that is flowing from it, by going ahead with a suicidal policy that the majority of the country does not want. And to do it, he resorts—through Senator Charbonneau, through the Leader of the Government in the Senate, and with the Honourable Harvie Andre and the Honourable Michael Wilson pulling the strings for Mulroney—to this cheap little trick, a trick that would have made the Tories and the press howl, had we pulled it.

An. Hon. Senator: Who is the puppet master?

Senator Gigantès: Mulroney is the puppet master. Harvie Andre is the sub-puppet master; he is one of the strings. The fellow who pulls them ultimately is Mulroney himself. Like all the other things he has done, he did it like an inept, duplicitous apprentice sorcerer. Senators have seen *Fantasia*. There is Mickey. His boss is out and he musters the brooms and the buckets and then he does not know how to stop them. The music is gorgeous, the scene is a lesson, and Mickey is the Prime Minister. Alas, for my poor country, I have him as your Prime Minister. He does not know his elbow from his wallet. Perhaps that is wrong, he knows his wallet, that's for sure—he is a Tory. But he does not know his elbow from his ear. No, I was not going to use bad words. I will leave those to you, senator.

We have to salvage the self-image of the Prime Minister. In the morning he looks at himself in the mirror, at this enormous expanse of chin with a cleft that must be a problem to shave, and he says, "Mirror, mirror on the wall, who is the greatest in the land? Am I not better than Pierre Elliott Trudeau?" And the mirror blows a raspberry! So the great Prime Minister has to get some satisfaction by beating up on the Senate—an easy target, because the press does not like the Senate.

[Senator Gigantès.]

The press is anti-establishment, especially the English-speaking press. They are all descendants intellectually of people who left Britain to come to the colonies because they could not stand the repression of their natural talents by a class structure. The good Sir John A. Macdonald and Sir George-Etienne Cartier produced the Senate. They actually said that it was a Canadian version of the House of Lords. All these people who came over here blew up. They had run away from Britain to escape the House of Lords and here suddenly they took a bunch of beaten-down Tories, and some Liberals of the George Brown variety—which is today's Tory—and produced a Canadian Senate. They had to, of course. I have written this somewhere, but I had better repeat it.

They were learned men, Sir George-Etienne Cartier, and Sir John A. Macdonald, who is my hero in Canadian history, and they knew about Athenian democracy on which this country's Constitution is based, as I will show you shortly. In Athens there was an institution called a "scapegoat". It was a real goat, and when things went badly they actually lapidated the goat and it fled. In fleeing, it was thought that it took the evil spirits along with it and liberated the city from the anger of the gods.

So Sir John A. Macdonald and Sir George-Etienne Cartier said that we should have a scapegoat as a kind of national animal, and put a snappy little uniform on it with a coat of arms. Then they thought that Queen Victoria was the head of the Society for the Prevention of Cruelty to Animals, and they said, "Well, let's have a Senate instead," only we cannot be stoned because we have to stay sober for our second thoughts. That is why we were created.

We were created, allegedly, to protect the interests of the rich. That is the biggest joke of all, because the rich can hire lawyers, lobbyists and buy newspapers—look at the Tory side—and they defend themselves very well, thank you.

Occasionally the Senate has dared oppose a Prime Minister or two. The Liberal Senate opposed Trudeau on Bill C-60. How many bills did we question? With how many bills did we make any trouble for them?

Senator Hébert: Eighteen were amended.

Senator Gigantès: Eighteen were amended and they accepted the amendments. Therefore the Senate has some use, even in their eyes. How many are we stopping, allegedly, or delaying unconscionably?

Senator Hébert: Three.

Senator Gigantès: Three out of a total of how many?

Senator Hébert: Three hundred and eighteen.

Senator Gigantès: Three out of a total of 318, this is total obstruction of government business? Poor Mr. Mulroney. One cannot even pull one whisker out of that gigantic chin of his without making him bleed. This ego that walks like a man, this unconscionable destroyer of my country, abuses my privilege by getting Senator Charbonneau and Senator Murray to deny me the vote.

• (2230)

Senator Forrestall: What are you talking about?

Senator Gigantès: That is to deny me the vote that I have according to—

Senator Forrestall: That is Senator Charbonneau!

Senator Gigantès:—the rules of this house. He even denies my privilege by appointing Senator Forrestall here. That is a denial to everyone's privilege!

Senator Cogger: Let us get back to the battle!

Senator Gigantès: He came and said to me that I was inaccurate—a liar, actually—in saying that I was prevented from voting. I was prevented from voting, because to vote I have to know there will be a vote; I have to know that there is a change in the rules. I was not notified of the change in the rules.

Senator Forrestall: You were told before you left!

Senator Gigantès: You did not notify me.

Senator Forrestall: I watched you—

Senator Gigantès: Senator Charbonneau knows that he did not notify me. Senator Forrestall does not know a thing.

Senator Cools: He is a new boy.

Senator Lucier: He is a new boy from through the tunnel!

Senator Gigantès: Never mind. Come on, let us not get to the new boy, because we will get to the "new boy" statement from Senator Walker, who approached me in the foyer when I was a new boy here myself. He was berating me. He said, "Why don't you shut up, new boy?" I said, "Senator, how very wonderful! To be called "new" anything at 61 is a benediction from the Gods. But to be called a "boy" is even better. It reminds me of that aura of testosterone which once enveloped me, and must have enveloped you, too, before the First World War."

Senator Cogger: Let us get to the New Testament!

Senator Gigantès: That was Senator Walker, of beloved memory.

Of course, I miss Senator Flynn genuinely, because Senator Flynn is a genuine man, a gentleman, a patriot, and a heckler whom you will never equal.

Senator Simard: He is coming back!

Senator Gigantès: You will never equal him. You are not fit, as a heckler, to tie his shoe laces! You are an infinite speck of dust compared to thet major planet he was in the heckling department. You are a nothing in that department, because you do not have the vocabulary, you do not have the thought, you do not have the culture, you do not have the enormous memory; and you do not have the legal talents. All you can do is gesture. Yes, I am a Greek and I use my hands. If I did not use them, your ladies would be less happy!

An Hon. Senator: Whom are you talking about?

Senator Gigantès: I am talking about my dear Senator Simard over there, the fellow who used to victimize the chairman of the Standing Senate Committee on Banking, Trade and Commerce.

Senator Cools: You mean derailed him!

Senator Gigantès: This Prime Minister, for reasons that are—

Senator Simard: Defective!

Senator Gigantès: —too despicable to consider, is on his last legs. Therefore he cannot bear any reverse. He is a small man.

Senator Simard: You figured that out, did you?

Senator Gigantès: Anyone who contradicts him and causes him any need to retreat at all is affecting his sense of self. When he looks at himself in the mirror every morning it must be a long session because there is a lot of chin to shave. This man suffers. He adores adulation. He does not have it anymore. He is hated around the country. That is a burden he cannot bear. So what does he do? He picks on the Senate. Why does he pick on the Senate? Because we have the press, who think that an elected body should not exist. Fine, abolish the damn thing! If you do not want it, abolish it! There are provisions for abolishing it.

Senator Lucier: Or elect it!

Senator Gigantès: There was an opportunity to negotiate an abolition or the election of senators during the Meech Lake Accord. There was not even a serious attempt to do that—none at all. So the Senate was kept and its functions were reaffirmed. In the discussions on Meech Lake, in the 1982 Constitution it is there; it has a role. Honourable senators opposite and we here have been appointed to play this role. If the press does not like it, too bloody bad! They can go on campaigning for the abolition of this chamber.

Senator Simard: We know why you were appointed.

Senator Gigantès: I personally have often printed the opinion that we should be elected or abolished; but until we are abolished or turned into an elected chamber we have a job to do and we are doing it.

You cannot have democracy without two parties. A one-party democracy is not democracy; it is an African dictatorship.

Senator Cools: You mean a banana republic!

Senator Gigantès: If you have two parties, you have an Opposition party. The duty of an Opposition party is to oppose a self-satisfying, deceptive, apprentice sorcerer who is destroying the country. That is what we are doing.

Senator Simard: That man is crazy! He is.

Senator Gigantès: He has breached my privilege by using Senator Lowell Murray and Senator Charbonneau to abridge my right to vote to change the rules, customs and procedures of the Senate, which have been described; and then Article I, which states that the procedures that are in the appendix should be observed, is quoted by them to mean the opposite of what it says. They forget page 70 of our rules. They do

something that the Liberals had the decency not to do in 1982 during the ringing of the bells, which was orchestrated at the time by Lowell Murray, who was one of the backroom boys of the Tory party.

Senator Cools: He never told me!

Senator Simard: Did he do that?

Senator Gigantès: It was that kind of thing. He is the kind of person who thinks along those lines, except perhaps he is a little less devious than Mr. Mulroney. He is more linear, more the plodding type.

Senator Simard: How generous of you!

Senator Gigantès: He sets his head down and charges toward an absolutely runious objective—Senator Lowell Murray.

Senator Stewart: Surely it was Harvie Andre who moved the motion.

Senator Gigantès: But Lowell Murray he probably advised him. Look at the way that he handled Meech Lake. Dirty little tricks were being pulled in order to have people go out of their heads with fury at being manipulated. But there their best laid plans went awry. They were unable to manage even their own policy. They were unable to design a value-added consumption tax that makes any sense. To get that opprobrium, that obsenity of legislation, through, they abridged our right to vote.

Even if they wanted to do that, they should have said, "We will hold the vote when we have notified all the senators, willy-nilly" Senator Charbonneau could have done that. But, of course he did not. That would not have been a despicable enough trick—at least not as despicable as the one he pulled. That would not have been a Lowell Murray trick; that would not have been a Harvie Andre trick;and that would not have been a Michael Wilson trick.

Senator Simard: Can I ask a question?

Senator Gigantès: Especially that would not have been the trick of their mentor, their master, their puppeteer, Brian Mulroney, the uncontrollable ego that is ruining this country.

No; you may not ask a question—

Senator Simard: How many times were you elected?

Senator Gigantès: —because it will be a question that truly reflects your lack of feeling—

Senator Simard: If Senator Murray were not elected, how many times were you elected?

Senator Gigantès: —and understanding about what is happening in our country—

Senator Simard: Were you ever elected dogcatcher?

Senator Gigantès: That would demonstrate that your Prime Minister, the Honourable Mr. Hatfield, made one of his greatest mistakes in appointing you. That is why New Brunswick's economy did not take off while you were Minister of Finance.

[Senator Gigantès.]

Senator Simard: How many times were you elected anywhere?

Senator Cools: He is a man of the future!

Senator Gigantès: At least my dog loves me. I have that certitude.

Senator Simard: Yes.

Senator Gigantès: I consider the love of my dog more important than your esteem of me. That does not mean that I could bury him with you. I would not do that to the dog.

• (2240)

My privileges were breached. I was denied my right to vote. The rules were changed on me. I was not notified. My cellular phone was in my pocket, and it was on. I could have been called. I would have been here in 20 minutes. A telegram was not sent to me. Yet I was sent a telegram about the Tamils. Senator Pitfield, who was going to vote with you, was not notified. After all, that would have been the straight thing to do. It would not have been the crooked type of thing that Prime Minister Mulroney loves to do. It is something that he wallows in. He is seditious. His role is that of federal Prime Minister, and he does not defend federalism when it is being attacked within one of the provinces of the country. The attackers have the right. They are doing what is their democratic right. By his oath of office the Prime Minister of Canada has, as his duty, to defend Canada, and he does not do so.

Senator Simard: You said that 45 minutes ago.

Senator Gigantès: It is so heavy on my heart that I am going to say it again, again and again. You sit there, trying to interrupt, and you laugh while the country is going down the tubes. It is all because of people like you, people who allow themselves to be manipulated by a man who is destroying the country.

Senator Cogger: Why should we take you seriously now?

Senator Gigantès: Senator Cogger, people are known by the enemies they keep. If you and Senator Simard are my enemies, then I can't be all bad.

I was told that Mr. Mulroney once said to someone that he was going to abolish the Senate and get rid of that goddamn Greek—I didn't know that he disliked Senator Barootes that much! I hope that Mr. Mulroney does dislike me. It makes me feel better about myself to know that a man who has such a lack of qualities and such an ego dislikes me. That is the most flattering thing that could be said to me.

I have been in a rage ever since you started the dismantling of this country. What you did in depriving me of my vote was the culmination of a process which could only lead, because of the ineptitude of your Prime Minister and his principal ministers, to the disaster of Meech Lake, and therefore to a situation in which a man of uncontrollable ego could do nothing else but sacrifice the country. You would not listen.

As a result of the free trade agreement we have lost 165,000 jobs in the manufacturing sector alone. There was a promise

that there would be relocation and retraining programs, that people who lost jobs would be taken care of.

Senator Barootes: Then pass Bill C-21.

Senator Gigantès: Staff, please. Do I attack you when you speak?

Senator Barootes: Frequently!

Senator Gigantès: Not I. Others do. I always look upon you with affection and some sympathy, no matter what you say. I have met your wife. She is a long-suffering but great lady. I admire your taste in marrying her, and I admire her tolerance in her having stayed married to you. She is an absolutely wonderful lady. I applaud you for your taste, but, beyond that, do not talk about my privileges which your party has infringed. I had a right to vote and you took it away from me. Senator Forrestall, your voters—your electors—took your vote away from you in the House of Commons. They did not re-elect you.

• (2250)

Senator Forrestall: When I hear the truth coming from you, then I will listen to you, but not until.

Senator Gigantès: This is another person whose antipathy towards me makes me feel good.

Senator Forrestall: Do not talk to me about experience, sir.

Senator Gigantès: I do not want to talk to you about anything, sir. In fact, the less I hear from you and the less chances I have to address you, the better I shall feel. Who wants to know you? I do not, and most people do not.

Senator Forrestall: Get elected to the House of Commons and see how long you last there.

Senator Gigantès: I could last as long as you, sir, if I wanted to. One reason why I would not want to go to the House of Commons is because I would not want to be with you and some of the Tories there. I have been with some of them on trips and was shamed because of their drunkenness.

Senator Forrestall: You are an abomination.

Senator Gigantès: We have privileges. This house is to make observations, revise, amend, and block. The Constitution gives us this right, except in constitutional matters, where we can delay for only six months. We cannot increase a money bill. We can amend it or decrease it to save money for the government. We can attempt to protect the afflicted—the poor and the unemployed. It is our duty. Those who say we are unelected should also say that the Supreme Court is unelected. That is what they said in California; so now they elect the Supreme Court. When they did not like the Chief Justice—a very distinguished and handsome Chief Justice of the opposite sex—they voted her out, because she was not following Tory policies sufficiently. In this country we are more civilized than in California and we have an appointed Supreme Court. It wields much power. They have the right to wield that power. Who gives them the right? The laws of the land. The Constitution is part of the laws of the land. The Constitution gives us the right to do what we are doing.

Senator Charbonneau wanted to take that right away from us. Is it any wonder that we are enraged? Is it any wonder that our anger has overflowed? Is it any wonder that we will continue to feel bitter and in a cold furry every time we lay our eyes on Senator Charbonneau or Senator Murray, who pulled the strings third removed: The Prime Minister, Harvie Andre or Michael Wilson.

Senator Stewart: That is getting pretty low down, is it not?

Senator Gigantès: Charbonneau is pretty low down.

Senator Stewart: I mean Murray.

Senator Gigantès: Murray is pretty low down too, but not quite as low down as Charbonneau.

Senator Charbonneau had a duty as Speaker to protect the rules or, if he tried to break them, to do it decently, and not to play dirty little tricks à la Mulroney. The position of Speaker corresponds, in sport terms, to a referee of sorts. A Speaker of the Senate has less power than a hockey referee. Nevertheless, if the person charged with a role that approaches that of a referee breaks the rules and shows enormous partiality, the very institution that he represents is diminished.

Senator Ottenheimer is sitting in the Speaker's Chair. I like Senator Ottenheimer, and I often tell him that. However, that very Chair he is sitting in has been dishonoured and diminished by Senator Charbonneau. Therefore, Senator Ottenheimer is diminished by sitting in that Chair, as he is diminished by the way he used the arguments in the book. He is too intelligent not to know that he used those arguments in a specious manner in order to help set up this trick that was perpetrated on the rights and privileges of this great institution, the Senate of Canada. Why? It was not to save the country or prevent defeat in a war; it was not to put a stop to some great injustice. It was to preserve the ego of Brian Mulroney. Is it worth the honour of the Speakership, and worth the possibility of this institution to give good advice, to put all that at peril because of one man's uncontrollable ego, because of one man's ineptitude and the ineptitude of his team? Two privileges of mine were abrogated. The first is my right to vote, which, Lord knows, we may need. The second is the destruction of my country. Those of you who have been associated with this dirty trick are associated with the destruction of the country because you are supporting someone—perhaps out of loyalty—who does not deserve support. You are doing it in a manner that is unworthy of this institution, that is especially unworthy of the title and role of Speaker.

The Leader of the Government has a partisan position, so he is more tricky than most. However, the Speaker cannot be tricky. He does not have the right to be tricky. It is the Speaker's trick that is the most despicable aspect of what happened in the last few days. That is what sent this side of the house into a rage of sorrow and indignation. I did not enjoy it, as I am sure you did not. It was not a pleasant experience. Friday was a day I would like to forget, but you had left us no other weapon. You forced us to behave like fourth graders in order to stop an indignity that you were perpetrating shamelessly on the Parliament of Canada. You did not care. You had

to support Mr. Mulroney. I think you are wrong. You made me behave in a way that I am ashamed to remember. You left me no choice. There was no other way of forcing you, as we did at the end of the day, to make some small concession. You were prepared to give Mr. Mulroney his victory to repair his damaged ego. That kind of ego feeds upon itself. It wants ever new victories. It will end up destroying the country.

● (2300)

All of you who did not stand up in your caucus and say to Prime Minister Mulroney, "No, we can't do things like that", bear a major responsibility for what has happened here, for what has happened to the country, and for the disrespect this institution has now incurred as a result of your denying us our legitimate weapons and forcing us into using whatever was at hand to try to regain some hold on those weapons. Some of you, I am sure, are ashamed; others probably are not. For those of you who are ashamed and who regret what has happened, I feel sympathy and respect. For the others, I feel pity, and for the Speaker and the Leader of the Government in this house I feel cold fury and an inability to forgive that is almost equal to the inability I have to ever forgive Mulroney for what he has done here and what he has done successively. He has used the drug bill to exacerbate feelings in Quebec; he has bumbled the negotiations on the Free Trade Agreement, and he did not tell the truth. If he had come up and said, "Look, the Americans are on a rampage; they are going to screw us unless we try to find some accommodation. We are in danger of our lives with them commercially speaking," that would have been different; but, no, this agreement was the perfect thing, Mulroney said.

There was Senator Murray saying that we have binding arbitration. Article 2011 of the Free Trade Agreement says that if one of the two parties feels some privilege it had expected has not been realized, then that party can ask for arbitration. When the arbitrators give the result, if the party against whom they have found refuses to apply what the arbiters say, the disobeying party can be fined by the other party an amount equivalent to the injury. Here we have an elephant and a mouse. If the arbitrator finds in the mouse's favour—that is us—and the elephant does not comply, the mouse may kick the elephant. In the reverse case the elephant may kick the mouse. We were told that we nad binding arbitration. However, the government knew that it wasn't true. They knew, as we all knew, that when they went down to negotiate there was already an agreement—albeit unpublished—that we would keep our dollar at a level that would damage our exports. The conversation was quite simple. Mr. Baker probably took Mr. Wilson aside and said, "Look, this thing won't fly, if you lower your dollar and let it fall sufficiently so that our manufacturers will find that your products are damaging them."

Was the government candid? Did they explain things? No, it lied, and it has been like that all along—a lack of candor, a lack of sincerity and a disregard for everything except the ego of the Prime Minister. The chickens are coming home to roost. Mark me, he will pay for it. He is already paying for it out in the west.

[Senator Gigantès.]

However, at this time when, Lord help us, we need even Mulroney, he is destroying himself. For the next two years we will have a Prime Minister who has no consideration in the eyes of any Canadians except the small, unregenerate 15 per cent who support the Tories, who are so unreconstructed that they cannot appreciate the catastrophe, who vote out of habit or who dislike us Liberals and cannot possibly consider doing anything but vote Tory, although the Reform Party will probably absorb many of them. When we need in this country a federal government that is strong enough to manage the transition that Quebec will demand, we have a government that has destroyed itself through trickery, through lack of candor, and through trying to play this nasty cheap little manoeuvre involving the Speaker of one of the Houses of Parliament in a cheap, dirty little transaction. How cheap can one get? How low, to take the Chair in which you are sitting, Senator Ottenheimer, and make it an instrument of political manipulation? Is this what the Parliament of Canada has been brought down to by Prime Minister Mulroney?

The press will not listen to us. It does not care. It has this fixation that we are unelected and that, therefore, it does not matter what we say. However, that does not stop us from saying it. We have a need to say it, and we have a need to make sure that those of you who stay here—even those of you who are falling asleep—hear it. I have a voice that can wake the dead if I have to, and we will all be dead as a nation because of your Prime Minister, because of his cavalier attitude toward my privileges and the privileges of other Canadians.

I find what is happening distressing and unbelievable. I have travelled the world as a foreign correspondent and I have seen many other countries. I knew I had fallen in love with Canadians during World War II. To me, Canadians were the finest people I had ever met, anglophone and francophone alike. I had read about Canadian society and it seemed to me that it represented one of the best efforts of mankind to reach an accommodation not based on narrow ethnicity, not based on impossible factional fights, a nation that was moving toward a generous system that protected the poor, a nation in which each part of the country cared for other parts of the country. I admired that. I thought this was a wonderful country.

I just cannot believe the behaviour of Mr. Mulroney, this man who gave his hand to Joe Clark in 1983 and said in front of the cameras, "I swear eternal allegiance to my leader and I am behind him all the way." Yes, with a knife in his hand he was behind him all the way. He then declared in 1983, during the leadership campaign, that a Free Trade Agreement with the United States would be fatal for this country. What does he do when he gets into power? He sticks us with one. Why? Because it was good for his American friends who wanted unlimited access to our natural resources, and unrestricted rights for American investors in Canada to be able to buy anything without any conditions whatsoever, so that all the research would move south of the border. This man said that

there was a need for this country to increase its spending on research, and then he has turned around and reduced it. Prevarication, misleading, lies, dirty tricks, empty posturing, the cheap trick of having the Estimates printed and saying that they were not printed, and on and on it goes. In 1982 we had an example of the House of Commons being restricted in its voting. The Liberals had the vote but they respected the existing rules. They could have done exactly what Speaker Charbonneau did, but they did not. Instead they negotiated and reached an agreement to change the rules; but there was discussion, negotiation and agreement. There was not the arrogant, stubborn, blind strutting of the Prime Minister which has tainted this chamber and which has tainted the country.

• (2310)

That is why 90 per cent of the people in British Columbia have rejected him. In Alberta he comes after "others" in the polls. In the Maritimes he is sinking into the sea. In Ontario he is not doing much better. He is only doing well with the separatists, because he has cultivated them for six years and neglected to defend this country, and that is a breach of my privilege. I will never be able to say it enough. I will never be able to get rid of my anger. It is not right for a prime mininster to show so much dishonesty.

A democracy has to be based on some civility. You must not drive the opposition to despair; you must at least allow them some face-saving. There was an occasion when King Victor Emmanuel, the little King of Italy who was in power during Mussolini's time, brought out his handkerchief and dropped it by mistake. Mussolini picked it up and said, "Your Majesty, may I keep it as a keepsake?" The King said, "Please, I need it to hide my face." Mussolini gave him the handkerchief. Mr. Mulroney would not have that generosity; he would not understand. It is a shame that you have followed his instincts, his cheap little victories, preferably with nasty little tricks, preferably by trying to get around a situation and using anything at all to win.

I do not think he knows the difference between truth and untruth. If he did he would not have told so many untruths, or perhaps he does know the difference, and that is worse because he lies to us deliberately or he lies to us because he has no sense of truth. I come back to the question: Is he a fool, is he a knave, is he amoral or immoral?

He is a deeply dangerous man, because he has some talents but they are all the wrong talents. He can organize a conspiracy in his own party. He can find temporary allies and he grabs at them; but when it comes to a long-term plan, and when it comes to knowing what is a good fall-back position, he does not know a damn thing, and that is why the country is in trouble.

There is a monument to my father in Greece. He commanded the Greek commands who liberated the Greek islands. Those islands were occupied by 10,000 Germans and 10,000 Italians. My father's unit had 1,000 men. They inflicted casualties on the Germans which left 5,000 of them dead. On the back of the monument are the names of my father's subordinates who were killed—only 19 died. He knew how to plan and he knew how to prepare withdrawal positions. He cared about his fighters and he did not want to lose them. They were his friends; they were his people. With Mr. Mulroney, history will say that this was a man whose ego blinded him so much that he cared about nothing; a man who would trick; a man who would get good people as well as bad people to do his bidding and to do wrong—to do the wrong thing for the country.

The immorality of it all grabs at my innards. I keep saying to myself that he took something sacred away from me as a parliamentarian—he took away my vote. He tricked me into going away. According to the procedures and practices of the Senate, I believed that I could go away to my house and, if there were to be a change in those practices, that I would be notified; but no, I was not.

Senator Simard: Sit down!

Senator Gigantès: If you will accompany me, sir, I will have my dog bite you.

[*Translation*]

Honourable senator, just follow me, and my dog will bite that part of your body where your brain seems to be. I would like to read something. I will translate as I go along, this is an English text . . .

Hon. G. Eymard Corbin: In Greek!

Senator Gigantès: Unfortunately, I don't think Greek is allowed in this Chamber. I have to speak either English or French. I know French better than you do. My accent is better, and my grammar and spelling as well.

Senator Simard: In French!

• (2320)

[*English*]

Senator Gigantès: Any exercise in policy making—

Senator Simard: En français!

Senator Gigantès: You are not going to dictate to me what I am going to do. If you wish to speak Patagonian I will be quite happy, but I am speaking in any language I choose.

Senator Simard: En français!

Senator Gigantès: I will get to French in just a moment. Any exercise in policy-making benefits from an understanding of how we have been doing things, of preachments that have been pounded into our heads.

[*Translation*]

Theories that were held up as being literally gospel truth, a trick egotists use to justify their actions, but as they say, if you want a tree to grow, it helps to know where the roots are.

Therefore, with your leave or without it, Senator Simard, I would like to look at democracy at its inception, six centuries before the birth of Christ.

Democracy sets the power of numbers against the power of the purse. That is true today and it was true in 594 B.C., in Athens, where democracy began.

At the time, Athens was the capital of Attica, a small rocky peninsula which is about 60 per cent of the area of Prince Edward Island.

Senator Simard: Not worth talking about.

Senator Gigantès: And almost half the east coast of Greece. All the good farmland was owned by the rich who called themselves the well-born. Poor farmers had land that was less productive. The landless peasants worked as sharecroppers on the lands of the rich. I am translating in case your knowledge of English is not too good. If the harvest failed because of a lack of rain or a plague of insects or some kind of blight, the poor farmers did not have enough food and borrowed money from the rich by mortgaging their land. If the next harvest failed as well, the poor farmers lost their land. The landless peasants employed by the rich also had to borrow money. They did so with themselves and their family as collateral. If the crops failed twice in succession, they became slaves.

It was not a good system. The slaves didn't like it, obviously. They could be sold, and their wives and children could be sold separately. It was not a very good arrangement for the rich either, something they do not often realize. Before the slave became a slave, he had money to buy from the rich. However, when he lost his freedom and became a slave, he did not earn wages and could no longer buy from the rich, which means the rich lost their customers.

There was a large number of slaves who remembered how wonderful freedom was. So they rebelled. Their masters had shields, swords, lances, and horses, and considered they were superior in the military sense to their slaves. However, they could be ambushed and killed with stones or from a distance with sling shots and arrows. And then suddenly, both rich and poor had a brainstorm.

[*English*]

Suddenly, all of them, the rich and the poor alike, suffered a strange attack of common sense and decided it was better to stop shedding blood and to agree on someone to find a peaceful solution. By common consent they chose Solon, one of the beautiful and the well-born, a man respected by rich and poor alike for his knowledge, intelligence, honesty and reason. They offered to make him dictator, but he refused. He would consider being an arbitrator, he said, only if the Oracle of Delphi told him so. The Oracle said, "Pilot the ship, Solon. Steer the middle way. Athenians hope it is you who will hold sway." If you want the Greek, I can recite it to you.

We do not know why the warring factions showed sense and decided that continued fighting was pointless. Maybe the rich realized they needed their labour force alive rather than dead. This is related to the protection of the minority, as you will see, and to my privilege that has been infringed. Maybe the poor realized, too, that too many of them might be killed before they managed to kill all the rich in the land. At any rate, Solon could not have been appointed had the leaders of the poor not seen that some rich men were reasonable and wanted agreement, not strife.

[Senator Gigantès.]

• (2330)

Solon cancelled all debts, including huge debts owed to him personally. The poor peasants who had lost their land to the rich creditors recovered their fields. The even poorer sharecroppers, who had become slaves of the rich, recovered their freedom. Never again, Solon decreed, would a man be enslaved for non-payment of debt.

He gave the poor a vote equal to that of the rich in the Assembly of All of the People, in which the poor were the majority. This was in 594 B.C. There are still, to this day, people who think that one's voting qualifications should have something to do with the amount of money one has in the bank.

Solon gave the Assembly supreme authority on all political decisions and made it the Supreme Court of the land, in which the verdict was decided by a majority vote of citizens. To deal with the day-to-day detail of matters that the Assembly could consider, Solon established the Boulé, the precursor to today's House of Commons. It consisted of 400 members, 100 representatives from each of the old tribes. Retired politicians and notables sat as members of the Athenian Senate, indulging in sober second thought.

That is where the expression comes from.

But Solon did not confiscate the lands of the rich, as the poor demanded. He left to the rich all the prestigious, unpaid and essentially powerless titles. He further decreed—-and this is important—that a bystander seeing a man wronged could sue the wrongdoer. This is a third party, seeing a man wronged. That is an important principle, that being that we all have a duty to all citizens.

Solon wanted the citizens to feel responsible for one another's well-being. That is essential to democracy. He said that the best state is one in which even those who have not themselves been wronged defend those who have.

He had his laws, his Charter of Rights and Freedoms, carved upon tablets that were displayed near the National Assembly. Until Solon's reforms, no one had been quite sure what the law was, and it had often been bent to suit the rich, who were also the judges.

In what Solon did we can find the principal, indispensable components of our western democracy as follows: Citizens make the laws and decide all matters by voting; each citizen has one vote; the votes of the poor and the rich count equally; citizens are equal before the law and equally protected by the law, even if they are not members of the majority; citizens submit to the rule of the laws and not to the rule of an individual; to make laws, citizens need and have the right to assemble, speak, debate and vote; laws pass if they satisfy or do not repel the majority of factions. Thus, laws, in general, are compromised.

Since its laws are compromises, democracies are compromises. It rejects, perforce, the dogmas advanced as perfect solutions by zealots of the left or the right. Thus, Solon's reforms would not have been democratic had he given to either the rich or poor, the capitalist or proletarian, the perfect

solution each wanted—the right claimed by the rich to make money with no restraint versus the right claimed by the poor to confiscate the money of the rich.

Hence, from its Solonian beginnings, democracy became an exercise in compromise between the power of government responding to the voting power of the many and the power of wealth controlled by the few rich.

When he was asked if he had passed the best laws possible, Solon replied that he had passed the best that Athenians would accept. A law, he said, must take prevailing circumstances into account if the legislator wants to punish a few for some purpose rather than many for no purpose. Again, he said that he adapted his laws to the situation rather than the situation to his laws. Moreover, when something worked, he felt it should not be changed.

These are important lessons we draw from Solon, the founder of our democratic system. If you look at it, it is amazing to see how very much it resembles the details of the Canadian Constitution, including the Senate as a chamber of sober second thought, which has, as the press loves to say, been filled with "party bagmen."

Solon said that each vote counts, even if the voter is a member of the minority. He insisted on the rights of the minority. He wanted to protect the rights of the minority, and without protection of the rights of the minority, direct democracy, or its successor, indirect democracy, the one we live in today, cannot survive. You cannot have the tyranny of the majority. You must, perforce, if you want democracy, allow the minority to vote, allow the minority to obstruct, fight and to put up a last-ditch effort against the powers of the majority.

There are some of you here who were in the House of Commons when Mr. Trudeau was Prime Minister and who disagreed totally with him, yet he was elected by a majority. I am sure those senators then felt that the majority was wrong in voting for him and that the minority that voted for them was right.

Senator Forrestall: That is your opinion, not mine.

Senator Gigantès: And you did not think you were right when Mr. Trudeau was Prime Minister, and that he was wrong? That is what I said. I understand if you do not see this clearly.

Senator Forrestall: Of course I do.

Senator Gigantès: Then I will repeat this.

Senator Forrestall: My memory is fine. You do not have to repeat.

Senator Gigantès: When Mr. Trudeau represented a clear majority, there were people in opposition, Senator Forrestall included, who collectively represented a minority of the population, and those representatives of the minority obviously thought, since they disagreed with Mr. Trudeau, that the majority had been wrong in electing him. This seems to me to be a simple enough proposition in terms of human nature and mathematics. I did not think it was complex in the way I explained it.

It turns out at times that the minority becomes the majority and says, as we have been told endlessly for six years, "We were right all along. We have finally convinced the public. We finally arrived at a situation in which we got the public to understand that the old majority was wrong and that we were always right, although we were in the minority."

But that transformation in public opinion could not happen if the minority did not have the right, as it did in 1982, to raise hell, to ring the bells, to get the press on its side, to howl in defence of its privileges and against the abuses it alleged were being committed by the majority. It was because the government was allowed to do this that it was eventually able to gain power. If the kind of dirty tricks that were played on us last Thursday had been played on the Parliament, in the House of Commons, in 1982, the Tories would not have had as much latitude in expressing their outrage and opposition to Mr. Trudeau's policies as they did. The Liberals, although they had the votes, had the decency to understand that this was an essential and vital part of the democratic process. Although the Liberals were convinced that what they were doing was right, they restrained themselves and did not attack that very essence of democratic government, which allows the minority to express itself. The principal expression is the vote. That is what was taken from me last Thursday, my vote.

• (2340)

Senator Haidasz: A sacred privilege!

Senator Gigantès: I am astonished that some of you—not all of you, but there are some who do not surprise me by their actions—have been able to stomach this and go along with something this important. It is perfectly all right for journalists not to read the Constitution and realize how dangerous it is for a democracy to infringe upon the rights of a minority, but it is not pardonable when this is done by the members of this august chamber.

It is not difficult to obtain a Constitution. Any of you can get it. Here it is in English, and I have it also in French. Supply and Services will give it to you free. It is your duty to read it. The basic tenet of the Constitution of Canada, as written in 1867 and last amended in 1982, is the right of the minority and the protection of the right of the minority. The whole purpose of the Charter itself is to protect an individual who goes against the majority. You do not have to protect a member of the ruling majority. He has the power, the votes and the troops. You have to protect the weak, the afflicted, and those who do not have power. This is a sacred principle, without which a democracy cannot exist.

This principle was abridged last Thursday. You abrogated my privilege, the privileges of Canada and the privileges of democracy, for the vilest motives—to satisfy the pride of a small man. How could you? Does it not bother your conscience to stand for this kind of thing? You should go and talk to yourself in the mirror and say "I am sorry this happened". Write it on a little piece of paper and burn it afterward. Confessing the truth to yourselves about the unholiness of what you did will do your soul good.

Some of you have had distinguished pasts—until last Thursday. It is your duty to yourselves, to your past and to your present, to question yourself about what happened and how you serve people like the Leader of the Government in the Senate, who was prepared to perpetrate such knavery on this institution. You have him as a leader. You did not choose him. He was appointed by Mr. Mulroney; but all of you on the other side allowed yourselves to be used in debasing the essence of the whole of Parliament, with its two chambers, Canadian democracy, the invisible, ethereal, web of civility, mutual tolerance and trust, even among enemies, which made this one of the most civilized models for democratic government in the world. You should be ashamed to have defiled that. It was power. It was wonderful.

Regardless of its defects until that point, there had not been a successful attempt in the Parliament of Canada to attack the root of democracy, which is the right of a minority. That is the sort of thing Senator Murray might enjoy doing; but he will go down in infamy—as will Mr. Mulroney—in the history books written about this country which men like him and his puppet master are destroying. Quebec will be independent and other parts of Canada will be absorbed by the United States. Ontario, Alberta and B.C. may be independent, but Manitoba and Saskatchewan will have to join the United States, as will the poor Maritimes. They will resist, because they will not want to do without their medicare. If they keep their medicare, they will be flooded by the destitute Americans who will come north to get the kind of medical help they cannot get in their own country, which is a brutal, Tory country in its system.

You are destroying this country because you are attacking its strength, which is democracy. You are destroying this country because your Prime Minister has not defended its essence. He has not gone to Quebec to say "One of the glories of Canada is that it has given separatists like you the freedom to express yourselves without restrictions when you are a minority." That is worth saying. Look at what France did to the Bretons. A Breton cannot start a publication in France suggesting that Brittany should separate from France. He would be in jail. The Bungundians went to jail, as did the Basques. But here in Canada we have had this perfect freedom. That was worth saying. I did not hear the Prime Minister say that. On the contrary, he adopted the language, the mythology, of the separatists, which, like all generalizations that are false, including this one, says that anything that ever went wrong in Quebec is due to les anglais. This is the Bourgault view. There is this great Satan, this demon, les anglais.

My little nephews, when they speak of the anglophone, say "les têtes carrées". And they smile when they play a record about "le grand six pieds"—the Quebecer who was six foot tall, who took a four-by-four and broke the head of the English foreman. They believe that it was like that. When I say to them that this English foreman was just as brutal to English workers as he was to francophones and that the francophone proprietors were just as brutal to francophone workers as the anglophone proprietors were, they don't want to hear it. They are much more comfortable inventing a great Satan.

But it is the duty of the Prime Minister to tell the truth and to point out that it is Canada's respect for the minority that allowed the flourishing of Quebec literature on independence themes. In other countries, people like that great poet, Gilles Vigneault, would have been put in jail for writing his poetry. The songs of such people would have been pushed underground. But no, Canada respected the minority until last Thursday.

Obviously, since Mr. Mulroney did not defend in Quebec the fact that Canada's essence, the essence of Canadian democracy, lies in the respect of the minority, this is a meaningless concept here. He does not care at all about respecting the minority. He only cares about Brian Mulroney, just as the Leader of the Government only cares about his own ego. He, like Mr. Mulroney, is trying to find a great Satan, some demon on which to blame his own shortcomings—the shortcomings of his Prime Minister—for the mess they made of this country over Meech Lake.

Honourable senators, if they have no respect for the minority, how can they respect the country that embodied respect for the minority? If they do not care for the rights of the minority, they cannot possibly care for Canada, which is built on this concept. When they infringed upon this right of mine, they infringed upon the rights of all Canadians. That is the ultimate arrogance.

They dare accuse us of arrogance. I have not seen any greater arrogance than this conviction that somehow Holy Writ issues from the small, circular, sphincter-like mouth of their Prime Minister—that mouth above that enormous chin. He has the same sort of mouth as Mrs. Thatcher. They both enunciate as if they were ovulating.

Honourable senators, they did something last Thursday which is absolutely unforgivable. They drove an opposition to desperate means. I will not forgive myself for last Friday and I will not forgive them for driving me there. I did not enjoy what I was doing, but I had no other way of squeezing a small concession out of them. They were not prepared, as the Liberals were in 1982, to make concessions—absolutely not. They would have lost whatever sense of macho manhood or womanhood that was in them. Trampling on peoples' faces is something that they find difficult to do without.

People generally climb the hierarchies in political parties by stepping on other peoples' faces. Mr. Mulroney is a prime example of that. He stepped on Joe Clark's face to get where he is. He stabbed him in the back simultaneously. That is, perhaps, a difficult feat, but with a little practice it can be done. Mr. Mulroney has had a lot of practice in his life, I am sure.

Honourable senators, I have a feeling that those who are the prime actors in this obscenity that occurred last Thursday are people who actually enjoy infringing on the privileges of others and crushing the minority. Being the minority, I had to cry out and scream. There is a saying that when rape is unavoidable,

relax and enjoy it. I say no, you scream. And I screamed. And I whistled and I rang bells and I banged desks, because senators opposite were raping freedom. That was what you were doing last Thursday. You seem to have no shame about it, those of you who were the principal actors.

I know that some senators opposite feel shame. They are restrained and loyal gentlemen and they will not admit publicly that they did not like what was happening. I know who they are. Everybody in this chamber knows who they are. It would be perhaps too much to ask that they abandon their seat mates and companions. But I hope that at least in their hearts they are distancing themselves from the impurity of what happened last Thursday.

Senator Hébert: That is not enough!

Senator Gigantès: Because, honourable senators, it was impure. If you want democracy, you have to have freedom for the minority, freedom to vote. My right to vote was stolen from me last Thursday. Rule 50 gives me the right to vote and to change my vote. That didn't seem to bother senators opposite. They can fool around with the rules, change them to make it harder for the opposition to oppose them, but surely they cannot play around with the right to vote.

If you want to play around with the right to vote, why bother to have a Parliament? Why have a democracy? Why let the people vote? Why not have Mulroney serve as President for life—God help us, another Bokassa, a Bokassa of the North. He will be eating children next. He will be giving diamonds to the President of France. Do we have diamonds? Uranium, maybe.

If you attack the right to vote, you are betraying yourselves. Say that to yourselves—say it. You betray yourselves. You betray what is decent in you by participating in the stripping of my vote from me. To repeat, it says quite clearly in the rules exactly what happens when there is a vote.

[*Translation*]

I will say it in French. Where is Senator Simard who likes to hear me speak French?

Senator Hébert: Sleeping.

Senator Gigantès: So he is sleeping. I quote:

> Voting in the Senate is described in Rules 49 and 50.

Rule 50 gives me the right to vote and the right to change my vote. I quote:

> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and "nays" and then expresses his opinion as to the result. If two or more senators express disagreement by rising, the Speaker calls for a standing vote. The division bells are rung and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the chamber be locked".

When the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote. That is the written rule, it is the custom, it is the practice. As long as the bells are ringing and the Whips have not entered the Chamber there can be no vote. I knew that. I gave my phone number to my Whip. Senator Charbonneau has a list of telephone numbers, mine included. I went home. According to the practice, if there was a change, if there was an emercency, if it was absolutely necessary to have a vote I should have been told about it.

They had me come back from Europe for the Tamils. Jeez they could at least have called me back from Aylmer to change the Rules of the Senate. No, it had to be a hidden move and skip... Good thing you are here, Senator Simard, I was wondering if I was wasting my time speaking French because the other French-speaking senators here are fully bilingual.

Senator Simard: I came to listen to you in French.

Senator Gigantès: How nice. We did something which was not in keeping with our practice. Should we have followed the practice? Yes, because Rule 1 of the interpretation in Part I states that in all cases not provided for in these rules, the customs, usages, forms and proceedings shall, so far as is practicable, be followed in the Senate or in any committee thereof. I have just mentioned the customs as they relate to voting. According to the customs, when there is a vote I have the right to vote and as long as my Whip has not entered the Chamber I can reasonably believe there will be no vote because my Whip has not come into the Chamber.

If it had been the wish of my Whip had planned to enter the Senate, he would have notified me to come. Such was the custom. To overlook this custom is to deny me my right to vote. Changing the rules without giving us enough advance notice is something totally unacceptable. It is a denial. It is a sign of the dreadful narrow mindedness which characterizes the Prime Minister of this country and the instruments of his dastardly deeds.

Because they took away my right to vote, they have abused my privilege and that of all Canadians because they attack the heart and soul of democracy which gives this fine country its main significance. Without minority rights, there is no democracy, only a dictatorship.

Before you came in, Senator Simard (I am going to repeat it just in case you might think I am neglecting you), I was wondering how it was possible for senators opposite not to be ashamed.

Are you yourself ashamed? Because you refuse to answer, there must be hope! Because you are not answering, there is a trace of hope that, deep down, you might be a little ashamed of the loathsome action in which you were involved. I congragulate you. I am delighted that you should have enough character to be embarrassed—

Senator Simard: Talk to the wall over there, for it is the only one which can stand you!

Senator Gigantès: —by what your leaders have done.

I am supposed to address you, as honourable senators. So that is what I am doing.

According to the Rules, I am supposed to address "honourable senators". Of course, some honourable senators may be as hard, insensitive and lacking in understanding as walls. Since you want to belong to this category, I am talking to the wall. But the other senators are not like that, they are human beings with ears, souls, sensitivity and culture.

• (2350)

I know something essential was destroyed as a result of your base tactics.

Senator Simard: How long are we going to have to listen to this!

Hon. Thomas H. Lefebvre: Rise, if you wish to speak.

Senator Simard: Oh, go to bed!

Senator Lefebvre: Rise!

Senator Simard: Go take your pill!

Senator Gigantès: So we had this minor interruption by Senator Simard, who just told me to talk to the wall, but in any case I shall continue. Perhaps he was afraid I would make him show he was, in his heart of hearts, somewhat embarrassed, and that he had the humanity and the humility to say to himself in his heart of hearts, not to us, we are sensitive enough to feel those vibes—that what happened Thursday night was infamous. It was Canadian democracy's darkest hour. It will be written in the annals of this country, not with ink but with poisonous, foul smelling effluvia, entirely worthy of what you have done.

Some of you have claimed that no major privileges were breached. You went on television. You went on radio, and you dared to say that what you did was not a serious violation of the basic principles of Canadian democracy.

Don't you understand what you did or is it just a lot of hypocrisy? I am reminded of the question I asked myself at the time with respect to Chiang Kai-shek. Was he an idiot or a criminal?

You go on television, in front of the media, and claim that taking away the rights of the minority is nothing serious. You are legislators in a parliament! There is no democratic parliament where protecting the rights of the minority is not one of the basic principles. Do you understand that or don't you?

If you do, then why do you go before the media and say this is not a serious violation. You are committing an act of fraud. If you don't understand this, what are you doing in this Chamber?

Why don't you read a few books on the subject? Why don't you read what a couple of philosophers had to say about democracy? I realize that certain journalists have a favourable bias towards Mulroney because he is a separatist or talks like a separatist. I realize they couldn't care less about the rules of democracy in Canada because as far as they are concerned, the sooner Canada disappears, the better.

Other journalists just don't understand. It is obvious from their articles they haven't a clue. They never really thought about these things. I don't know where they got their education and what kind of books they read, but maybe I can send them some. As for the journalists who have separatist leanings, they are entitled to defend their opinion. The Irish did it in Great Britain. The Greeks did it under the Turks. The Hungarians did it under the Austrians. The Slovaks are doing it under the Czechs. All is fair in love and war!

As for those who don't understand at all, I consider them professional failures when they fail to stand up to defend my privilege, the privilege of Canadians across this country and the privilege of the minority in our democracy.

When these journalists report such inanities, they don't know what they are talking about. Poor Canada!

I can't blame the journalists entirely, because we have had this swarm of Tories who spread the "good lie". You have a lot of propaganda flacks. You used them during the debate on free trade. I remember those four pages in the *Globe and Mail*, where the worthy Mr. Thomas Aquino had prepared a series of questions and answers. There was a question that said: Is it true that we members of the Business Council on National Issues will use the Free Trade Agreement as an excuse to cut social services in Canada?

Come now, that is absolutely false! But this is what they were saying a couple of weeks after the deal was made: cut, cut. Naturally, it is like the sale of aspirin, or should I say salicylic acid, under whatever brand it is sold.

However, for a pharmaceuticals tycoon it is alright to spend inordinate amounts to convince buyers that 333 mg of salicylic acid is a better product, the sovereign remedy, than 333 mg of the competitor's product, because that sort of people live in untruthfulness and will say anything to make money.

So, you have a lot of those in your agencies who are capable of lying—that is what they are trained for, that is their job—and deceiving people. Unfortunately—I say unfortunately because I am referring to what used to be my trade—there are journalists who do not dig very hard, who do not raise questions and who let themselves be lead astray by the fact that we are not elected.

Why, does this mean that someone who is not elected cannot be right? The correctness of generalizations must always be questioned. One that was made is that a non-elected member has no rights. He has no say and cannot take a position or vote against what the elected members have decided.

What if the elected members were wrong? I demonstrated earlier to Senator Forestall that, when he was part of the minority in the House of Commons, he was bound to believe that he was right. He believed that the elected majority supporting Trudeau was wrong. That is to say that, according to Mr. Forestall, elected members, an elected majority was wrong and the minority was right.

I was also talking for Senator Simard, who wants me to address him in French. We are of course bilingual, so I indulge him. I can give you a brief translation or adaptation of what I said preceedingly, if you wish. There are judges who are not elected. In Canada, all judges are appointed by the premiers, like us, until their 75th birthday, like us as well. They make

decisions that are vital, extremely serious and possibly more vital and serious than ours in spite of the fact that they are not elected.

And they are often right in spite of the fact that they are not elected. If being elected were a guaranty of . . .

Hon. Eymard G. Corbin: Would you allow me to intervene, Senator Gigantès?

Senator Gigantès: Of course, Senator Corbin.

Senator Corbin: I noticed earlier that Senator Simard insisted that you speak French. I would like to point out that he is now reading an English newspaper while you are speaking French!

Senator Simard: I raised questions . . .

Senator Gigantès: He must improve his «franglais». How else other than in reading English from time to time.

Cheers! It is only water, not gin. Churchill was said to have gin in his glass, but he never had gin, just water. He took delight in spreading the rumour he drank gin.

Finally, not only did you infringe upon the minority's privilege which is the keystone of democracy, but you have massively corrupted the media's way of thinking with lies about the matter, with sometimes tearful and excessively emotional preaching, bleeding hearts—some of you will reap sorrow. You wax indignant, you spread rumours.

You are telling lies that will hurt the political health of Canada for years and years to come. You have been totally indifferent to the political health of this country.

You are carrying a heavy burden of culpability. That burden will eventually break you.

I was saying earlier that there is evidence everywhere that the people are deserting you, even where you were the safest. Even in your western strongholds, people are turning their backs on you with repulsion and disgust because you showed you have no respect for the key democratic principle, the right to vote. And you defended your Prime minister's arrogant and self-centered behaviour by spreading lies and deceiving the media. Some of you may be sincere, although your sincerity is misplaced. But the rest of you who know what they are doing will have to take a generous share of the blame for the terrible state in which this country will be during the next two years, with a government that has become a lame duck, thanks to the underhandedness of its Prime Minister and the ensuing lack of respect throughout this country for the Prime Minister when he will have to discuss the future of this country with Quebec, when he will have to negotiate a new constitutional accord with the provincial premiers of this country.

The federalist option will be defended by a person for whom this country and the provincial premiers have no respect, someone who cannot be trusted because he has violated the privileges of so many people, so many times. The latest example of an infamous series of deplorable actions is what happened last Thursday.

I think I will give you a short reading from the Gospel, so that you can listen to words that are more eloquent and moving than my own. I will use the King James version, which as a translation is not as good as the more modern translation, because at the time, when the King James version was made by translating the Bible of Ptolemy III from the ancient Greek, it did not include certain papyrus rolls that were found subsequently and which have been used to correct certain passages, mostly in the Old Testament. Nevertheless, the text has beauty and rhythm. So now I will read you Elijah's message to Ahab.

[*English*]

> Now it came to pass *after* many days that the word of the Lord came to Elijah, in the third year, saying, "Go, present yourself to Ahab, and I will send rain on the earth."
>
> So Elijah went to present himself to Ahab; and *there was* a severe famine in Samaria.
>
> And Ahab had called Obadiah, who *was* in charge of *his* house. (Now Obadiah feared the Lord greatly.
>
> For so it was, while Jezebel massacred the prophets of the Lord, that Obadiah had taken one hundred prophets and hidden them, fifty to a cave, and had fed them with bread and water.)
>
> And Ahab had said to Obadiah, "Go into the land to all the springs of water and to all the brooks; perhaps we may find grass to keep the horses and mules alive, so that we will not have to kill any livestock."
>
> So they divided the land between them to explore it; Ahab went one way by himself, and Obadiah went another way by himself.
>
> Now as Obadiah was on his way, suddenly Elijah met him; and he recognized him, and fell on his face, and said, "*Is* that you, my lord Elijah?"
>
> And he answered him, "*It is* I. Go, tell your master, 'Elijah *is* here.'"
>
> Then he said, "How have I sinned, that you are delivering your servant into the hand of Ahab, to kill me?
>
> "*As* the Lord your God lives, there is no nation or kingdom where my master has not sent someone to hunt for you; and when they said, '*He is* not *here*,' he took an oath from the kingdom or nation that they could not find you.
>
> "And now you say, 'Go, tell your master, "Elijah *is here*"'!
>
> "And it shall come to pass, *as soon as* I am gone from you, that the Spirit of the Lord will carry you to a place I do not know; so when I go and tell Ahab, and he cannot find you, he will kill me. But I your servant have feared the Lord from my youth.
>
> "Was it not reported to my lord what I did when Jezebel killed the prophets of the Lord, how I hid one hundred men of the Lord's prophets, fifty to a cave, and fed them with bread and water?
>
> "And now you say, 'Go, tell your master, "Elijah *is here*,"' and he will kill me!"

> Then Elijah said, "As the Lord of hosts lives, before whom I stand, I will surely present myself to him today."
>
> So Obadiah went to meet Ahab, and told him; and Ahab went to meet Elijah.
>
> Then it happened, when Ahab saw Elijah, that Ahab said to him, "*Is that* you, O troubler of Israel?"
>
> And he answered, "I have not troubled Israel, but you and your father's house *have*, in that you have forsaken the commandments of the Lord, and you have followed the Baals.
>
> "Now therefore, send *and* gather all Israel to me on Mount Carmel, the four hundred and fifty prophets of Baal, and the four hundred prophets of Asherah, who eat at Jezebel's table."
>
> So Ahab sent for all the children of Israel, and gathered the prophets together on Mount Carmel.
>
> And Elijah came to all the people, and said, "How long will you falter between two opinions? If the Lord *is* God, follow Him; but if Baal, then follow him."

In other words, you cannot catch fish and cut bait at the same time, which was one of the basic defects of the Meech Lake flummery.

> Then Elijah said to the people, "I alone am left a prophet of the Lord; but Baal's prophets *are* four hundred and fifty men.
>
> "Therefore let them give us two bulls; and let them choose one bull for themselves, cut it in pieces, and lay *it* on the wood, but put no fire *under it*; and I will prepare the other bull, and lay *it* on the wood, but put not fire *under it*.
>
> "Then you call on the name of your gods, and I will call on the name of the Lord; and the God who answers by fire, He is God." So all the people answered and said, "It is well spoken."

The Lord God brought the fire to prove that the true God was telling the truth, and that the false prophets who lied, who mislead the public, those who go to lie to the press and create confusion and doubt, have sinned, as truly as any of the sinners described in the Bible. You have sinned against your oath of office. You have sinned against the Constitution. You have sinned against democracy. You are taking away from the people of Canada the privileges of the minority, privileges without which a democracy cannot function. That is what was done last Thursday by the government. It was a heinous and symbolic act. You have created damage from which this country will have great difficulty recovering. Frankly, I do not think it will recover. I believe you have killed it. Within two years this country will have split, because it will have at its head for the next two years—God help us—people who have shown themselves to be "indignes" of their charge, their office, the honour to represent the people of Canada, whether through election or appointment, in a chamber such as this or in the House of Commons, people who basically have proven themselves unfit for the jobs they perform because they have no respect for the basic essence of the rules by which we govern ourselves.

• (0000)

October 10, 1990

Last Friday you forced me to shame myself. I said to myself, "Can I forgive them, because they are only puppets?" But Pinocchio cut his strings. What are you waiting for? Thank you.

Senator Frith: Honourable senators, I should like to say to all honourable senators, particularly to the stenographers, the pages, Mr. O'Brien and the staff generally, that we will support a motion to adjourn at any time. If we are staying here now, it is because the government is keeping us here. If you think that is a joke, move your motion for adjournment. Let that be clear. I hope the stenographers will understand that we are prepared to support a motion to adjourn at any time in these proceedings, which would bring us back here tomorrow at 2 p.m. The cruelty here is being imposed by the government—just so that is perfectly clear. Incidentally, that offer will not be withdrawn. You are scoffing and snickering at it now, but we will be quite glad to support that motion when the government sees fit to allow the staff to have a break.

Senator Barootes: Not one of us has spoken throughout this whole day.

Senator Frith: Honourable senators, a good deal of the controversy that is now before us is caused by the question of the rules. Despite the bickering that is going on now, I believe there are some very big people—men and women—on the opposite side. I will ask them again whether they are prepared to be big enough to admit that they were wrong to go to such iniquitous lengths to try to ram through this iniquitous legislation. I do not expect them to think it is iniquitous. Their opinion, of course, is that it is not. Whether it is or not, are they prepared to admit that they are wrong to do that? I believe there are some who are prepared to accept the fact, or at least are thinking about accepting the fact, that they are wrong. People make mistakes. I have made plenty of mistakes.

Senator Simard: Classic or unclassic?

Senator Frith: I have made all kinds of mistakes, classic and unclassic. What is an unclassic mistake? That is an interesting thought.

Senator Simard: Work on it.

Senator Frith: Please feel free to interrupt and ask questions.

Senator Simard: The filibustering is on your side. Go ahead! We can wait all week.

Senator Frith: Tell us about it. Go ahead!

Senator Simard: No, you have the floor.

Senator Frith: Thank you. They were wrong to go to the length of plotting to corrupt the Speaker—to ignore the rules, break the rules, encourage the Speaker to do so, and participate in the whole thing. Unless something is done about it, and

unless they are prepared to admit they are wrong, including Senator Charbonneau, then there is no way to avoid the fact that every one of their names is recorded in Canadian history and will be turning up forever in stories, studies, Masters theses, and papers. You will be able to tell your children, and they will tell their children and grandchildren that they were members of the gang or group of 54. We will call them a gang, but if they changed their minds they would not be so called. They could change their black place in history to a shining place in history by not only admitting that they were wrong, and therefore correcting their mistake, but they would be entitled to the celebrity and congratulations of being big enough to change their mind. I ask them that and I will ask again, because I cannot believe that every single one of the 54—was it 54? I have the official vote here—participated in such an act and will be judged by history as having done so. It is never too late to admit that you were wrong.

Honourable senators, a good deal of the proceedings in which we have been engaged in the last few days has been as a result of a brazen breach of the rules. It would be a good idea for us to turn our attention to those rules, because obviously they have been ignored by the Speaker and members opposite who participated in that infamous vote.

Senator Simard: What about the deal you struck last week?

Senator Frith: What deal?

Senator Simard: That orders 1, 2, 3 and 4 be postponed.

Senator Frith: Yes.

Senator Simard: That does not count. That was just a lie. Another broken promise. That is fine; we understand that.

Senator Frith: The understanding was very clear.

Senator Lefebvre: Stand up and speak up.

Senator Frith: No, we will let him stay seated and talk if he wants to.

Senator Hastings: Blather, blather, blather.

Senator Simard: We know it, and more people know it now. The problem with you Grits is that you are manipulating.

Senator Lefebvre: Stand up.

Senator Simard: You cannot trust a Grit. If you were man enough, you would sit down and let Senator Murray speak. You have not allowed him to say one word since last Wednesday.

Senator Frith: Senator Simard is consistent—consistently wrong. If he paid any attention, he would know that before I stood up—you will not like to hear this, Senator Simard.

Senator Simard: We heard that.

Senator Frith: Will you listen?

Senator Simard: Yes.

Senator Frith: Before I stood up I looked at Senator Murray and said, "Do you want to speak?" He said, "No, you go ahead." You are wrong again.

Senator Simard: Not according to him.

Senator Frith: Ask your leader. Did I not offer to let him speak? He will have to agree, because that is what happened.

If you want to talk about that deal, the understanding was very clear. The understanding was that we would have the motion put on Bill C-62. We would the commence a fresh sitting starting at the beginning of the Order Paper, and Order No. 5 would return to its position as No. 5 after the other four orders. That is precisely what happened.

Senator Barootes: Where are we on the Order Paper? Where are we? Do you want me to do a Gigantès and stand up?

Senator Frith: Senator Barootes, you have asked that question twice. Do you want to continue to ask it, or do you want me to deal with it? Please ask it as often as you like.

Senator Simard: Just speak on Order No. 1.

Senator Barootes: Are we on Presentation of Petitions?

Some Hon. Senators: No.

Senator Barootes: Are we on Reading of Petitions?

Some Hon. Senators: No.

Senator Barootes: Are we on Reports of Committees?

Some Hon. Senators: No.

Senator Barootes: Are we on Notices of Inquiries?

Some Hon. Senators: No.

Senator Barootes: Are we on Notices of Motions?

Some Hon. Senators: No.

Senator Barootes: We are nowhere.

Senator Frith: You have got it, and you are nowhere. Senator Barootes is the best official spokesman you have ever had.

Senator Lefebvre: Any more questions?

Senator Frith: For the record, we are at the beginning of a fresh sitting on a point of privilege.

Senator Barootes: That is it. Is it the same one as last week?

Senator Hastings: Yes, the ones you initiated last week. They were good.

Senator Frith: Let us look at the rules.

Senator Hastings: We put up with you for three days.

Senator Barootes: Excuse me, I apologize for interrupting.

Senator Frith: I have here the *Rules of the Senate of Canada*, *Règlement du Sénat du Canada*, March, 1990. The explanatory note says:

> The changes in the *Rules of the Senate of Canada* since the printing of the 1983 edition are as follows:

• (0015)

These are from the first full edition since the reprinting of the 1983 edition. It points out on page one, for example, that

Rule 5(b) was changed February 13, 1990, and so on. So anyone who wants to know the history of these changes will find them there.

Then we come to the table of contents which organizes the rules under the headings of Parts: PartI: Interpretation, Part II: Routine of Business, Part III: Notice, Part IV: Voting, Part V: Petitions and Bills, Part VI: Committees, Part VII: Private Bills, Part VIII, General.

Then there is—and these are important, as we found out—Appendix I: Forms and Proceedings, and they start at page 46 and finish at page 74, so they include the very important and significant page 70, but we will come to that in due course.

Then they have Appendix II: Provincial Representations to Senate Committees, Appendix III: Procedural Guidelines for the Financial Operation of Senate Committees and Appendix IV: Cabinet Ministers Being Members of Senate Committees. They are also organized on the basis of English on the left and French on the right and are bound in loose leaf form.

Part I, Interpretation, brings us to Rule 1, a rule that has played a very important role in our proceedings these last few days. The margin note reads, "Procedure in unprovided cases." Rule 1 reads:

In all cases—

Senator Forrestall: Is that the first time you have read it?

Senator Frith: No. I have not read every rule 20 times, but I would say that I have read most of them.

Senator Forrestall: I notice that you have never read 49 or 50, or page 70.

Senator Frith: What?

Senator Stanbury: Look who is talking.

Senator Frith: I never read them? The new expert read it before he came over. He had read page 70, and yet he came in here and voted. Is that what Senator Forrestall is saying?

Senator Forrestall: What is more, I understood it before you did, and you have been here for years.

Senator Frith: Oh, you did, did you? You understood it well enough to come in here and vote in breach of it!

Senator Forrestall: It has been quoted *ad nauseam.*

Senator Frith: You look a bit nauseous, I must say!

Senator Forrestall: I am not.

Senator Frith: That is good news, because you look it.

Senator Forrestall: You are!

Senator Frith: Anything more, Senator Forrestall?

Senator Forrestall: No, I'll listen to you all night; go ahead, sir.

Senator Frith: Rule 1 reads:

> In all cases not provided for—

and we are starting at Rule 1.

[Senator Frith.]

Senator Forrestall: Good, you might be able to make some improvements on these abominable rules—

Senator Frith: You will remember that in "Alice's Adventures in Wonderland" Alice said something—

Senator Forrestall: —rules that you fellows have allowed over the years.

Senator Frith: You have an interesting way of listening, senator. Alice said something like, "I don't know where to begin", and I think it was the Queen of Hearts who said, "Start at the beginning and when you come to the end, stop." Rule 1 reads:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

So are votes unprovided for? No. As Senator Forrestall has said, that is dealt with in Rules 49 and 50 and on page 70. I agree with you. Let us look at the connection between the two.

Before we go to page 70, let us look at what it says at the beginning of the Appendix. This Appendix was approved by the Senate before some of those opposite were here. It is headed, "Forms and Proceedings" and it begins with these words:

> (*This appendix is a general description of Senate practice and is included in this volume as a source of information on the customs, usages, forms and proceedings of the Senate referred to in Rule 1.*)

So the direct connection is made. It says in Rule 1:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

Then if you turn over to the Appendix—and it says that this is exactly to where you should turn—it does not say that you should go to any other House but that if you are looking for the answer to a question arising under Rule 1, you are in the right place if you turn to page 48 and read through; and if you are looking for an answer to a question on votes, then you go to page 70. So the whole system is clearly interlocked, and no matter where you start and no matter where Senator Charbonneau would have started or where Senator Murray or Senator Forrestall or anyone else might have started, they had to end up on page 70. All rules in the question of votes, starting at Rule 1 or any place else, lead to page 70. If you are looking at votes, it leads you to rule 49 and rule 50, as Senator Forrestall has said, and then it leads you directly to page 70, as he has also said, because he has apparently read these excerpts before he came in here, and deliberately ignored them.

The marginal note on rule 2 reads "No implied restrictions."

[*Translation*]

Hon. Gildas L. Molgat: May I ask a question?

Senator Frith: Certainly.

Senator Molgat: I noticed you are quoting the rules one after another. Would it not be useful to do the same thing in French to make things clearer still? You have read Rule 1 in English. It seems to me you could read it in French.

Senator Lefebvre: Absolutely.

Senator Frith: We can make a comparison and try to find out whether both versions say exactly the same thing. So, in Part I under Interpretation, the English text reads "procedure in unprovided cases" while the French version reads "procédure dans les cas non prévus". I think that is acceptable.

Here is how the provisions of Rule 1 read, in English this time:

[*English*]

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

[*Translation*]

In French it goes like this:

> Dans tous les cas non prévus par le présent Règlement, les coutumes, usages, formules et procédures de l'une ou l'autre Chambre du Parlement du Canada doivent, dans la mesure du possible, être observés par le Sénat et ses comités.

That is good, I think it is concordant.

Because appendix 1 was referred to in English we must keep in mind the beginning of appendix 1, in English.

[*English*]

> (*This appendix is a general description of Senate practice and is included in this volume as a source of information on the customs, usages, forms and proceedings of the Senate referred to in Rule 1.*)

[*Translation*]

Senator Frith: In French now:

> (*Cette Annexe décrit, dans ses grandes lignes, la pratique du Sénat et est insérée dans ce volume en tant que source de renseignements sur les us, coutumes, formules et procédures du Sénat mentionnés à l'article 1 du Règlement.*)

Again it says exactly the same thing.

[*English*]

Let us now go back to Rule 2 and the margin note, which reads, "No implied restrictions." The rule reads:

> Except so far as is expressly provided, these rules shall in no way restrict the mode in which the Senate may exercise and uphold its powers, privileges and immunities.

Let us then check the French.

[*Translation*]

It reads as follows:

> Sauf prescription expresse, le présent Règlement ne restreint aucunement la façon dont le Sénat peut exercer et maintenir ses pouvoirs, privilèges et immunités.

Same thing again.

[*English*]

What does that mean and what is important in that rule for our present consideration? It starts off by saying, "Except so far as expressly provided . . ." On the specific question of the infamous vote, the rules and the appendix that is there for our assistance provide. Then the rule goes on to say, ". . . these rules shall in no way restrict the mode in which the Senate . . ."; notice that it is not the Speaker,". . . may exercise and uphold its powers, privileges . . . , and we are now talking about a privileged matter before the Senate, ". . . and immunities." So that rule is of importance to our deliberations.

I should underline that there is no restriction on the motion and the Senate may exercise and uphold its powers, and no provision under which the Speaker may try to exercise and uphold his own imagined powers.

The margin note beside Rule 3 reads "Suspension of rule." Rule 3 reads:

> Notwithstanding anything in these rules, any rule or part thereof may be suspended without notice by leave of the Senate, the rule or part thereof proposed to be suspended, and the reason for the proposed suspension, being distinctly stated.

[*Translation*]

In French it goes like this:

> Nonobstant toutes dispositions du présent Règlement, avec la permission du Sénat, toute règle peut être, sans préavis, suspendue en tout ou en partie, à condition que soient bien précisées la règle ou partie de règle de même que les raisons de la suspension ainsi visée.

Is that any better, Senator Lefebvre?

● (0030)

[*English*]

So let us have a look at how that might be relevant to the infamous vote. Again, it is "Suspension of rule". Let us take it part by part.

> Notwithstanding anything in these rules, any rule or part thereof may be suspended without notice—

So far, you might think that the Speaker had suspended a rule. Was that what he thought he was doing?

Senator Lefebvre: He might have.

Senator Frith: He might have thought he was suspending a rule, or any part of it, and that he was doing it without notice. There is some evidence to support that because he did not give notice. He certainly did not give proper notice, but he might say, "I did not have to give notice because it says, 'Notwithstanding anything in these rules, any rule or part thereof may be suspended without notice' . . ." So if I am taking a case for him, so far I am making a pretty good argument that the infamous vote was foisted upon us, upon the nation, and upon Parliament because he was exercising what he thought were

rights under Rule 3. Unfortunately, he then runs smack into the next words:

by leave of the Senate . . .

So was he thinking that the leave of the 54 was the only leave that he needed? Would he not have been well advised to turn over to the interpretation rule, which is Rule 5, and see what "leave of the Senate" means? It means:

. . . leave granted without a dissenting voice;

He never asked for that leave. He knows very well that if he had asked for that leave, he would have had plenty of dissenting voices. He could, if he had had the Senate in session, have asked for leave to suspend that rule—or someone could have—but the Senate would have had to have given unanimous consent.

Now, I am trying to make out a case for him, and he has no case because you will remember that in his letter, he never referred to anything as any authority for what he did. You remember what his letter said. It simply said it was because of some breakdown or other, not because of any rule. He never cited Rules 49 and 50, as Mr. Forrestall loves to do. He made no reference to the rules at all. So it was clear that he was not relying on Rule 3, and even if he had, of course, it was a hopeless cause.

Senator Barootes: What about Rule 15?

Senator Frith: Yes, I will come to 15.

Senator Hastings: After 14.

Senator Frith: We are taking them one by one to try to find out if there is any single rule in this rule book which, even though he did not know about it, could possibly justify what it was that he did.

Senator Lefebvre: Could I ask the honourable senator a question?

Senator Frith: Certainly.

Senator Barootes: A soft lob! A slow pitch!

Senator Lefebvre: While we are going through this exercise, not only to find out if the honourable Speaker made a mistake and forgot about a certain rule, I think, Senator Frith, you are doing an excellent thing by taking all the senators through the rules, because some of us may have forgotten some of them along the way.

Senator Simard: You never knew the rules.

Senator Lefebvre: It is an excellent exercise and I wish to congratulate you, sir, for doing it.

Senator Barootes: We are eternally grateful to you!

Senator Simard: You would not know a rule if you met it on the street.

Senator Hastings: Quiet, children!

Senator Lefebvre: It is obvious from the shouting from the other side that they do not understand the basic rules of parliamentary procedure.

Senator Frith: Thank you, Senator Lefebvre.

[Senator Frith.]

Senator Hastings: Listen, Staff, listen!

Senator Frith: I want to thank Senator Barootes for saying that he would be eternally grateful. Actually, he does not need to be grateful for all eternity; just until December 31 will do quite well, thank you.

Senator Simard: May I ask a question?

Senator Frith: Yes, of course.

Senator Lefebvre: Stand up, please.

Senator Simard: Why will you not honour the deal that was struck last Friday night? Answer that one. Secondly, why did you wait until 12:00 o'clock tonight, you and your crowd, your gang, to invite Senator Murray to speak? Is this the new gentleman's way of doing things over there?

Senator Hastings: We learned it from you, after listening to you all July. Poor Senator Murray could not speak!

Senator Frith: The first question was why I will not honour the deal? The answer to that is simple: I am.

The second question was why did I wait until midnight to ask what?

Senator Simard: To ask Senator Murray if he would like to speak.

Senator Frith: Because I was about to speak at that time and I asked him if he wanted to go first. That was my opportunity.

Senator Simard: May I ask another question?

Senator Frith: You can ask them through all eternity, but December 31 will be long enough.

Senator Simard: You said you could not do anything about it until 12:00 o'clock because Senator Gigantes was speaking, and then your turn came up. Who is the leader over there? Surely you must have agreed to filibuster all day and make sure that, every time Senator Murray wanted to get up, he was shouted at and not allowed to speak. Who is the leader? Did you agree? Do you agree with this strategy, this Liberal filibustering? Since you are so good at talking about denying people the right to speak or to vote, why did you allow that? Why did you not permit Senator Murray to speak last Thursday, last Friday morning, last Friday afternoon, or, since the deal was struck, all day today, from 2:00 o'clock until quarter to 12? Why did you do that? Who is the leader? If there is no leader, then tell us and tell the press over there.

Senator Frith: Honourable senators, since we returned after the adjournment, we have had no intention of preventing Senator Murray from speaking, and at no time has anyone denied him the right to speak.

Senator Barootes: Yes, you did!

Senator Simard: You have been barking and shouting.

Senator Frith: No, that is not true. He has not stood up. If he wants to come in here and suggest he was stopped, I will say he was never stopped from speaking since we came back after the adjournments; never! In fact, we had discussions as to

when Senator Murray intended to speak? Does Senator Murray intend to speak? He is perfectly entitled, and he can come along any time and speak.

Senator Barootes: He rose in his place three times today, and each time, one of your people was up! Three times!

Senator Frith: They may have risen to speak, but we have been perfectly happy to have Senator Murray speak since the adjournment.

Senator Simard: Not true!

Senator Frith: That is a decision that was taken by the leader. You are asking about the leadership? He is entitled to speak. I offered to let him speak before I spoke—

Senator Simard: At 12:00 o'clock tonight!

Senator Frith: —and there was nothing to stop him speaking.

Senator Simard: You are playing games again!

Senator Frith: No. You would like to think so, but we were not. It is just a fact. I know that answer does not suit you, and, therefore, you are ignoring it.

Senator Simard: It is in the record. We know.

Senator Frith: It is the truth that we have not been attempting, since we came back from the adjournment, to prevent Senator Murray from speaking. He is quite welcome to speak whenever he is ready.

Senator Simard: Of course, you were away for three hours.

Senator Frith: We are now up to Rule 4, "Former rules repealed":

> All rules of the Senate in force up to the day on which the present rules come into force are repealed.

In french:

[*Translation*]

> 4. Sont abrogés toutes règles du Sénat qui étaient en pratique jusqu'à l'entrée en vigueur du présent règlement.

[*English*]

I cannot find anything in there that would support the infamous vote. So let us go on to the definitions. These will be important to us when we examine the other rules to try to discover whether there is anything, one single thing, in this rule book to support the Speaker, or whether it is true, as we contend, that the rule book was thrown out the window by the Speaker, the very man who is there to uphold it. However, even though the Speaker is not aware of it, let us see if we can find anything in the rule book, any single rule or part of a rule that might help him. Certainly, the fact that "All rules of the Senate in force up to the day on which the present rules come into force are repealed" is not any help to him.

Let us move on now to Rule 5, "Definitions":

> In these rules, unless the context otherwise requires,

and in French:

[*Translation*]

> 5. Dans le présent Règlement, à moins que le contexte n'en dispose autrement:

[*English*]

The translation seems to me to be good. That rule continues:

> (*a*) "bill" means a draft Act of Parliament and includes both a private and a public bill;

In French:

[*Translation*]

> *a*) «projet de loi» signifie un projet de loi du Parlement et comprend tant un projet de loi privé qu'un projet de loi public;

[*English*]

Good. I think that concords very well and is of no help to support the infamous vote or the infamous lockout. Continuing:

> (*b*) "committee" means a committee of the whole, a select committee, whether standing, special or legislative, or a joint committee;

In French:

[*Translation*]

> *b*) «comité» signifie un comité plénier, un comité particulier (soit permanent, soit spécial ou législatif) et un comité mixte;

[*English*]

The only difference there is that some of the words are enclosed in a bracket in the French, but not in the English. However, that is of no help to support the lockout of the opposition.

> (*c*) "Committee of the Whole" means a committee composed of the whole body of the senators;

In French

[*Translation*]

> *c*) «comité plénier» signifie un comité composé de l'ensemble des sénateurs;

[*English*]

I hope that Senator Simard—

Senator Simard: Is this a new type of leadership? You have to read French and English?

Senator Frith: You will have to make that decision, sir.

Senator Simard: I am just asking the question. I know what leadership you guys are providing. I just want you to reflect on it for a minute. Just reflect on it.

Senator Frith: You want me to reflect for a few minutes?

Senator Simard: On this type of leadership.

Senator Frith: You want me to reflect?

Senator Simard: Take a pause.

Senator Frith: I am reflecting.

Senator Simard: Okay. Now you can go. If you have not found the missing link there, you had better.

Senator Barootes: That was the best 30 seconds of your speech so far!

Senator Frith: A golden silence, was it not? A golden silence. I want to tell you that, just as we are prepared to support a motion for adjournment at any time, and we are prepared to listen to any of those of you opposite who are prepared to repent, I am also prepared at any time to have a pause of whatever length you like for another golden silence.

Senator Simard: Take another one!

Senator Frith: Please just ask.

Senator Simard: Take another one!

Senator Frith: It could be like that from now until 2:00 o'clock, if you would simply move a motion of adjournment.

Senator Phillips: Tell us about the fashion show, Madame Pompadour.

Senator Frith: What was that?

Senator Phillips: Tell us about the fashion show.

Senator Frith: What fashion show?

Senator Phillips: I thought you were modelling tonight.

Senator Frith: No, I never was, and I never intended to. Is there anything else you would like to know?

Senator Phillips: No.

Senator Simard: Be quiet. He is reflecting.

Senator Frith: Isn't this nice?

Senator Hastings: You could do this until December 31.

Senator Frith: This is what they call killing time. It gives the reporters a bit of a rest, too.

• (0045)

Just so the next silence will be equally golden, I will punctuate it with some continuation of trying to help the Speaker find a possible rule that might help him. We were dealing with Paragraph (*c*) "Committee of the Whole". Now we come to Senator Doody, Paragraph (*d*) which states:

> "Deputy Leader of the Government in the Senate" and "Deputy Leader of the Opposition in the Senate"...

That is interesting, senators. I meant to make an offer to Senator Simard, while I am making comparisons of concordance between the French and English. Since his French is much, much better than mine, he would be of some help to us. However, I see that he is decamping.

Paragraph (*d*) states:

> "Deputy Leader of the Government in the Senate" and "Deputy Leader of the Opposition in the Senate" mean the senators occupying, respectively, the recognized positions of Deputy Leader of the Government in the Senate...

I was just thinking what a great compliment Senator Phillips paid me by describing me, with the amount of hair I have, as Madame Pompadour. He is either blind or crazy.

> "Deputy Leader of the Government in the Senate" and "Deputy Leader of the Opposition in the Senate" mean the senators occupying, respectively, the recognized positions of Deputy Leader of the Government in the Senate and Deputy Leader of the Opposition in the Senate;

[*Translation*]

> *d*) «Le Leader du Gouvernement au Sénat» et «le Chef adjoint de l'Opposition au Sénat» s'entend des sénateurs occupant, respectivement, les postes reconnus de Leader reconnus de Leader adjoint du Gouvernement au Sénat et de Chef adjoint de l'Opposition au Sénat;

[*English*]

There is nothing there of any help to support—

Senator Lefebvre: What about Leader of the Opposition?

Senator Frith: Did I miss something? I have not come to that yet. I have just dealt with Deputy Leader of the Government in the Senate and Deputy Leader of the Opposition in the Senate means the senators. Therefore, the concordance is acceptable and there is nothing there to support the infamous lock-out vote. Paragraph (*e*) states:

> "Government Leader in the Senate" means the senator occupying the recognized position of Leader of the Government in the Senate or a senator acting for that senator;

Senator Lefebvre: That is my question. What about the Leader of the Opposition in the Senate?

Senator Frith: I believe that is referred to in the Parliament of Canada Act. We will have to check that. That is of no help.

Since it is quite evident that the Government Leader in the Senate was very actively engaged in the whole arrangement and the rigging of the lock-out vote, one might think there might be some help here; he might be able to blame it on the Government Leader. Paragraph (*e*) simply states:

> "Government Leader in the Senate" means the senator occupying the recognized position of Leader of the Government in the Senate or a senator acting for that senator;

[*Translation*]

> *e*) «Leader du Gouvernement au Sénat» signifie le sénateur qui occupe le poste reconnu de Leader du Gouvernement au Sénat, ou un sénateur qui agit en son nom;

[*English*]

Concordance is good, but there is no help to support the lock-out vote.

Paragraph (*f*) states:

> "inquiry" means the procedure whereby a senator, after giving notice in accordance with Rules 43 and 44, calls the attention of the Senate to a particular matter for the purpose of informing the Senate of that matter or having it considered or examined by the Senate;

[*Translation*]

> *f*) «interpellation» signifie la procédure par laquelle un sénateur, après avoir donné avis conformément aux règles 43 et 44, appelle l'attention du Sénat sur un sujet particulier dans le but d'informer le Sénat sur ce sujet ou de faire étudier ou examiner par le Sénat le sujet en question;

[*English*]

Although the words are in quite different order, Senator Lefebvre, I think that concords very well and there is nothing there to help in the infamous lock-out vote.

I do not intend to turn over to Rules 43 and 44, but they are referred to as "after giving notice in accordance with Rules 43 and 44". When we come to Rules 43 and 44, they will deal with the whole question of notice and we will be able to see them in their context, having by then dealt with a number of matters that are referred to in those sections.

In fact, as I mentioned at the beginning, Rule 43 is the first rule in Part III, Notices, so we will come to that. We might find something there to help Senator Charbonneau. I doubt it, but we might. At least we will know that we have combed all of the rules and we have tried to find any single possible authority for the outrageous acts of Thursday.

Part I, Paragraph (*g*) states:

> "joint committee" means a committee composed of members of the Senate and of the House of Commons;

[*Translation*]

> *g*) «comité mixte» signifie un comité mixte du Sénat et de la Chambre des communes;

[*English*]

There is nothing there of any help.

Paragraph (*h*) states:

> "leave of the Senate" means leave granted without a dissenting voice;

He certainly did not have leave of the Senate, because that means leave granted without a dissenting voice. It was never even asked for, and would certainly not have been granted if it had been asked for. It is unimaginable that anyone, except the 54 who participated in the vote, would give leave to have a vote held in their absence.

We know there was no intention to ask for leave, because we know the whole thing was planned, as we found out from Senator Pitfield today. In law, if someone were charged with murder, which is close to what was done in the parliamentary metaphor, the words used would be "premeditated, cold-blooded, planned". Is there any justification for using those words: "Cold-blooded, premeditated and planned?" Yes, there is. Senator Pitfield, we notice, was sitting when the bells started to ring and spoke to one of the 54 and one of the 54 spoke to him. At that stage when the bells had just started ringing, and before he had even risen, he was told that he had better stay pretty close because the Speaker was about to call them back. So everybody over there knew about it. There was no question at all of asking what was happening. There is no possibility for a plea of innocence or an absence of evil intent.

Sometimes when people are charged with such heinous offences in court, one argues that there must be what is called *mens rea* which means a guilty mind, an evil intent, a deliberate intent to break the law. We now know that not one of the 54 can plead as a defence that they knew not what they did, because it was all planned.

Senator Simard: Senator Frith, would you allow questions?

Senator Frith: Not until I am through with this point, sir.

Senator Simard: I will take your word now.

Senator Frith: I will entertain a question, even from someone with such a clear attempt to break the rules as Senator Simard and every one of his 53 cohorts. I will allow that question but not right now.

I want to make it clear, senator, that there is not one single possibility. We can now fit all the pieces together. However, there was one little gap. If you remember, what we knew was that Mr. Wilson, General Wilson, had a plan, "And that's not just bravado, Mike", he said to Mr. Duffy. "Michael, buddy, don't worry, that's not bravado, a humble man like me, Mr. Wilson." I suppose Mike Duffy said, "That's okay, Mike, I understand, Mike, a nice, quiet, unaggressive person like you, Mike, you wouldn't say it as a result of bravado. No one would accuse Mike of bravado, would you, Mike? No, I wouldn't, Mike."

So they were "Miking" away at each other and he said, "I have a plan and I'll get that bill through that place by next week." He probably did not say it that strongly, because that sounds like a little bravado. He probably said it very meekly, to be sure that no one thought it was bravado. If one can picture Mike Wilson saying to Mike Duffy, "I'm a very humble man, but I will have it through there by the end of next week, but that's not bravado, Mike".

Senator Simard: You are a poor actor.

Senator Frith: You are a very accomplished, bad actor which is a different thing. You understand that? That means bad actions; that is what a "bad actor" is.

Senator Simard: Would you allow my question now?

Senator Frith: Not yet, sir; be patient.

Senator Simard: Another broken Liberal promise!

Senator Frith: The first sign we have of the plot was Mike, without bravado, saying that he was going to get it through

this place. That is the bill, the legislation, you understand. It was not a matter of saying that he knew how to handle the opposition. The implication was that he could do that; that he could overrun the opposition and get the bill through.

Some of us were asked how he could do that. We said that he could not do that under the rules; there was no doubt about that. However, if one was prepared to break the rules, which is in fact what I said, what could be done about that? There is no defence against someone simply trampling the rules and actually corrupting the Speaker into doing that. But what a wild thought, and it did not seem very possible. That is the first sign we got.

The next sign was when we started to deal with the business and I thought that Senator Murray and Senator Doody jumped up rather quickly. In fact, they jumped the gun, if one reads the *Debates* of the Senate. I will find that part. It is quite interesting, because it was another twitch.

Incidentally, as a companion piece to all of this, we have the entity sneaking through the tunnel and the attempt to swear them in secretly and not in the house. There was all of that business and the motions.

Here is what happened, as reported at page 2342 of the *Debates of the Senate*. I said:

> "I move that the Senate do now adjourn."

Without waiting, Senator Murray then said:

> "When Your Honour calls the division on this matter, my colleagues and I will be standing and calling for a recorded vote."

● (0100)

He could not wait. It was clear that the plot was then in motion.

The rest has been referred to; that is, receiving the letter and there being no time. I came down with my letter, trying to give it to the Speaker to say that he had no right to do what he had done, but the doors were locked. It was deliberate. Not only was a half hour given, no one else was notified of the clearly premeditated crime which was about to be committed. It was a parliamentary crime; I could not put it any better.

Senator Barootes: That was about the time that Senator Petten came in and cleared all the Liberal senators out of their seats and told them to get out.

Senator Frith: There is no doubt at all that Senator Petten was not ready to come in, in the same way as Senator Phillips has often said in the time I have been here, "No, I am not ready to come in," and has refused to come in. He probably came in and cleared people out, too.

Senator Barootes: Senator Petten cleared them out. He did not want to have them called found-ins.

Senator Frith: Yes, your whip has done the same thing. He has told the found-ins to get out. That is what he is entitled to do.

Senator Simard: You all received notice. Senator Fairbairn was on the telephone with you. You had received notice.

Senator Frith: What does that have to do with it? I will tell you what it has to do with it. I notice that you conveniently ignored the fact that the rule is that the whips have to be ready to come in, including your whip. Can anyone who has been here for the last few years imagine what Senator Phillips would have felt like if Senator Petten had come in and participated in a vote? I do not know how Senator Phillips could have participated in that vote when, as a party whip, he has said that there will be no vote until he comes in. Senator Phillips has said that, and no one has ever quarrelled with him.

I very clearly remember a time when there was a vote forced, during the time when Senator Flynn was leader. Senator John Macdonald was the whip and Senator Flynn made it quite clear, and so that I could hear him he said, "John, you go up and have a nice night's sleep". I knew what that meant. Quite obviously, that comment meant that there would be no vote until Senator John Macdonald came back. I never had any doubt about that. Does anyone think that I would go to the Speaker or have the Minister of Finance go to the Speaker to say, "Look, John Macdonald is up having a sleep, so, obviously the system has broken down and we will have a vote when Petten comes in by himself".

The significant thing is that they just want to talk about the notice. The notice is irrelevant as to whether the vote can be taken or not. However, it is very relevant to the fact that this was something premeditated by every one of you. So did you all, each one of you, participate in it. Not one of you wandered in here by mistake and got caught innocently in this crime. You are all guilty—not just guilty by association in the crime but guilty because you all knew about it, as we now know from Senator Pitfield that he was told, "Stick close by. That is what we are about to do".

There is not one inch of room for anything except repentance because every one of you was involved in the crime.

Senator Davey: Would you say that the die was cast?

Senator Frith: I would say that it was cast. It was spilt all over the rug like blood.

We will therefore not consider the paragraph on "leave of the Senate" because it is clear that there was no leave of the Senate. No one wanted to ask leave of the Senate that, in order to be absolutely sure that the final evidence of the smoking gun or the dripping hands like Macbeth were concealed, the doors had better be shut five minutes earlier. After all, we might have come in. It is just like a planned bank robbery. Every step was planned. However, at the last minute in order to be absolutely sure, they slammed the doors five minutes early, even though their own bank robber's plan called for—

Senator Simard: Would you allow a question?

Senator Frith: No. Don't call me, I'll call you.

Let us quit kidding ourselves. You are not looking for information. Look at the way you are wagging your hand. You will get your question, and I will let you know when.

Senator Simard: Will it be before 7 or after 7?

Senator Frith: Certainly between now and December 31.

I will now deal with the meaning of "motion". Perhaps there was a motion. It states under "motion":

> —means a proposal made by a senator that the Senate or a committee thereof do something, order something to be done, or express an opinion concerning some matter;

[*Translation*]

> *i*) «motion» signifie une proposition que fait un sénateur à l'effet d'obtenir que le Sénat, ou un de ses comités, agisse en tel sens, ordonne l'accomplissement de telle chose, ou exprime une opinion sur tel sujet;

● (0115)

[*English*]

That read well as a translation. It means a proposal made by a senator that the Senate or a committee thereof do something, order something to be done, or express an opinion concerning some matter. It is clear there was no motion. There is nothing in that whole rule which would help the Speaker to justify his actions, or the actions of his co-conspirators.

Thus far, in the parliamentary sense, it is still an outright plain and simple crime.

> "ordered by the Senate" or any expression of like import means ordered by majority decision;

There was no suggestion that it had been ordered by the Senate. No order was made by the Senate.

[*Translation*]

> *k*) «ordonné par le Sénat», ou toute expression voisine de ces termes, signifie ordonné par décision majoritaire;

[*English*]

> "person" or any word or expression descriptive of a person, includes any body corporate or politic, and the heirs, executors, administrators or legal representative of such person, and words importing male include female persons;

[*Translation*]

> *l*) «personne», ou tout mot désignant une personne, comprend toute personne juridique et tout corps politique, de même que les héritiers, exécuteurs, administrateurs, ou mandataires de cette personne; et les mots désignant des personnes du sexe masculin s'appliquent aussi à celles du sexe féminin;

[*English*]

There is certainly no help there. There were both men and women involved in this particular crime. There is nothing in that rule which would authorize the action being taken.

> "petition" means a written prayer presented to the Senate, and includes all petitions whether relating to public or private matters, matters of general policy, or to redress of local or personal grievances;

[*Translation*]

> *m*) «pétition» signifie une prière présentée par écrit au Sénat et comprend toutes pétitions, qu'elles aient trait à des questions d'intérêt public . . .

[*English*]

Senator Simard: Will you allow a question?

Senator Frith: Sure.

Senator Simard: I have two questions to ask of Senator Frith. First, have you found the rule that applied on Septem-

ber 24 at the Banking committee which was dealing with Bill C-62? Will you continue your search if you do not find one?

My second question has several parts. It has to do with the September 24 meeting where you advised, bulldozed and gave authorization to your chairman, Senator Buckwold. Was the procedure and scenario at that meeting a cold-blooded plan? Was it as a result of evil intent? Was it a premeditated crime? Was it a bank robbery? My answer to the last series of questions is that it was.

Senator Frith: You are now answering your own question.

Senator Simard: Yes. Do you want to confirm, deny or explain? You can elaborate at length if you so wish. I have asked two questions.

Senator Frith: We will certainly go through and look for a rule in terms of that. Of course, we do not need one because of the fact that the Speaker ruled that it was in order. You can read his ruling. Do you want me to read his ruling?

Senator Simard: I am asking you. You were there. You tell us which rule applies.

Senator Frith: I have the Speaker's ruling here. We want to talk about the decision of September 24 and what led up to it. You have asked if there is a rule on that? My answer to your question is this:—

Senator Simard: What rules apply?

Senator Frith: We will look for specific rules. In the meantime, let me tell you that your question was answered by the Speaker. He stated, as reported at page 2341 of *Debates of the Senate*:

> On Tuesday, September 25, 1990, questions of privilege were raised by Senators Ottenheimer, Poitras, Robertson, Simard, David, Barootes and Doody. Many senators took part in the ensuing debates and I want to thank them all. I said I would examine the issues very carefully and that after reading the official report for that day I would make my ruling at the earliest opportunity. I am now ready to make my ruling.
>
> Many of the points raised by honourable senators had to do with the proceedings of September 24, 1990 of the Committee on Banking, Trade and Commerce. It was alleged that certain members of the committee had been prevented from performing their parliamentary duties. Some senators felt they did not have enough time to examine thoroughly the issues before them and said they had not had access to the committee's draft report on Bill C-62.
>
> Some senators found it unacceptable that committee staff were not available for the vice-chairman of the committee and other members. There were protests that a motion had been withdrawn without the unanimous consent of the committee and that no debate had been allowed on a given motion. Some senators were critical of the way the steering committee's sittings had been conducted and also of the manner in which the draft report was distributed more specifically, both versions of the report did not reach the senators' offices at the same time. There were also complaints that a draft report was released to the press before it was tabled in the Senate.
>
> It is the Chair's opinion that these points may be grounds for a grievance, but I do not think they are genuine questions of privilege. Beauchesne defines parliamentary privilege as "the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals." Although certain parliamentary rules may have been broken, and I repeat "may have been", there does not seem to have been a breach of rights or privileges.
>
> Some senators criticized certain actions and decisions by the chairman of the committee.
>
> In this connection, I may refer honourable senators to Beauchesne's, Fifth Edition, Citation 607, which reads as follows:
>
> > "607.(1) All decisions of the Chairman may be appealed by the committee.
> >
> > (2) There is no appeal to the House from the Chairman's ruling except by way of a report from the committee."
>
> Since these matters were not raised in a report from the Committee, they should not be debated in this House.
>
> In addition, a number of the points that were raised seemed to deal with questions relating to committee rules and procedure. Beauchesne is quite clear in this respect. I have here Citation 608: "Procedural difficulties which arise in committees ought to be settled in the committee and not in the House."
>
> For these reasons, I must conclude that when they raised these points last Tuesday, honourable senators did not raise genuine questions of privilege.

That is the answer to question one, but as we go through the rules—

Senator Simard: That is Senator Charbonneau's answer. I want your answer.

Senator Frith: We will keep looking, but it seems to me that that is a good answer.

Senator Kenny: Not bad.

Senator Simard: Which rules applied on September 24? What rules did you use to run and railroad the meeting of September 24? You were there. The Speaker was not there. There were no transcripts kept. You kicked out the press. What rules did you apply and what rules did you ensure the Chairman applied on that day? Was that not cold-blooded planning? Was that not bank robbery? Was that not the result of evil intent? I think it was.

Senator Frith: We understand each other on that point.

Senator Simard: We will get back to that.

Senator Frith: I was using the same parliamentary authority that received the imprimatur of the Speaker.

Senator Simard: As you said so many times on that day, the will of the majority must prevail at all times. That was the only rule that you applied on that day. That is why we are in the mess we are in now.

Senator Frith: You next question was this: Was the September 24 meeting a cold-blooded, planned, premeditated crime? It was cold-blooded; it was planned; it was premeditated.

Senator Simard: But by you, sir?

Senator Frith: Quite right, sir. Do you not intend to wait for the answers to your questions?

Senator Simard: No.

Senator Frith: Can your bladder not handle it? Why would you ask me questions and then walk out when I am giving you an answer? In case Senator Simard asks me a question again, I want it noted that he walks out when I am giving the answer.

Senator Simard: I will stay, but speak up.

Senator Frith: Is that a problem? That is new. The question was this: Was that meeting and what took place at that meeting—to quote Senator Simard—cold-blooded? I do not know whether it was cold-blooded or warm-blooded. Was it planned? Yes, it was planned. Was it premeditated in the sense of being planned? Yes, it was. Was it a crime? No, because, as we found from the ruling, it was an authorized procedure. Those are the answers to your questions. If you would like to ask more questions, we will give you more answers.

We were at—

Senator Barootes: Has your memory gone?

Senator Frith: I cannot remember where we were. Can you help me, senator?

We were at "petition" and we found nothing of help to anyone defending themselves against the charge of the parliamentary crime.

> (*n*) "previous question" means a motion "that the original question be now put";

[*Translation*]

> *n*) «question préalable» signifie une motion posée en ces termes: que la question initiale soit maintenant . . .

[*English*]

Senator Hastings: Honourable senators, I call a quorum. Pursuant to section 8 of the rules, it is the duty of the Speaker to adjourn the house.

Senator Frith: Adjourn the house, please. Adjourn the house, please. That is what this says.

Senator Hastings: There is no quorum present.

Senator Simard: I have a point of order.

Senator Frith: Now we will see whether this Speaker will apply the rules.

Senator Simard: I rise on a point of order.

Senator Hastings: He is not up on a point of order.

Senator Oliver: He is up on a point of order. Let him speak.

Senator Frith: You cannot do that when a quorum has been called. Listen to the Speaker. The Speaker will do what is right.

Senator Oliver: There is no rule.

The Hon. the Acting Speaker: Order, please. I should like to read Rule number 8:

> When it appears, on notice being taken at the commencement of or during a sitting of the Senate, that fifteen senators, including the Speaker, are not present, the senators who may be in the adjoining rooms having been previously summoned, the Speaker shall adjourn the Senate until the next sitting day, without question put.

I should like to ask for a moment to consult with the Officers at the Table.

Senator Frith: It is so clear, Mr. Speaker.

The Hon. the Acting Speaker: It may well be, honourable senators. I am not arguing that point.

Senator Frith: We understand, but you are going to take long enough—

The Hon. the Acting Speaker: Order, please.

Senator Hastings: There are 14 senators present now.

The Hon. the Acting Speaker: Order, please.

Senator Frith: We are quiet.

Senator Oliver: Let the record show that they sent out Senator Stollery.

The Hon. the Acting Speaker: I realize that it is late. I do not have a great deal of experience with this matter of quorum. I am asking for order, and I wish to take a moment to ask the advice of the Officers at the Table. Rule 8 says:

> ". . . the senators who may be in the adjoining rooms having been previously summoned . . ." I should like to ask the Table Officers what that means.

Senator Frith: Whatever advice you get is based on the fact that there is presently not a quorum?

The Hon. the Acting Speaker: Yes.

Senator Frith: Thank you, that is fair.

The Hon. the Acting Speaker: I would ask honourable senators to give me a moment.

Senator Simard: You asked one of your members to leave the room.

Hon. Orville H. Phillips: With great respect, may I suggest to the Chair that I believe our rules call for the whips to have an opportunity to call in the senators.

Senator Frith: Look who is asking about the whips! I am satisfied that the Speaker will rule on this matter on the basis that there was not a quorum, and do what is required in that case. That is what he said.

Senator Hastings: There was no quorum.

The Hon. the Acting Speaker: Honourable senators, I wish to have a short period of time to ask the Officers at the Table specifically the application of the rule in the circumstances, because I do not know, to be perfectly frank.

Senator Frith: But on the basis that there was not a quorum. That is what I asked you, and you said yes.

The Hon. the Acting Speaker: Yes, on the basis of the situation in this place.

Senator Oliver: He sent his people out of the chamber. There was a quorum before he tried to cheat.

Senator Phillips: There were 18 senators present when the quorum was called.

Senator Frith: There is another Speaker gone.

The Hon. the Acting Speaker: I have read Rule 8 again. I have had no opportunity to do any research. I will inform honourable senators of my decision based upon the information and advice I have received from the Officers at the Table.

Rule 8 says:

> When it appears, on notice being taken at the commencement of or during a sitting of the Senate, that fifteen senators, including the Speaker, are not present, the senators who may be in the adjoining rooms having been previously summoned, the Speaker shall adjourn the Senate until the next sitting day, without question put.

I required a short period of time in which to rule on this matter because I did not know what the phrase "the senators who may be in the adjoining rooms having been previously summoned" implied. I am informed that that means the Speaker directs the Gentleman Usher of the Black Rod or an Officer of the Senate to go immediately to the adjoining rooms, which means the common room, and summon them, and if they do not come in in a short period of time—and that is relatively subjective—then that condition is met. The Speaker shall then adjourn the Senate until the next sitting day without question put.

I will now direct the appropriate Officer of the Senate to go to the adjoining room, which I understand to be the common room, and summon senators. If such senators do not turn up, then I shall do as the rule directs.

Senator Frith: Your Honour, it does not say anything about turning up or not turning up. It says that they be summoned. I take it that you intend to summon them. When you summon them in, then you adjourn the Senate. It says: ". . . having been previously summoned . . ." It does not say having been summoned and come in and established a quorum. You are summoning them to come in to explain why you are adjourning the Senate, because there was no quorum.

• (0130)

Senator Simard: You had better check with Senator MacEachen.

Senator Frith: It does not say anything about after they have come in. It simply says that after you have summoned them, you adjourn without question put.

Senator Balfour: In your opinion.

Senator Frith: That is what it says.

Senator Balfour: In your opinion.

Senator Frith: It is not my opinion, it is what the words say. You always say that. When the words say something, you say, "Oh, it is just a matter of opinion."

Senator Balfour: That is your opinion.

Senator Frith: You are not even looking at the book. It does not say anything about that.

The Hon. the Acting Speaker: I agree.

Senator Balfour: Why don't you appeal the Speaker's ruling? That is what you have always done.

Senator Frith: I want him to make the right ruling. So far, he is all right in that he can summon the senators, but then the rules say that he must adjourn without putting the question.

Senator Simard: Now, make sure that you don't leave the house!

Senator Hastings: You have previously summoned them!

Senator Frith: You have previously summoned them and then adjourned.

Senator Hastings: There was no quorum.

Senator Frith: I notice that everyone who is talking about opinions is not looking at the book.

Your Honour, the words are very clear, and I hope that you will carry on by implementing the words that are there.

Senator Simard: Was this vanishing act premeditated?

Senator Barootes: Where were the delinquents from your side who are now showing up?

An Hon. Senator: Get Senator Croll back here!

Senator Barootes: They were certainly not very interested in your speech!

Senator Hastings: They were being summoned to adjourn.

Senator Frith: They were being summoned for the adjournment. That is what it says.

[*Translation*]

The Hon. the Acting Speaker: Then I will read it again:

> When it appears, on notice being taken at the commencement of or during a sitting of the Senate, that fifteen senators, including the Speaker, are not present, the senators who may be in the adjoining rooms having been previously summoned, the Speaker shall adjourn the Senate until the next sitting day, without question put.

[*English*]

Honourable senators, not having had an opportunity to do any research or to quote precedent, I must be guided by the advice I am given by the Officers at the Table. The advice that I am given, which I accept and make as my ruling, is that our precedents require a summonsing and if the summonsing results within a short period of time—however one may define that—in a quorum, then the house does not adjourn without question. That is my ruling.

Senator Frith: So what have you done?

The Hon. the Acting Speaker: Briefly, I said that I had not had an opportunity to personally examine the precedents. I have asked two Officers at the Table for their understanding of the precedents in this regard. They inform me that their understanding is to the effect that when notice is taken that there is not a quorum present, an officer of the house may be sent to summon senators in the adjoining room—and I understand that to mean the common room—and after a short period of time following the summons, if a quorum is not then present, the Speaker may adjourn the House without question put.

However, if after a short period of time a quorum is present, the Speaker does not adjourn the House. Although the rule in both official languages is equally official and equally operative, it appears to be clearer in the French version. Perhaps I will read it, as that is all I can do. It reads:

[*Translation*]

Then I will read it again:

> When it appears, on notice being taken at the commencement of or during a sitting of the Senate, that fifteen senators, including the Speaker, are not present, the senators who may be in the adjoining rooms having been previoulsy summoned, the Speaker shall adjourn the Senate until the next sitting day, without question put.

[*English*]

It seems to me that there is a condition there, and that is the advice I get from the Officers at the Table. That condition has been met. If there is a quorum here now after that so-called summoning, the Senate then continues. I do not adjourn under those circumstances. That, to the best of my ability, is the ruling.

Senator Frith: Of course, I am disappointed but not surprised. Now, we were at the subrule dealing with the previous question.

Senator Kenny: Would you like to start over at the beginning?

Senator Frith: No.

Senator Kenny: Some of the senators missed it, though.

Senator Frith: Some of them were in the adjoining room.

Senator Kenny: That's right and they missed the good part.

Senator Hastings: Senator Doody didn't get it.

Senator Frith: Senator Doody did not get it as he was in an adjoining room, lounging around.

Senator Kenny: Could we have a recapitulation for them perhaps?

Senator Frith: Snoozing in his opulent office.

Senator Doody: You have got it.

Senator Kenny: Anything to bring them into context.

Senator Doody: Until I was rudely interrupted.

Senator Frith: I should say, for the "lounge lizards" who were brought in from the adjoining rooms that we were talking about—

Senator Kenny: "Lounge lizards" should not be confused with the "swamp senators."

Senator Frith: No.

Senator Kenny: They are separate.

Senator Frith: Anyway, we examined in French and English rules 1, 2, 3, 4 and 5. We were dealing with Rule 5 and were trying to find some authority—and we maintain that there is none—for Thursday's Parliamentary crime, because, of course, if there is such authority, it was not a crime. However, we were not able to find anything up to the point that we had reached. We were at Rule 5(0), which reads:

> "question", except in respect of the question period and a question of privilege, means a proposal presented to the Senate or a committee thereof by the Speaker or chairman for consideration and disposal in some manner;

[*Translation*]

> *o*) «question», sauf en ce qui concerne la période de questions et les questions de privilège, signifie une proposition que le Président du Sénat, ou de l'un de ses comités, soumet au Sénat ou au comité pour étude et décision;

[*English*]

So that rule in French and English is of no help and offers no defense to the accused at all. There is no basis for a defence. Rule 5(p) reads:

> "rule" means any standing rule or standing order of the Senate;

[*Translation*]

> *p*) «règle» signifie tout article du présent Règlement ou ordre permanent du Sénat;

[*English*]

There is no help there. There is no question because no rule was cited by the Speaker when he performed the final act in the crime.

Rule 5(q) reads:

> "select committee" means a committee composed of less than the whole body of senators and includes both a standing committee and a special committee;

[*Translation*]

> *q*) «comité particulier» signifie un comité comprenant moins que l'ensemble des sénateurs et comprend tant un comité permanent qu'un comité spécial;

[*English*]

There is no help there. A select committee was not involved in this crime at all.

Rule 5(r) reads:

> "shall" is to be construed as imperative, and "may" as permissive;

[*Translation*]

> *r*) «doit» ou «devra» devant un infinitif, exprime une obligation; «peut» ou «pourra», devant un infinitif, exprime une faculté;

[*English*]

The French is worded quite differently but I think that Senator Lefebvre has arrived at the same result; namely, that there is no help there because there is no reference to any «shall» or «may» as in the context of a rule. Rule 5(s) reads:

> «special committee» means a select committee other than a standing committee appointed to consider certain matters and to report thereon to the Senate;

[*Translation*]

> *s*) «comité spécial» signifie un comité particulier autre qu'un comité permanent nommé aux fins d'étudier certains sujets et d'en faire rapport au Sénat;

[*English*]

No concern here, as a special committee was not involved in any way. Rule 5(t) reads:

> "standing committee" means a select committee appointed to consider and to report thereon to the Senate matters falling within the duties specifically assigned to it by these rules, and on other matters that may from time to time be referred to it by the Senate;

[*Translation*]

> *t*) «comité permanent» signifie un comité particulier chargé d'examiner, pour ensuite en faire rapport au Sénat, des sujets relevant des fonctions qui lui sont spécifiquement attribuées par le présent Règlement et autres sujets qui peuvent de temps à autre lui être soumis par le Sénat;

[*English*]

I think the concordance applies again, that there is nothing in that rule that could possible be stretched, bent or twisted to support the stretched, bent, and twisted actions of last Thursday in holding the lockout vote.

Rule 5(u) reads:

> "substantive motion" means an independent motion neither incidental to nor relating to a proceeding or order of the day already before the Senate;

[*Translation*]

> *u*) «motion de fond» signifie une motion distincte, indépendante, qui n'est accessoire ni relative à une affaire en cours d'étude ou prévue à l'ordre du jour dont le Sénat est déjà saisi;

[*English*]

An acceptable concordance. The motion that was before the Senate at the time was a motion to adjourn. There is nothing in there. There was no reference or no attempt to relate any of the action to that rule. Although there was a motion before the house, there is nothing in that rule that would make the lockout crime justifiable.

Rule 5(v) reads:

> "two days' notice" means a notice where a sitting day intervenes between the day on which the notice is given and the day on which the motion or inquiry is made;

[*Translation*]

v) «avis de deux jours» signifie un avis permettant que s'écoule un jour de séance entre le jour de l'avis et celui où la motion ou l'interpellation est présentée;

[*English*]

There was no problem there. The motion that was before the Senate at that time was a motion for adjournment, which can be made without notice. Again, I invite the government to make a motion for adjournment now so that the staff and everyone else can get some rest between now and 2:00 O'Clock, and I guarantee that we will support such a motion just so that it is clear that the people who are staying here are staying because the government insists on not adjourning, and not because we would not support an adjournment.

As for that two days' notice section, as I mentioned we will be getting into the rules around Rule 44. I think it starts at 44, dealing with notices, but there was nothing involving that rule in the actions that were taken by the speaker and the infamous 54 last Thursday. Continuing:

(*w*) "writing", "written" or any term of like import includes words printed, typewritten, painted, engraved, lithographed, photographed, or represented or reproduced by any mode of representing or reproducing words in a visible form.

In French:

[*Translation*]

w) «écrit», ou tout terme ayant le même sens, comprend les mots imprimés, dactylographiés, peints, gravés, lithographiés, photographiés, ou représentés ou reproduits par tout mode de représentation ou reproduction de mots sous une forme visible.

• (0145)

[*English*]

There was a writing. There was a letter. There was a letter dropped off to start the whole scheme that ended up with the infamous vote, but there was never any suggestion that the question of whether a letter was written or not written had anything whatever to do with the rules of the Senate which deal with the whole taking of a vote, very specifically and very clearly, and to use the words of this rule, in a very visible form, namely on page 70.

Next is Rule 6:

These rules shall come into force on a day to be fixed by order of the Senate.

[*Translation*]

6. Le présent Règlement doit entrer en vigueur le jour fixé par le Sénat au moyen d'un ordre à cet effet.

[*English*]

Honourable senators will be pleased to know that I mean, on another occasion, to continue what I am finding, and what I hope they are finding, to be a most edifying review of the rules in an attempt to find some justification, although it looks quite hopeless, or some defence for the accused against the charges that have been made of the Parliamentary crime committed last Thursday.

Senator Doody: Good speech!

Senator Frith: In other words, more later.

Senator Doody: Keep tuned!

Senator Frith: Yes, stay tuned. Don't give up.

Hon. Colin Kenny: Honourable Senators, it is clear to me that some on the other side are not fully aware of our position, so I think I will review it, if I may.

Senator Barootes: Is "Silent Colin" going to speak now?

Senator Kenny: "Silent Colin" is speaking. I will review, if I may, the material that was filed at the court today, and I will start with this document I have here. It refers to an action between the Honourable Romeo Leblanc, the Honourable George Van Roggen, the Honourable H. A. Bud Olsen, the Honourable Richard J. Stanbury, the Honourable D. G. Steuart, the Honourable Philippe D. Gigantes, the Honourable Jacques Hébert, the Honourable Charlie Watt, the Honourable Michael Kirby, the Honourable Paul Lucier, Applicants, and Her Majesty the Queen in the Right of Canada, the Attorney General for Canada, and His Excellency the Governor General of Canada, Respondents.

Notice of Application pursuant to rules 14.05(3)(d) and (h) of the rules of court

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for hearing on Tuesday, October 9th, 1990, at 10:00 O'clock or as soon after that time the application can be heard, at Osgoode Hall, 130 Queen Street West, Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the Rules of Civil Procedure, serve it on the applicants' lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT, OR TO EXAMINE OR CROSS EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGEMENT MAY BE GIVEN IN YOUR

ABSENCE WITHOUT FURTHER NOTICE TO YOU.

If you wish to defend this proceeding but are unable to pay legal fees, legal aid may be available to you by contacting a Local Legal Aid office.

Date, October 4, 1990.

Address of Court Office: 145 Queen Street West,
Toronto, Ontario
M5H 2N9

TO: HER MAJESTY THE QUEEN IN RIGHT OF CANADA

C/O DEPUTY ATTORNEY GENERAL OF CANADA
Department of Justice Canada
Suite 3400, Box 36
Exchange Tower
2 First Canadian Place
Toronto, Ontario
M5J 1A5

AND TO: THE ATTORNEY GENERAL FOR CANADA

C/O DEPUTY ATTORNEY GENERAL OF CANADA
Department of Justice Canada
Suite 3400, Box 36
Exchange Tower
2 First Canadian Place
Toronto, Ontario
M5J 1A5

AND TO: HIS EXCELLENCY THE GOVERNOR GENERAL OF CANADA

C/O DEPUTY ATTORNEY GENERAL OF CANADA
Department of Justice Canada
Suite 3400, Box 36
Exchange Tower
2 First Canadian Place
Toronto, Ontario
M5J 1A5

APPLICATION

1. THE APPLICANTS MAY MAKE APPLICATION FOR:

(a) an order declaring that the Letters Patent issued by Her Majesty on September 27, 1990 directing that eight members be added to the Senate of Canada are of no force or effect;

(b) an order declaring that the Summonses by the Governor General of Canada dated September 27, 1990 purportedly appointing the eight individuals to the Senate of Canada are of no force or effect;

(c) an order declaring that the purported appointments of the eight individuals are of no force or effect;

(d) in the alternative, if these Senate appointments are valid, an oOrder declaring that the Province of New Brunswick is entitled to have its representation in the House of Commons increased to at least eleven members and further declaring that until such increase in New Brunswick's representation is effected, the House of Commons is not properly constituted and cannot lawfully enact legislation or otherwise transact business except to the extent necessary to give effect to New Brunswick's entitlement to increased representation;

(e) an order for trial of the issue concerning the circumstances in which Section 26 of the *Constitution Act, 1867* can be employed on the grounds as set out in paragraphs 2(c) to 2(e) (PART B) in this application and the evidence admitted under PART B of the Affidavit of The Honourable Royce Frith, Deputy Leader of the Opposition in the Senate of Canada;

(f) an order abridging the time for service of this Notice of Application;

(g) their costs of this application; and

(h) such further and other relief as to this Honourable Court seems just.

2. THE GROUNDS FOR THE APPLICATION ARE:

PART A: SECTION 51A

(a) Section 51A of the *Constitution Act, 1867* entitles a province to at least as many members in the House of Commons as Senators who represent such province;

(b) The Province of New Brunswick is entitled to be represented by ten members in the House of Commons. With the appointment by the Governor General of Canada of the eight individuals to the Senate on September 27, 1990, the number of senators representing the Province of New Brunswick was purportedly increased by one so that they would now number eleven, contrary to Section 51A. Accordingly, the appointments are of no force or effect;

PART B: SECTION 26

(c) The purpose underlying Section 26 of the *Constitution Act, 1867* is that it is only to be invoked to remedy a deadlock between the two Houses of Parliament of so serious and permanent a character that the government otherwise could not be carried on.

• (0200)

(d) There is no such deadlock at present between the two Houses. Accordingly, the purported appointment of the eight individuals to the Senate of Canada under Section 26 is *ultra vires* this section and of no force or effect.

(e) Rule 38.11(1)(b) and 38.11(3) of the rules of the court;

ADDITIONAL GROUNDS FOR PARTS A AND B

(f) Section 52 of the *Constitution Act, 1982*;

(g) Rules 3.02, 14.05(3)(d) and (h) of the rules of court;

(h) Section 110 of the *Courts of Justice Act, 1984*; and

(i) Such further and other grounds as the applicants may raise and his Honourable Court permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

(a) The Affidavit of The Honourable Royce Frith, Deputy Leader of the Opposition in the Senate of Canada, sworn October 4, 1990 and the exhibits thereto;

(b) Such further and other material as counsel may advise and this Honourable Court permit.

October 4, 1990.

OSLER, HOSKIN & HARCOURT

P.O. Box 50

First Canadian Place

Toronto, Ontario

N5X 1B8

J. Edgar Sexton, Q.C.

(416) 362-2111

Solicitors for the Applicant

The next court document reads as follows:

ONTARIO COURT (GENERAL DIVISION)

B E T W E E N:

THE HONOURABLE ROMÉO LEBLANC
THE HONOURABLE GEORGE VAN ROGGEN
THE HONOURABLE H.A. (BUD) OLSON
THE HONOURABLE RICHARD J. STANBURY
THE HONOURABLE D.G. STEUART
THE HONOURABLE PHILIPPE D. GIGANTÈS
THE HONOURABLE JACQUES HÉBERT
THE HONOURABLE CHARLIE WATT
THE HONOURABLE MICHAEL KIRBY
and THE HONOURABLE PAUL LUCIER

Applicants

— and —

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
THE ATTORNEY GENERAL OF CANADA
and HIS EXCELLENCY THE GOVERNOR-GENERAL OF CANADA

Respondents

AFFIDAVIT OF THE HONOURABLE ROYCE FRITH

I, Royce Frith, of the City of Ottawa, in the Regional Municipality of Ottawa-Carleton, Deputy Leader of the Opposition in the Senate of Canada representing the Division and the Province of Ontario since 1977, **MAKE OATH AND SAY:**

(1) PART A: Violation of s. 51A of the *Constitution Act, 1867*

1. The Applicant, The Honourable George Van Roggen, is a member of the Senate from the Division of the Western Provinces and he further represents within that Division the Province of British Columbia.

2. The Applicant, The Honourable H.A. (Bud) Olson, is a member of the Senate from the Division of the Western Provinces and he further represents within that Division the Province of Alberta.

3. The Applicant, The Honourable D.G. Steuart, is a member of the Senate from the Division of the Western Provinces and he further represents within that Division the Province of Saskatchewan.

4. The Applicant, The Honourable Richard J. Stanbury, is a member of the Senate from the Division and Province of Ontario.

5. The Applicant, The Honourable Jacques Hébert, is a member of the Senate from the Division and Province of Quebec.

6. The Applicant, The Honourable Philippe D. Gigantès, is a member of the Senate from the Division and Province of Quebec.

7. The Applicant, The Honourable Charlie Watt, is a member of the Senate from the Division and Province of Quebec.

8. The Applicant, The Honourable Roméo LeBlanc, is a member of the Senate from the Division of the Maritime Provinces and he further represents within that Division the Province of New Brunswick.

9. The Applicant, The Honourable Paul Lucier, is a member of the Senate from the Yukon Territory.

10. The Applicant, The Honourable Michael Kirby, is a member of the Senate from the Division of the Maritime Provinces and he further represents within that Division the Province of Nova Scotia.

11. On or about September 26, 1990, the Privy Council, on the recommendation of the Prime Minister, issued a "Minute of Council". This Minute of Council, attached as Exhibit "1" requested the Governor General to recommend that Her Majesty the Queen issue Letters Patent directing that eight members be added to the Senate pursuant to Section 26 of the *Constitution Act, 1867*.

12. Section 26 of the *Constitution Act, 1867* provides as follows:

If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight Members be added to the Senate, the Governor General may by Summons to Four or Eight qualified Persons (as the Case may be), representing equally the Four Divisions of Canada, add to the Senate accordingly.

13. Immediately prior to September 27, 1990 the Governor General of Canada, Ramon John Hnatyshyn, recommended to Her Majesty the Queen by letter that additional Senators be appointed pursuant to Section 26.

14. On September 27, 1990 Her Majesty the Queen approved the Governor General's recommendation and issued the Letters Patent. The Letters Patent issued by Her Majesty the Queen have been published in the Canada Gazette. A copy of the relevant excerpt from the Canada Gazette dated Monday October 1, 1990 is attached as Exhibit "2". The Letters Patent directed the Governor General, pursuant to Section 26, to add eight members to the Senate.

15. Upon receipt of the Letters Patent the Governor General issued eight Summonses purporting to appoint eight individuals to sit in the Senate. The Summonses also specify the place of residence of the purported appointees. The purported appointees are as follows:

(a) Michael Arthur Meighen, a resident of the Province of Ontario;

(b) Wilbert Jospeh Keon, a resident of the Province of Ontario;

(c) Janis Johnson, a resident of the Province of Manitoba;

(d) Eric Arthur Berntson, a resident of the Province of Saskatchewan;

(e) Norman Grimard, a resident of the Province of Quebec;

(f) Thérèse Lavoie-Roux, resident of the Province of Quebec;

(g) John Michael Forrestall, a resident of the Province of Nova Scotia; and

(h) James W. Ross, a resident of the Province of New Brunswick.

Copies of the eight Summonses are attached as Exhibits "3" to "10".

16. Pursuant to Section 128 of the *Constitution Act, 1867*, before taking his or her seat in the Senate a person must "take and subscribe before the Governor General or some person authorized by him" the Declaration of Qualification contained in the Fifth Schedule to the *Constitution Act, 1867*. Attached as Exhibit "11" is a copy of the Declaration as required by the Fifth Schedule. Attached as Exhibits "12" to "19" are the eight Declarations of the purported appointees.

• (0215)

17. Exhibit "12", the Declaration of James W. Ross, affirms that James W. Ross "of the Maritimes" is "seized as of Freehold . . . in the Division of the Maritimes". Although the Commission for James Ross (Exhibit "3") lists his residence as Fredericton, New Brunswick, his Declaration does not specify his Province, as is required by Section 128 of the *Constitution Act, 1867* and the Fifth Schedule. John Michael Forrestall, Janis Johnson and Eric Arthur Berntson similarly fail to specify their Provinces in their Declarations.

18. Under Section 26 of the *Constitution Act, 1867* provision is made for adding either four or eight members to the Senate. Such additions must represent equally the Four Divisions of Canada which for this purpose Section 22 deems to be:

1. Ontario;

2. Quebec;

3. The Maritime Provinces, Nova Scotia and New Brunswick, and Prince Edward Island;

4. The Western Provinces of Manitoba, British Columbia, Saskatchewan and Alberta

Therefore, there must be either two additions for each of the four Divisions or one addition for each of the four Divisions.

19. Section 51A of the *Constitution Act, 1867* states that a Province shall always be entitled to at least as many members in the House of Commons as there are Senators representing such Province:

51A. Notwithstanding anything in this Act a province shall always be entitled to a number of members in the House of Commons not less than the number of senators representing such province.

20. Immediately prior to the eight purported appointments in question, the Maritime Provinces were represented as follows by a total of 24 Senators and 25 Members of the House of Commons:

	Senate Members	House of Commons Members
Nova Scotia	10	11
New Brunswick	10	10
Prince Edward Island	4	4
(TOTAL)	24	25

21. Therefore, by reason of Section 51A, it would not have been possible, without first increasing the Maritime Provinces' representation in the House of Commons, to increase Nova Scotia's Senate representation by more

than one member, nor to make any increases at all in the Senate representation of either New Brunswick or Prince Edward Island.

22. It follows that the Government could not lawfully use Section 26 to add eight members to the Senate unless it was also prepared to increase the number of members of the House of Commons pursuant to section 52 of the *Constitution Act, 1867* which reads as follows:

> 52. The number of Members of the House of Commons may be from Time to Time increased by the Parliament of Canada, provided the proportionate Representation of the Provinces prescribed by this Act is not thereby disturbed.

23. The said Letters Patent purported to direct and authorize the appointment of eight additional members to the Senate of Canada in circumstances where it was not possible to appoint more that four additional members without violating Section 51A of the *Constitution Act, 1867*. The Applicants' position herein is, therefore, that the said Letters Patent and the eight appointments purportedly made under the authority thereof, were inconsistent with the Constitution of Canada and of no force or effect.

24. Among the eight purported appointees is James W. Ross who, as explained above, is a resident of the Province of New Brunswick. The result of Mr. Ross' appointment, if it were valid, would be to give New Brunswick 11 representatives in the Senate and only 10 representatives in the House of Commons, contrary to Section 51A, an overriding provision that by its terms is declared to apply "Notwithstanding anything in the Act . . . ".

(2) PART B: Improper Use of Section 26 of the *Constitution Act, 1867*

25. The Government of Canada's reasons for making these appointments pursuant to Section 26 of the *Constitution Act, 1867* were given by the Prime Minister in a speech to the Progressive Conservative Canada Fund in Ottawa on September 25, 1990. An excerpt of the speech, as published by the Toronto Globe and Mail on September 28, 1990, is attached as Exhibit "20". The Prime Minister is concerned that certain Bills including the Goods and Services Tax ("G.S.T.") will not be passed by the Senate and, in order to assure the passage of those Bills, has used section 26 in order to obtain the support of eight additional Senators. The Prime Minister alleges that there is "deadlock between the two Houses of Parliament" and that there is no other way "to break the deadlock caused by the Opposition" other than through the use of section 26.

26. Attached as Exhibit "21" is a press report from the Toronto Globe and Mail dated October 2, 1990. According to the press report the government intends to press for a quick vote on Bill C-62 (the Bill proposing the G.S.T.). The finance Minister, Michael Wilson, is quoted as telling reporters on October 1, 1990 outside the House of Commons that "the legislation will get through".

27. No such "deadlock" between the two Houses of Parliament, as mentioned by the Prime Minister, existed on September 27, 1990 and no such "deadlock" exists now. The reasons for this are as follows.

28. There are a number of Bills currently before the Senate. These are as follows:

> (a) Bill C-18, an Act to establish the Department of Multi-Culturalism and Citizenship and to amend certain Acts in relation thereto;
>
> (b) Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act;
>
> (c) Bill C-28, an Act to amend the Income Tax Act and other Acts;
>
> (d) Bill C-34, an Act to establish the Canadian Centre for Management Development and to amend certain Acts in consequence thereof;

Senator Davey: Senator Kenny, Excuse me. I wonder if you would repeat (b) again, please.

Senator Kenny: Yes, senator, I would be glad to. This is for you, Senator Davey, or for Senator Doody.

Senator Doody: I am interested too,

Senator Kenny: I will go back to (a), Senator Doody.

Senator Doody: Go back as far as you like.

Senator Kenny:

> (a) Bill C-18, an Act to establish the Department of Multi-Culturalism and Citizenship and to amend certain Acts in relation thereto;
>
> (b) Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act;
>
> (c) Bill C-28, an Act to amend the Income Tax Act and other Acts;
>
> (d) Bill C-34, an Act to establish the Canadian Centre for Management Development and to amend certain Acts in consequence thereof;

• (0230)

> (e) Bill C-39, an Act to apply federal laws and provincial laws to offshore areas and to amend certain Acts in consequence thereof;
>
> (f) Bill C-43, an Act respecting abortion;
>
> (g) Bill C-62, an Act to amend the Excise Tax Act and other Acts ("the G.S.T. Bill");
>
> (h) Bill C-69, an Act to amend certain statutes to enable restraint of government expenditures.

With respect to Bills C-21, C-28 and C-62:

(a) Bill C-21 and Bill C-28 were passed by the Senate on March 3, 1990 and June 15, 1990, albeit with amendments;

(b) Bill C-62 is still at the Report stage and no debate or vote on the Committee Report has taken place; and

(c) there is a motion presently before the Senate that the difference between the two Houses on certain amendments to Bill C-21 be referred to a Conference between the two Houses but to date the Prime Minister and his government have refused such a Conference.

None of these bills has been defeated in a vote in the Senate.

29. Most bills sent up from the House of Commons are accepted and passed without amendment, but this has not always been the case in the past. Under the *Constitution Act, 1867* the Senate has the same powers as the House of Commons, except with respect to money bills which under section 53 must originate in the House of Commons. Thus, the Senate has the power and the right to accept, reject or amend Bills sent up from the Commons.

30. In my experience, it is accepted practice that the Senate will on occasion amend or reject a Bill sent up from the Commons. According to F.A. Kunz, *The Modern Senate of Canada 1925-1963: A Re-Appraisal* (1965), Appendix 1, which is attached as Exhibit "22", of 2,136 Bills passed by the House of Commons between the 1925 and 1962-63 Sessions, 324 (15.2%) were amended, 32 (1.5%) rejected, 1,772 (83.0%) passed without amendment and 8 (0.4%) withdrawn. Since the current government took office in 1984, out of 318 Bills, 300 (94.3%) have been passed unchanged by the Senate, 18 (5.7%) have been passed with amendments and none have been rejected.

31. With respect to the holding of Joint Conferences with the House of Commons, this mechanism has often been used since Confederation in order to resolve disputes between the two Houses concerning amendments to legislation. Attached as Exhibits "23" and "24" are two papers prepared by Habib Massoud of the Research Branch of the Library of Parliament which outline the instances in which a Joint Conference has been held.

32. The use of the appointment power in section 26 of the *Constitution Act, 1867* in the circumstances of this case seriously undermines the position of the Senate in the legislative process and impairs the functioning of the Senate as a body to provide "sober second thought" concerning proposed law.

33. I have reviewed a research paper prepared by Mollie Dunsmuir entitled "Section 26 of the Constitution Act, 1867: The Power to Appoint Additional Senators". Ms. Dunsmuir is a Research officer with the Law and Government Division of the Library of Parliament. This research paper is attached as Exhibit "25".

34. I have also reviewed a 1946 article by Eugene Forsey entitled "Appointment of Extra Senators Under Section 26 of the British North America Act". A copy of this article is attached as Exhibit "26".

35. From these sources and from the statistical evidence in paragraph 14, above, I conclude that even though the Senate has frequently amended or rejected legislation, section 26 of the *Constitution Act, 1867* has been invoked only once before, in 1873-1874. In 1874, Her Majesty the Queen refused to accept the recommendation of the Governor General in circumstances where no "deadlock" was present.

36. Exhibit "25" extensively canvasses evidence which is of assistance in determining the meaning of section 26 of the *Constitution Act, 1867* and makes the following conclusions:

(a) section 26 arose as a result of a Resolution at the London Conference immediately prior to Confederation;

(b) it was the intention of the British Government and the colonial Delegates to the London Conference that section 26 was to be used only onextraordinary occasions when a situation of serious and irreconcilable deadlock existed;

(c) previous drafts of section 26 clearly demonstrated this intention; and

(d) numerous experts on Canadian constitutional law confirm that it was intended that section 26 be used only on extraordinary occasions when a situation of serious and irreconcilable deadlock existed.

Ms. Dunsmuir herself concludes that:

> . . . [S]ection 26 was to be used only when there was a collision of opinion between the two Houses of so serious and permanent a character that the government was incapacitated. Additionally, it had to be at least possible, and perhaps probable, that the extra appointments would resolve the problem.

● (0245)

37. I have reviewed Chapter V of G. Ross, *The Senate of Canada: Its Constitutional Powers and Duties Historically Considered* (1914), which is attached as Exhibit "27". This source explains that cases of considerable public importance have arisen in which the action of the Senate was regarded at the time as "a wanton interference with the prerogatives of the popular Chamber". Five such cases are listed on pp. 74 and 75, but in none of these did the government of the day resort to the use of section 26. In the fifth listed case, the controversy surrounding

the Naval Aid Bill, the delaying of the bill resulted in the calling of a general election so the verdict of the electors could be obtained on the measure.

38. I attended the Senate on October 2, 1990 and observed that the eight purported appointees were present. From the debate that took place in the Senate it appears to me that they intend to participate in Senate proceedings, debate and vote as soon as possible.

39. If the eight purported appointees take part in Senate proceedings and vote on Bills pending this Honourable Court's determination of these issues and this Honourable Court ultimately holds that the appointments were improperly made, then all legislation passed by the Senate, including the eight purported appointees, from September 27, 1990 may be ruled invalid. If the Senate passes the Bills pending the final resolution of this matter by this Honourable Court, persons who suffer damage as a result of relying upon and acting in accordance with legislation subsequently found to be invalid may not legally recover compensation for that damage. Finally, unless the eight purported appointees are prevented from acting as Senators until such time as their rights and qualifications to do so is resolved, considerable uncertainty and confusion will be caused by the uncertain status of any legislation passed with the assistance of the eight purported appointees.

SWORN before me at the City
of Ottawa, in the Regional
Municipality of Ottawa
Carleton, this 4th day of

October, 1990. Royce Frith

David Wilson
Commissioner for taking Affidavits

Honourable senators, I am torn; I am not sure which would be most productive, whether I should go through this again, as there seems to be a fair amount of interest on the other side—

Senator Simard: Do it in French.

Senator Kenny: —or I could go on to major issues raised during the hearings on Bill C-62. I am in your hands.

Senator Doody: Don't do it.

Senator Kenny: I will deal with the hearings on Bill C-62 first.

Senator Frith: More, more.

[Senator Kenny.]

Senator Kenny: Allow me to deal with the major interests raised during the hearings on Bill C-62.

I. THE GST CREDIT SYTEM

A. Indexation

The system of GST credits is subject to the same indexation provisions that apply to the income tax system in general; that is, the credits and the threshold are indexed to the rate of inflation, measured by changes in the CPI, in excess of three per cent. Thus the real value of these credits will generally decline by 3 per cent per year.

Virtually all opponents of the tax cited this feature as a major flaw in Bill C-62. Some proponents of the bill also commented critically on this feature.

The credits, in addition to other elements of the tax reform package, are designed to make the GST package progressive at the lower to middle income levels. As the real value of these credits declines with inflation, this progressivity will diminish.

The government has responded to this point by stating that the FST credit has been increased at more than the rate of inflation. At issue is whether the increases were to offset higher tax rates or declines in the real value of the credit due to inflation.

B. The Single Person's Credit.

A unique feature of the GST credit regime is the additional credit made available to single adults. This credit is not available to those with incomes below about $6000 and the maximum value of the credit is available only to those with incomes in excess of about $11,000. Many witnesses decried the fact that the credit is not available to those who most need it. The House of Commons Finance Committee recommended that the single person's credit be abolished and any savings used to enhance the credit for the first adult in each family.

C. The Take Up Rate.

Some witnesses argued that the GST is particularly onerous for the most disadvantaged of canadians who will not file for a GST refundable credit because they have no taxable income.

● (0300)

One suggestion was for the Government to undertake a major outreach program to ensure that all Canadians eligible for the credit do in fact receive it.

The take-up rate for the refundable child tax credit is very high, about 96 per cent of those registered to receive

family allowance payments. This high take-up rate can be explained by the personal characteristics of those who are responsible for children and the fact that the credit is relatively generous. It is possible that some transient individuals will not apply for the tax credit; however, with a relatively generous credit such individuals have a strong incentive to inform themselves about the credit and apply for it.

The Committee also heard from native and social policy groups that illiteracy poses a serious problem for the take-up rate of the GST credit.

D. Social assistance and the GST credit

Some witnesses expressed a fear that provincial governments will treat the refundable GST credit as income and reduce social assistance payments accordingly. This fear was expressed in several provinces although no evidence was presented that such would be the case.

Social assistance is usually determined by calculating a family's financial needs and comparing this with the financial resources of the applicant for assistance. In no province or territory is the existing refundable child tax credit or sales tax credit considered as income for the purpose of determining social assistance benefits. In Saskatchewan, family allowance receipts are treated as income, but this is the exception, not the rule.

II. FST INVENTORY REBATE

When the GST comes in to force on 1 January 1991, a very broad range of goods and services will be subject to this new tax. Some goods sold in that year will come from inventory acquired earlier, upon which the FST applied. To avoid a double taxation of sales from this inventory, the federal government is offering a rebate of the FST on existing inventory at the end of the year.

These inventory rebate rates are not included in Bill C-62 — they are determined by regulation.

These rebates do not vary according to trade level. The average FST content in a retailer's inventory would generally be lower than the FST content of the inventory of, say, a wholesaler or importer. The general rebate rate is 8.1 per cent of the value of inventory. An exception is made for automobile dealers who get an inventory rebate of 11.9 per cent (calculated as 13.5/113.5) because the FST for automobiles is applied at the wholesale level.

The nature of the FST makes it difficult to determine exactly how much tax is imbedded in inventories. Rebate formula, while arbitrary, are likely to be an acceptable compromise for practical reasons. The committee has heard some evidence of apparent inequities in the effects of these rules. Automobile dealers are not the only taxpayers whose inventories contain a tax far higher than the 8.1 per cent level, nor are they the only ones who can easily calculate and identify the amount of tax in inventories.

Senator Doody: Hear, hear. Good stuff!

Senator Kenny: To continue:

The committee has heard from associations of cosmetics and toiletries firms, pleasure craft dealers, and importers, all of whom claim that the rebate percentage penalizes them significantly and who also believe that they can identify accurately the amount of tax in their inventory.

Broadly based rebate rules will penalize some while overly compensating others. If the government provides the higher rebate to the groups listed above, there is still an equity problem, although not as easily identified among the remaining taxpayers.

Senator Doody: Hear, hear.

Senator Kenny: To continue:

The Minister of National Revenue has responded, in a letter to the chairman, to the comments of importers. He offered no additional relief, stating that importers have the opportunity to manage their affairs in light of the announced rebate so as to minimize any adverse effect.

III. THE GST AND THE TAXATION OF FOOD

The government has decided not to tax basic groceries. It is, however, taxing a wide range of food products, those that are consumed outside of the home and those that do not meet the basic definition of groceries.

The Committee has been informed that approximately 40% of the food dollar is spent in restaurants or take-out establishments. Statistics Canada gives such spending a weight of only 29 per cent for purposes of calculating Consumer Price Index.

● (0315)

Drawing the line between basic groceries and other taxable forms of food is bound to be arbitrary to some degree and can lead to tax inequities among competing products. The committee heard evidence of just such effects.

The Bill was originally to tax all cookies. It was amended in the House of Commons to treat as basic groceries all cookies sold in packages of six or more. Chocolate bars are sold increasingly in family-sized packages which com-

pete directly with chocolate-covered baked goods: they have the same ingredients and appeal to the same market. The tax treatment of the two differs in Bill C-62.

Soft drinks also compete with tax-free beverages such as mineral water, coffee and tea. Again these competiting products are treated differently. Several suggested amendments to the bill were submitted to the committee, amending Part III of Schedule VI which defines basic groceries.

IV. AGRICULTURE, FISHERIES AND TAX FREE STATUS

A. Agriculture and Fisheries

Under the GST, food is zero-rated throughout the production chain. For fishermen and farmers this means that they are entitled to claim input tax credits for a refund of tax paid on their production inputs. At the same time there is no tax assessed on their output, so that farm and fishery production remains tax free.

The special issue that arises for such tax free production stems from cash flow considerations. Farmers and fishermen must pay out an extra 7 per cent on their purchases and then file with the Department of Revenue to claim a refund of the input tax credit. Although registrants selling taxable goods are in a similar position with respect to having to wait for a refund of their input tax credits, they nevertheless have the cash flow benefit of using the GST which they collect on their sales. This is a benefit that farmers and fishermen do not enjoy since their own sales are non-taxable.

The amount of time which farmers and fishermen must carry the extra 7 per cent on their input costs before obtaining a refund will depend on how often they file a return. GST registrants making taxable and zero-rated supplies of $500,000 or less may file annually, quarterly or monthly. Registrants making taxable and zero-rated supplies of $500,001 to $6 million may file quarterly or monthly, while those with sales over $6 million are required to file monthly. Thus, if farmers and fishermen choose the quarterly filing option, they could wait up to three months between the time they purchase an item and the time they file for a refund. Further, the government will not begin paying interest on the refund amount until 21 days after the registrant's return is received by Revenue Canada.

The Government proposes to deal with this cash flow problem by zero-rating at the point of sale a number of types of purchases made exclusively by farmers and fishermen. The items that would be non-taxable at the time of purchase will include combines, large tractors, fishing boats and commercial fishing nets. Representatives of fishermen and farmers that appeared before the committee argued that the list of tax free items designated by the government was inadequate and would not relieve their cash flow problems. In Newfoundland, representatives of the Fishermen, Food and Allied Workers told the Committee that the best solution to the problem would be a system of GST-exempt identification cards for fishermen that would apply to a whole range of fishing-related purchases made by fishermen. In Regina, the Western Canadian Wheat Growers Association suggested that the problem be dealt with either by not collecting tax on any business related purchases by farmers or, at a minimum, extending the list of items designated as non-taxable at the point of sale. Both farmers and fishermen also pointed out that the GST system of paying tax on inputs and claiming these back later placed a significant compliance burden on them.

• (0330)

It should be noted that the list of items non-taxable at the point of sale is made by regulation and does not require legislative amendment to be extended.

B. Horses

The GST treats the sale of horses as a taxable supply. In Toronto, the Ontario Racing and Breeding Council argued that including horses in the GST was discriminatory since it is the only form of livestock that is taxed. They noted that horsemeat is Canada's second largest red meat export to Europe. The Council also argued that the extra paperwork burden would end export sales to the U.S. and would lure breeders to the U.S. in order to avoid the "hassle of GST registrations, credits and waits for reimbursements". Horse breeders are asking that sales of horses be zero-rated along with sales of other forms of livestock. This could be achieved either by amending Part IV of Schedule VI of Bill C-62, or by including it in regulation since number 10 of the same section provides for zero-rating of prescribed property.

Although there is obviously some benefit to horse breeders of having domestic horse sales zero-rated, it is uncertain what the proposed changes would do for export sales of horses since under the GST all exports are zero-rated anyway.

C. Plant and Tree Nurseries

The Canadian Nursery Association argued that plants and trees should be zero-rated under the GST since they help to control pollution. The witness claimed that planting of trees is one of the surest and least expensive ways of halting or even reversing the build-up of carbon dioxide in the air.

Whether or not plants and trees are worthy of special treatment is open to debate; a number of merit goods are taxed under the GST. The provisions for zero-rating are designed not for agricultural products perse but for the production of basic groceries. Zero-rating of trees and shrubs could be accomplished through amendment of Bill C-62 to include trees and shrubs in the list of zero-rated agriculture and fishing items or by including it in regulation as a supply of prescribed property as provided for under Schedule VI, Part IV, Number 10.

V. GST AND HOUSE

Under the provisions of Bill C-62, the GST is to apply to the sale of all new or substantially renovated housing. The sale of existing housing units is not subject to tax. Residential rents are exempt from the GST.

● (0345)

A. Housing Rebates

Purchasers of new residential units will be eligible for a rebate under most circumstances. Those purchasing a unit valued at $350,000 or less will enjoy a rebate of 36 per cent of the GST paid, reducing the effective GST to 4.5 per cent. Those purchasing a home valued above $450,000 will receive no rebate, and for homes valued between $350,000 and $450,000 the rebate declines from $8,750 to zero as the price of the house increases. These rebates are also available to purchasers of condominium units.

No equivalent rebate is made available for newly-constructed rental units. Witnesses have suggested that the GST makes home ownership relatively more attractive than rental accommodation.

B. Taxing Land

Several witnesses have suggested that land should not be taxed. Some, who support the concept of the GST, argued that land should not be taxed because it is not consumed. Others have argued that taxing land discriminates against those who face high housing costs in southern Ontario and Vancouver.

Markets with high housing costs are associated with high land prices. Applying the GST consistently across all markets will cause homebuyers in Toronto to pay more GST, but it will not distort relative prices compared to other markets—they will all rise in price by the same percentage. A distortion does arise because the thresholds for the rebate are applied universally across Canada. A $400,000 home in Toronto might resemble a $300,000 home in Ottawa in all respects except location. The Ottawa home would receive the full GST rebate while the Toronto home receives only a partial rebate.

Current economic conditions have severely depressed the housing market in southern Ontario. Removing the GST from the land component of house prices could offset some of the negative effects of high interest rates.

Land is a long-lived asset—it rarely depreciates. It has been suggested therefore that land not be taxed because it is not "consumed". Land does produce a stream of benefits which are consumed, and the taxation of land could be seen as a simple and convenient way of taxing this stream of benefits.

To remove the tax on land requires more than zero rating of land. It would require that the GST be applied to the price of a house, excluding land. This raises questions about administrative complexity and enforcement since land prices vary by a large amount, even within the same communities.

C. GST and Soft Costs

All services associated with the sale of a home will be subject to the tax. Real estate brokers have suggested that their services should be exempt since they are equivalent to the services of a stock broker—i.e. selling an investment good to homeowners.

● (0400)

D. Transitional Rules

An FST inventory rebate is offered for all goods purchased prior to 1991 but sold in the new year. This is to prevent the double taxation of such goods. For new homes, the FST rebate is limited to homes sold before 1 April 1991. No equivalent restriction applies to other goods which receive the FST rebate. The committee heard evidence that a slow housing market might result in double taxation of homes built in 1990 and sold in the spring of 1991.

VI. GST AND REMOTE REGIONS

Goods and services in the more remote regions of Canada cost more than they do in central Canada, largely due to the added transportation costs involved in shipping materials to these regions but also due to the lesser degree of competition and higher markups. The FST is imposed at a trade level prior to these transportation charges and local markups. The GST is imposed on the retail value of sales.

Tax reform means that residents of remote regions will pay more tax than residents of central Canada for the same goods and services. It also means that these residents will pay more tax under the GST than under the

FST. These points were made to the committee by numerous witnesses in Atlantic Canada and the northern territories.

A. GST Credits

The GST credits are a part of a package designed to ensure that families with incomes below $30,000 benefit from tax reform. But a $25,000 income in Yellowknife or Iqaluit does not imply the same standard of living as in Edmonton or Ottawa. Thus a family in central Canada with this income is entitled to full GST credits, but a family in the north with the same standard of living would not receive full benefits. This violates the principle of horizontal equity.

Honourable senators, I look forward to continuing this—

Senator Fairbairn: And we look forward to hearing you.

Senator Kenny: I suspected that you would—at some occasion in the near future. I apologize for rushing through it, but I look forward to the next time.

Some Hon. Senators: Hear, hear.

Hon. Joyce Fairbairn: Honourable senators, over the past few days we have listened and watched, astounded by the degree to which the rules and procedures of this chamber have been stood on their heads, as it were. We have been astounded by the degree to which the moral authority of our government, as seen also in this house, seems to have descended into perilous depths. It calls into question, in most of our minds, the future of this chamber and the role it should play in the Canadian Parliament. On this particular theme I would like to speak about senate reform, which seems apropos at this point in our proceedings. I have chosen to look to an expert who served here in this chamber with distinction for many years, namely, the Honourable Eugene Forsey.

● (0415)

As honourable senators will know, Eugene Forsey was summoned to the Senate of Canada in 1970 and served until 1979. To many, he is Canada's foremost authority on constitutional affairs. In recent months he has appeared before committees of the House of Commons and the Senate as an expert witness on Meech Lake, and has appeared before other legislative bodies across this country. Dr. Forsey studied the Senate for many years and has travelled the length and breadth of Canada as a speaker and commentator on the Senate as an institution. The views expressed in the article I will read represent a distillation of his thoughts on Senate reform. They are contained in an interesting volume which I recommend to senators, called *Canadian Legislatures* by Robert J. Fleming, who is the general editor of this book.

[Senator Fairbairn.]

Senator Forsey writes:

Nearly everyone agrees that our present Senate is unsatisfactory. The New Democratic Party wants to abolish it. Most people in the other parties want to reform it. Most of the reformers want to elect it, though they differ about how it should be elected, its size and its powers.

Abolition is not really on the cards. For one thing, it would require the consent of every provincial Legislature, which is unlikely. The smaller provinces have always been afraid that Ontario and Quebec, with their huge majority in the House of Commons, might ride rough-shod over the Atlantic provinces and the West; and Quebec has wanted extra protection against the English-speaking majority. So the Maritimes, Quebec and in due course the West, insisted on equal representation by region in the Senate: twenty-four seats for Ontario, twenty-four for Quebec, twenty-four for the Maritimes, twenty-four for the West. Six Senators for Newfoundland and two for the Territories throw this equality a little out of whack. But the fact remains that the two central provinces, with nearly two-thirds of the population, have slightly fewer than half the Senators. As long as the Senate has the legal power to throw out — and keep on throwing out — any Bill passed by the House of Commons, the other provinces can, theoretically, protect themselves against central Canadian domination. As the Senate is appointed, not elected, it has very little political clout: it has not thrown out a Bill from the Commons for almost fifty years. So the protection, in fact, may not amount to much. But, such as it is, the smaller provinces are not likely to give it up. They want more protection, not less; and if just *one* refuses to consent to abolition, the proposal is dead.

Reform, giving the smaller provinces more seats, and the Senate more real power, is another matter. But any change in the number of Senators from any province, or in the method of selecting Senators (for example, to election, or to appointment by provincial governments), or in the powers of the Senate (up or down), now requires the consent of the Legislatures of at least seven provinces with at least half the population of the ten. This means that it must have the consent of *either* Ontario *or* Quebec and of at least six other provinces. Under the Meech Lake Accord, it would have to have the consent of all ten. Any single Legislature could kill it.

Most of the reform proposals would give the West more seats, and nearly everyone agrees that this is necessary. But how many more? Neither Quebec nor the Atlantic provinces will consent to any significant reduction in their proportion of the total number of seats.

For example, the Alberta "Triple E" proposal would give every province six seats. The four Western provinces and Newfoundland have six now.

Hon. Brenda M. Robertson: Honourable senators, may I ask the honourable senator a question?

Senator Fairbairn: Certainly.

Senator Robertson: What are you speaking on?

Senator Fairbairn: I am speaking on the question of privilege.

Senator Robertson: You are speaking on Senate reform.

Senator Fairbairn: I am speaking on Senate reform as one of the areas this Senate should be considering—

Senator Robertson: That is not related to privilege.

Senator Fairbairn: It certainly is related to my privileges, honourable senators.

Senator Perrault: It is totally relevant.

Senator Fairbairn: It is totally relevant to the question of privilege.

Senator Robertson: Privilege is from the past, not the future. Stick to the topic!

Senator Fairbairn: I am certainly sticking to the topic.

Senator Perrault: It is a sensitive point with you people because you are so unparliamentary. We do not need a lecture about procedure. You don't know the first thing about it.

Senator Fairbairn: As I was saying:

> The four Western provinces and Newfoundland have six now. No objection there. Prince Edward Island would go up from four to six. Delight there. But Nova Scotia and New Brunswick would each go down from ten to six; Quebec and Ontario each from 24 to six. All four of these provinces would balk. Four from ten leaves six. To pass the amendment needs seven.
>
> Changing the number from six each to ten might win the consent of Nova Scotia and New Brunswick (though their proportion of the total would still go down). But to carry the amendment still requires either Ontario or Quebec. Their number of seats would go down by more than half, and their proportion of the total by almost two-thirds. To consent to this would call for heroic self-abnegation.
>
> Changing the number to 24 each would produce a gargantuan Senate, in which Ontario and Quebec together would have only about one-fifth of the total, and Quebec only about one-tenth. Neither province would accept that.
>
> The Meech Lake Accord would compound the problem. For one thing, any single province could block any change. For another, the Accord gives the nomination of Senators from every province to the provincial governments. No provincial government, having once got its hands on this delicious piece of fail-safe patronage, will be eager to give it up; and if just *one* refuses, the thing is dead.
>
> The reformers will insist on some changes in numbers. But most of them will insist even more strongly that the Senate must be elected.

The question is how it should be elected.

> By single member constituencies, with the first-past-the-post system, like the House of Commons? But that would give us simply a facsimile of the House of Commons. Many of the reformers would object that this would mean the same under-representation of minorities (for example, the Liberals in the West, the Conservatives formerly in Quebec, and the New Democrats all round) as in the Commons. For many reformers, getting rid of this under-representation has been one of the main objectives. The answer would be proportional representation. But neither the Liberals nor the Conservatives have ever shown any enthusiasm for that.

Although I believe both parties show enthusiasm now.

> With the present system, they can, and usually do, win only a minority of the popular vote, but this may, and usually does, win them a majority of the seats. Under proportional representation, neither the Liberals nor the Conservatives might ever get a majority of the seats. The nearer the New Democrats get to power, the less they are likely to be ready to forfeit the chance that they too, with a minority of the popular vote, might win a majority of the seats (which is precisely what happened in British Columbia the only time they ever won an election there).

It comes to a question of power.

> Even if enough provincial Legislatures were . . . to agree on the numbers, on election rather than provincial appointment, and on the method of election, there would remain the crucial question of the *powers* of an elected Senate.
>
> All the reformers want the Senate to have more real power. But how much?
>
> The Meech Lake Accord's "transitional" Senate, nominated by the provincial governments, would have all the

present Senate's legal powers, notably the absolute veto on every Bill. It could stop Supply. It could throw out the Budget.

It would, of course, take some time to produce a Senate all of whose members had been nominated by provincial Governments. But eventually, as the present Senators died, or reached the age limit, or resigned, or became aliens or bankrupts, or were convicted of some felony or infamous crime, or lost their residence qualification, or took jobs which made them ineligible for the Senate; that is what we would have. And that Senate would be no paper tiger. It would have substantial political clout, and no hesitation about using it. Its members would not be beholden to any national political party, but only to the respective provincial governments. They would not have to face elections. If they objected to a Bill passed by the House of Commons, but disliked by the provincial Governments, they would have no qualms about throwing it out. They would argue, with truth, that the Senate was originally set up partly to protect provincial interests; that the provincial Governments, or several, or most, of them, objected to this Bill. Very well, let the Senate do the job it was set up to do, and if the federal Government, or the Leader of the Opposition or the whole House of Commons did not like it, let them eat cake.

One prominent reformer has said publicly, on television, that he wants an elected Senate with "teeth, muscle and claws", and that this meant an absolute veto on all legislation. An elected Senate with that power would most certainly use it. If the House of Commons remonstrated that it represented the people, the elected Senators would reply, "So do we". If they had been elected more recently, or by proportional representation, they might add, "and better than you do. No noise from the cheap seats!"

The House of Commons, whose consent is necessary for any constitutional amendment, will "brook, like the Turk, no brother near the throne". Nor will any federal Government. Neither will accept an elected Senate with an absolute veto on all legislation, or on Supply, or the Budget or anything more than a short-term suspensive veto on Supply or the Budget, and a rather longer one on other legislation.

Probably a formula could be hammered out that would be strong enough to give the smaller provinces, notably the West, a reasonable degree of satisfaction, and weak enough to pass the House of Commons, provided the numbers and the method of selection could also be agreed on. But getting "the time, the place and the loved one all together," would be far from easy.

The acute problem is Western alienation. To allay or mitigate that would require an elected Senate with enough Western members and enough power to stop, or at least seriously delay, legislation the West considered oppressive or injurious.

• (0430)

Senator Steuart: Like the GST.

Senator Fairbairn:

Even the present seven-province formula for constitutional amendment is a formidable obstacle. The Meech Lake unanimity formula might prove insuperable. The Accord guarantees an annual discussion of Senate reform by the First Ministers' Conference. But that is all it guarantees.

This is discouraging. But it need not be as discouraging as it looks. There is a tendency in some quarters to think that Senate reform would solve all our problems, especially Western problems. It would not. For example, some Manitobans seem to think a reformed Senate could have prevented the CF-18 contract from going to Montreal instead of Winnipeg. It could not have. A reformed Senate could have done nothing whatever about the CF-18 contract, except denounce it (and any private citizen can do that, and with precisely the same effect: none), unless a constitutional amendment had explicitly conferred that power; and no Government will ever accept that. Furthermore, no Senate, reformed or unreformed, will ever be empowered to throw out a Government with a majority in the House of Commons. The most a reformed Senate could do would be to force a Government to a fresh election by vetoing or delaying a Bill the Government considered essential or urgent. The notion that if anything happens in the body politic which the West, or any other region, dislikes, a reformed Senate could kiss the place and make it well is nonsense.

What are the changes the Senate could make?

Does all this mean that we are stuck with what we have?

No. Much can be done to improve the Senate without any constitutional amendments at all, and the Senate's Lamontagne Committee of 1980 set it down in black and white. Some of it would require only ordinary legislation. Some of it the Senate could do itself.

One of the problems with the present Senate is dead wood: members who do not turn up regularly, let alone work. This is often exaggerated. My own experience is that at least two-thirds of the members do attend pretty regularly, and at least half do work hard and conscientiously when the Senate is sitting and in committees, which often sit when the Senate itself is in recess. Many are also active in their home communities, involved in various public activities, often doing constitutency work which would ordinarily be done by a member of the House of Commons. But some dead wood there undoubtedly is.

The Lamontagne *Report* proposed three measures to get rid of it, all of them requiring only a simple Act of Parliament. First, a fixed term of ten years, renewable for further terms of five years on the recommendation, by secret ballot, of a bi-partisan Senate Committee.

Second, provision to enable Senators who had reached the age of 65, with fifteen years' service (or 70, with ten years'), to retire, like judges, on full pension.

Third, provison to vacate the seat of any Senator who failed, for two consecutive years, to attend at least one-third of the sittings in each year. The Constitution already stipulates that any Senator who fails to turn up at least once in two consecutive sessions loses his seat; and a fair number have lost their seats accordingly. But others have been literally wheeled in once in two sessions and so retained their seats. Moreover, a single session may now last for years (a recent one lasted for three), so that a resolute valetudinarian or scrimshanker could retain his or her seat by a single appearance in seven or eight years—"A lovely apparition sent to be a moment's ornament".

New Standing Committees. The *Report* also proposed four things the Senate itself could do.

First, establish a Standing Committee on Regional Affairs; second, a Standing Committee on Official Languages, with half the members French-speaking, half English-speaking; third, a Standing Committee on Human Rights; fourth, regional all-party caucuses.

The Fathers of Confederation intended the Senate not only to revise Bills sent to it by the House of Commons (a job the present Senate does thoroughly on the often wretchedly drafted legislation the Lower House hands it), but also to protect the interests of the provinces in matters under federal jurisdiction, and to protect minorities. It has not done much to protect the provinces; partly because the courts have so much narrowed federal jurisdiction; partly because the task has been performed by the provinces' representatives in the Cabinet. It has not done much to protect minorities, partly because in some cases (the Manitoba school question, for example), the House of Commons has taken over the job. But it could, and should, do more in both fields.

The *Report* recommended the new Standing Committees because the Senate does most of its work in committees. The new Standing Committee on Human Rights might be of special importance if the House of Commons passed a Bill curtailing those rights, by virtue of section 33 of the Charter of Rights and Freedoms (the "notwithstanding" section), which enables Parliament to override, for a renewable period of five years, section 2 and 7 to 15 of the Charter.

One question the Lamontagne Committee ought to have dealt with, and did not, is that of vacant seats. No Senate seat should be left vacant for more than a specified short period, perhaps six months. There have been cases of seats left unfilled for years (in one instance, eight years). This should be forbidden by law, if need be by a constitutional amendment, which, for once, should not be hard to carry.

The Lamontagne *Report* proposed also that half the Senators should be appointed by the federal Government from lists submitted by the provincial Governments. The Meech Lake Accord provides that *all* Senators should be so appointed.

There is something to be said for either proposal. Both could give parties unrepresented in the House of Commons representation in Parliament, and parties underrepresented in the Commons fuller representation in Parliament. Both could mean a more varied membership in the Senate, politically, economically and socially, and less danger of huge, long-lasting one-party majorities. The federal Government's power to refuse a provincial nominee would enable it to weed out dead-beats, has-beens and dedicated enemies of effective national government.

The present method of appointment has obvious defects. It gives us too few women in the Senate, too few Native people, too few from ethnic groups, too few from Labour, and too many party faithful (some of whom, however, turn out to be first-rate Senators: hardworking, independent, productive). Provincial nomination and federal appointment might help to redress the balance; but they might not.

It is sometimes suggested that the Government should appoint more "eminent persons"—scholars, poets, scientists, philosophers. Perhaps it might, but pretty certainly it will not; and not without reason. The Senate is primarily a legislative body. It is not a supernumerary Royal Society of Canada or Authors's Association, or a permanent Conference of Learned Societies (though it does, in fact, include Fellows of the Royal Society, authors, learned men, and at least one poet). A few more scholars, poets, scientists, philosophers, might help to leaven the legislative lump, and bring valuable expert knowledge to Parliament. But the bulk of the Senators should be, as in fact most of them are now, people capable of helping to make good laws.

Most Senate reformers will say that the Lamontagne *Report* is totally inadequate. They want much more. But what they want and what they have any reasonable chance of getting are very different things. If this were 1864, or if we were drafting a Constitution with a blank sheet, what they want might have some chance. But it is not 1864, and we have not a blank sheet. It is 1988, and we have the Constitution Act, 1982, which has given us a very rigid Constitution, very hard to amend, notably in regard to the Senate. We have the Meech Lake Accord, which, if it is approved by all the provincial Legislatures, will give us an even more rigid Constitution, even harder to amend and, again, notably in regard to the Senate. That being so, it is hardly too much to say that those who draw up or promote Senate reform proposals that would require constitutional amendments are merely playing games; and not quite harmless games either, since they distract attention from changes that would be easy to make and that would make the Senate more representative and more effective. They set people chasing wandering fires, will-o'-the-wisps, rainbows; blowing bubbles. To change the metaphor: I am sorry to be the boy who points out that the Emperor has no clothes on. But it has to be done.

Senator Forsey's article concludes with an *Editor's Note*.

> When asked what internal changes, in his view, could take place in the Senate, regardless of constitutional considerations or the Meech Lake Accord, Dr. Forsey provided the following check list.
>
> 1. Abolition of the property qualifications for Senators.
>
> 2. Fixed term of office: ten years, renewable for a further term of five years, on recommendation, by secret ballot, of a bi-partisan Senate Committee.
>
> 3. Loss of seat for failure to attend at least one-third of the sittings of the Senate in each of two consecutive years—

The Hon. the Acting Speaker: Honourable senators, it appears that the fire alarm is sounding in the building and security people have advised us that we must vacate. I have had a chance to talke to only a couple of colleagues and to receive some advice from the Table. We will not adjourn, but will recess. We will return at the call of the bell. When I resume the Chair Senator Fairbairn will be on her feet and we will proceed from the position we are in at this very moment. We will now adjourn for an unspecified period of time.

The Senate recessed at 4:33 a.m.

[*Editor's Note: For continuation of proceedings see Number 97B.*]

THE SENATE

Tuesday, October 9, 1990

[*Editor's Note: Continuation of proceedings from Number 97A.*]

At 6:30 a.m. the sitting of the Senate was resumed.

Senator Nurgitz, Acting Speaker, in the Chair.

THE SENATE

STOPPING OF DIVISION BELL—SPEAKER'S LETTER—QUESTION OF PRIVILEGE CONTINUED

The Hon. the Acting Speaker: Honourable Senators, when the fire alarm started, Senator Fairbairn was in the midst of her address on a matter concerning privilege. At this point she will continue her remarks.

Hon. Joyce Fairbairn: Honourable Senators, I was discussing as part of my concerns on privilege one conclusion that may come from the disturbing events of the last several days which might finally be a move toward meaningful parliamentary and senate reform. Prior to the sounding of the fire alarm, I was sharing with honourable senators the benefit of some remarks made by the Hon. Eugene Forsey. I was nearing the end of those remarks when I was interrupted.

At this point I would like to review his suggestion with regard to reform of this place, reform which could take place without constitutional consideration. Briefly, his check list included abolition of the property qualifications for senators; a fixed term of office, ten years, renewable for a further term of five years on recommendation by secret ballot of a bi-partisan Senate committee; loss of seat for failure to attend at least one-third of the sittings of the Senate in each of two consecutive years; full pension at age 65 after 15 years of service, or at 70 years of age with 10 years of service; establishment of standing committees on regional affairs, official languages with half the members French speaking, and on human rights; and the establishment of regional all-party caucuses.

In recent days I have tried to find words to express my personal unhappiness—nay, my despair—with what has occurred since the lockout and the vote of last Thursday. I would like to conclude my remarks by borrowing the words, words much more eloquent than my own, from the writing of a renowned poet, philosopher and artist whose words have been like a Bible to millions of people in the Arabic speaking world. I speak of Kahlil Gibran who wrote a slim volume entitled: *The Prophet* back in 1926. In it he refers to laws, something which concerns us. He wrote:

> You delight in laying down laws,
>
> Yet you delight more in breaking them.
>
> Like children playing by the ocean who build sand-towers with constancy and then destroy them with laughter.
>
> But while you build your sand-towers the ocean brings more sand to the shore, And when you destroy them the ocean laughs with you.
>
> Verily the ocean laughs always with the innocent.
>
> But what of those to whom life is not an ocean, and man-made laws are not sand-towers,
>
> But to whom life is a rock, and the law a chisel with which they would carve it in their own likeness?
>
> What of the cripple who hates dancers?
>
> What of the ox who loves his yoke and deems the elk and deer of the forest stray and vagrant things?
>
> What of the old serpent who cannot shed his skin, and calls all others naked and shameless?
>
> And of him who comes early to the wedding-feast, and when over-fed and tired goes his way saying that all feasts are violation and all feasters law-breakers?
>
> What shall I say of these save that they too stand in the sunlight, but with their backs to the sun?
>
> They see only their shadows, and their shadows are their laws.
>
> And what is the sun to them but a caster of shadows?
>
> And what is it to acknowledge the laws but to stoop down and trace their shadows upon the earth?
>
> But you who walk facing the sun, what images drawn on the earth can hold you?
>
> You who travel with the wind, what weather-vane shall direct your course?
>
> What man's law shall bind you if you break your yoke but upon no man's prison door?
>
> What laws shall you fear if you dance but stumble against no man's iron chains?
>
> And who is he that shall bring you to judgment if you tear off your garment yet leave it in no man's path?
>
> People of Orphalese, you can muffle the drum, and you can loosen the strings of the lyre, but who shall command the skylark not to sing?

He wrote on freedom:

> At the city gate and by your fireside I have seen you prostrate yourself and worship your own freedom,
>
> Even as slaves humble themselves before a tyrant and praise him though he slays them.
>
> Ay, in the grove of the temple and in the shadow of the citadel I have seen the freest among you wear their freedom as a yoke and a handcuff.

And my heart bled within me; for you can only be free when even the desire of seeking freedom becomes a harness to you, and when you cease to speak of freedom as a goal and a fulfilment.

You shall be free indeed when your days are not without a care nor your nights without a want and a grief,

But rather when these things girdle your life and yet you rise above them naked and unbound.

And how shall you rise beyond your days and nights unless you break the chains which you at the dawn of your understanding have fastened around your noon hour?

● (0640)

In truth that which you call freedom is the strongest of these chains, though its links glitter in the sun and dazzle your eyes.

And what is it but fragments of your own self you would discard that you may become free?

If it is unjust law you would abolish, that law was written with your own hand upon your own forehead.

You cannot erase it by burning your law books nor by washing the foreheads of your judges, though you pour the sea upon them.

And if it is a despot you would dethrone, see first that his throne erected within you is destroyed.

For how can a tyrant rule the free and the proud, but for a tyranny in their own freedom and a shame in their own pride?

And if it is a care you would cast off, that care has been chosen by you rather than imposed upon you.

And if it is a fear you would dispel, the seat of that fear is in your heart and not in the hand of the feared.

Verily all things move within your being in constant half embrace, the desired and the dreaded, the repugnant and the cherished, the pursued and that which you would escape.

These things move within you as lights and shadows in pairs that cling.

And when the shadow fades and is no more, the light that lingers becomes a shadow to another light.

And thus your freedom when it loses its fetters becomes itself the fetter of a greater freedom.

Thank you, honourable senators.

Hon. Michael Kirby: Honourable senators, I rise on this point of privilege related, among other things, to the decision by the Speaker last week to call the vote at 5.25 p.m. rather than 5.30 p.m. as indicated in his letter. I should like to make the observation that, for those of us across the street in the Victoria Building, unless there are clear rules in relation to bells, and the notification which we are to be given prior to the bells being stopped and the doors being closed, we will inevitably wind up in a situation where we will miss a number of votes.

In the cold rain of last Thursday it took me 22 minutes to get from my office in the Victoria Building to this chamber. It was somewhat unusual for me to wait for the grey shuttle bus which goes from the Victoria Building to the Senate door. There simply was not enough time for me to get here, because notice was not adequately given.

I raise this for the concern of all honourable senators. We cannot have a system where votes are going to be held without adequate notice and without a reasonable time period being allowed. The words "reasonable time" were used in Senator Charbonneau's letter of October 4. Whenever a vote is to be taken, whatever the rules are going to be, it has to be taken into account that a number of us have offices across the street. In bad weather, in particular, it will take a considerable amount of notice before we are in a position to be able actually to vote.

I should like to comment on some of the points raised by Senator Fairbairn when she spoke about the nature of opposition in a democratic society. Following on that, I should like to give some of the reasons why those of us on this side of the chamber are opposed to the GST. I raise that issue in the context that the current problems, if I may so describe them, in this institution have stemmed from the attempt by some of us to use the rules of this place to express our opposition to Bill C-62 and the attempt by the government through the Speaker to prevent us from using those rules.

As part of this point of privilege, it is legitimate to comment on two things; First is the role of opposition in a democracy, and the second is the substance of the issue to which we are opposed.

One of the best ways to begin this subject is to quote from a speech given 30 years ago by the Honourable Lester B. Pearson who, at the time, was Leader of the Opposition in Canada. He was not yet Prime Minister, but was the holder of the Nobel Peace Prize. He spoke in the United States on April 22, 1960, along with leaders of the opposition from several other western democracies, including Britain, Germany. Mr. Adlai Stevenson was also present. He was a twice-defeated presidential candidate in the United States and was regarded within the Democratic Party as the titular Leader of the Opposition.

This was an academic event. It is interesting that we now have a fellow academic in this chamber. I say "a fellow academic" in the sense that although I have long since stopped teaching I have continued to think of myself as an academic in peer. At this academic conference, Mr. Pearson made the following comments on the subject of opposition and the plight of democracy in general:

> The plight of democracy has been the subject of concern and alarm ever since there has been democratic government—a relatively short time—just as before that the plight of whatever kind of government was in force was also the cause of concern and alarm. Politically, things are always better in earlier days (especially to those of us who are now in opposition).

That seems to be echoing the comments that some members opposite have made from time to time. To put this into perspective, not so long ago someone dug up an ancient inscription which included these lines:

● (0650)

> We are fallen upon evil times
>
> And the world has waxed very old and wicked.
>
> Politics are very corrupt.
>
> The sons of the people are not so righteous
>
> As their parents were.

Perhaps this will help us to keep a sense of proportion and of history. Some of you may have seen the "Quote of the Day" in the *Globe and Mail* of last Friday. I do not have the exact quote, but it was a comment on what was taking place in the Senate. The quote read as if it had been given by the Prime Minister of today. In fact, when you looked at the date the quote was given by the Prime Minister of 1898. One wonders if we are not in a situation where history is repeating itself. Mr. Pearson went on to say:

> Of course we have special worries in our own times. We always have had. Ours are worse than formerly because they are now concerned—or should be—with the grim fact of physical survival on a planet on which we can now make life impossible.

Mr. Pearson was referring to the threat of nuclear war. Here we are in 1990, some 30 years after Mr. Pearson spoke, and many people in public life, and those interested in public issues, would make exactly the same comment; but the grim fact of today is that physical survival is potentially impossible. In this day and age, of course, they would not be referring to nuclear war, but to environmental issues. Concern over the environment has made it the issue of the 1990s in much the same way that concern over nuclear war and nuclear survival was the issue of the 1960s, when this speech was uttered. Mr. Pearson went on to say:

> Fortunately we are doing this at a time when we are about to discover other planets. I hope that the immigration regulations on these other planets will turn out to be liberal and generous to underdeveloped earth people who may seek admission. Better still, if we could only discover one habitable, but uninhabited planet for each suspicious, agnostic grouping now on earth, I'm sure this kind of interplanetary segregation would meet with general approval.

Again, if one looks at the growing nature of regionalism in this country one must wonder whether those comments about interplanetary segregation would not also apply today. Mr. Pearson went on to say:

> So far as our own democracy is concerned, perhaps its most noticeable characteristic today is doubt. This is, in part at least, due to the fact that its processes, its requirements and its demands are so complicated and so insistent that the political leader finds it increasingly difficult to deal with all of them to his own satisfaction. He is therefore bound to transfer some of his own doubts to those who chose him to exercise responsibility.
>
> Inevitably doubts have led to an increased reliance on the collective-making policy through those committees which were recently and cynically described in a New York newspaper as consisting of the 'unwilling, picked from the unfit to do the unnecessary.' This is too severe.
>
> Henry Kissinger was close to the truth when he said, 'The committee approach to decision-making is often less an organizational device than a spiritual necessity.'

[Senator Kirby.]

That comment was made by Mr. Kissinger prior to his appointment to Secretary of State of the United States, a position from which, I think it fair to say, once he assumed office, decision-making as a concept of management style rapidly disappeared. I suppose that simply shows what happens when an academic is put in charge of an institution. Mr. Pearson went on to say:

> It is tempting for the democratic leader to take the decision of his committee as his own policy, just as it is tempting for committees to ensure themselves against error by associating as many opinions as possible in their decisions.

I assume that sentence was written before the word "co-opt" became part of the lexicon of the political decision-making process in Canada. Today we would describe that process as one of committees, the purpose of which is to co-opt others to support your points of view. There are a number of academics in the chamber. I may say that one of the difficulties that I personally found with academic committees was that it was difficult to keep people co-opted. Academic decision-making was once described to me as a series of single parties of shifting coalitions. Obviously, under those circumstances, it is much more difficult to apply the kind of advice that Mr. Pearson was giving in 1960 in the academic world than it is in the world of real politics. Mr. Pearson then went on to say:

> To add to our concern, policies developed in this way—

Through the co-opting process or through the committee system

> —with so much inward doubt, tend to become settled and sacrosanct once the verdict has been given.

We all have ability to recognize that perhaps it is possible that we were wrong, perhaps it is possible that a different policy for a different decision should have been made, that perhaps it is necessary for us to change the position we took. All of these kinds of decisions seem to become increasingly difficult for us to make in light of the glare of publicity, the nature of television and indeed, the role that the media has come to play.

It seems to me that one of the problems of adopting the position that our policies are sacrosanct once they have been established has been one of the great downfalls of the development of our democratic institutions over the past little while. Mr. Pearson went on to say:

> All this leads to the rigidity which is becoming one of the greatest threats to the democratic policy-making process.

> Decisions once made after long travail are hard to change. Indeed, any change becomes worrisome and adds to our doubts.

It seems that we all have a fear of admitting that we made a mistake or that perhaps we were wrong and that maybe some change is needed. Mr. Pearson then said:

> This is natural. An elephant is likely to be more anxious about its offspring than a rabbit. It took so much longer to form and produce it.

I am not sure that I would subscribe to that, although the reference to the elephant reminds me of the oft-quoted line of Prime Minister Trudeau who said that if you are a mouse sleeping next to an elephant, then, when the elephant rolls over, you are inclined to be in deep trouble. Nevertheless, it does seem that there is a tendency in public life in Canada today, just as there was in 1960 when Prime Minister Pearson was speaking, not to want to change your mind, to get locked into a position and to fail to recognize that some change in position is required. Indeed, one can make the observation that the biggest single failing of the current Prime Minister is his belief that under no circumstances has he ever made a mistake and that no matter the situation his view must prevail. It is that attitude that is at the root of many of our problems, both in this chamber and in the country. Mr. Pearson then goes on to say:

● (0700)

> My main qualification to speak about politics and the role of the opposition in democracy is that I have watched opposition in action from both sides of a Parliament. My views, incidentally, may have changed slightly with my change of location.

We made the observation the other day in this chamber—at least,I did when referring to some comments which that then Premier John Buchanan, now Senator Buchanan, made with respect to the GST. As Premier of Nova Scotia, he indicated how bad he thought the GST was for that province, and the very negative impact it would have on the economy, just as Mr. Pearson said his views may have changed slightly with the location of his position. It seems fairly clear that on that issue, for example, Senator Buchanan's position is such that it reminds me of the old line, "Where you stand depends on where you sit."

Mr. Pearson then goes on to make the following observation:

> The opposition in a democracy consists of politicians who are applying for a new job and conducting themselves, they hope, so as to acquire it and, more important, so as to be worthy of it.

I must say that when one looks at the public opinion polls these days it makes one wonder whether it is possible for anyone in public life to be genuinely, and I use Mr. Pearson's word "worthy" of taking on the job of governing, because it does seem that no matter what position you take in opposition, or indeed what position you take in government, increasingly in this country there is a sense of a plague on all your houses. I must say that in this chamber that seems to be something we all should be concerned about regardless of which side of the aisle we happen to be sitting on.

Mr. Pearson then goes on to say:

> Its first duty—

—referring to the opposition—

> —of course, is to oppose; to criticize; to try to change. It customarily 'views with alarm' in order to protect the people from the complacency and over-confidence that comes from a government which is continually and exuberantly 'pointing with pride.' It—

—meaning the opposition—

> —demands information and it excoriates any abuse of power by governments—indeed that is almost its major function. As such it is an indispensable part of any healthy democracy.

The significance of that paragraph is that it basically stresses the major point which members opposite, and particularly the Government Leader and the Speaker, seem to have failed entirely to understand, which is that the role of opposition is, in fact, to oppose, to criticize and to try to change—and, using Mr. Pearson's words, "opposing the policies of the government, criticizing and trying to change them—" is, in fact, an indispensable part of any healthy democracy. One has the impression, from listening to the debate in the last little while and, more importantly, watching the Speaker's actions of last week, that the attitude in this place has increasingly become one that says it is wrong to oppose, it is wrong to criticize, it is wrong to use rules to your advantage; and when those rules are used to your advantage and to the detriment of the government, then the Speaker will step in and arbitrarily, by fiat, change the rules.

Mr. Pearson went on to say:

> As Disraeli once put it, perhaps when he was in opposition, 'no government can be long secure without a formidable opposition,' . . .

I should point out that the security of this government is so tenuous, in any event, because of public opinion—let alone because of opposition in the House—that it would be a government insecure even if it did not have a formidable opposition.

Mr. Pearson then went on to say:

> a view confirmed earlier by Burke's words, 'He that wrestles with us strengthens our nerves and sharpens our skill. Our antagonist is our helper.'

The notion that the members on this side of the house, in opposing government legislation, in amending government legislation and in playing any role which suggests to the government that it might be wrong, have a role to play in that regard and that, in fact, this can help the government, and that to quote Burke, "Our antagonist is our helper", seems to be a concept which is totally foreign to the thinking of members opposite.

Mr. Pearson continued:

> I can agree with that in general without accepting a specific commitment, as an opposition leader, to keep a

> government either secure or even comfortable. On the contrary, the insecurity of the government becomes the opportunity of the opposition; to replace it with new and, of course, better government. So we oppose, correct and criticize. In doing so we cleanse and purify those in office. We are, in fact, the detergents of democracy!

Honourable senators, that reminds me of an anecdote which is one that Senator Buchanan would find somewhat amusing. In 1967, when I first moved back to Nova Scotia from the United States, Mr. Stanfield was the premier of Nova Scotia and had been since 1956. He was in his eleventh year. While I was in the United States both studying and ultimately working, I worked for a while for the U.S. defence department in the Pentagon. As a result, I had a U.S. security clearance. When I came back to teach at Dalhousie University, one of the things I intended to do, at the same time, was consulting work for the Canadian defence department, specifically as scientific adviser to the Commander of Maritime Command. This was in the fall of 1966. I would point out that subsequently there was a provincial election in Nova Scotia in May of 1967. In the course of getting my security clearance, which was required for the work I was going to do for Maritime Command, one of the things the RCMP had to was go around and ask a series of questions about one's moral character, what one believed in and a variety of other questions. One of the questions they asked a colleague of mine on the faculty of Dalhousie University—an individual who is now vice-president there and who, in fact, had been my roommate all the years I was at Dalhousie as a student—was: "Does he ever talk about the overthrow of the government?" to which my friend replied, "He talks about it all the time."

Unfortunately the RCMP totally and utterly misunderstood the reply, and the net result, which I found out only years after the fact, was that it took an extra three months for me to get my security clearance since the RCMP classified me in their first categorization as someone who clearly believes in the overthrow of the government. It just goes to show that the way one answer questions in a democracy and the role one can play in opposition can obviously have a significant impact in the way events ultimately unfold.

Mr. Pearson, in his speech in Washington, then on to say:

> A distinguished Canadian political scientist once wrote of the opposition in the Parliament of his own country as follows:—

—I do not want to get into the question of whether or not the phrase "distinguished Canadian political scientist" is an oxymoron, and I merely read it on the basis that that is what Mr. Pearson said. The quote is as follows:

> The House meets, and in march the Opposition, and sit there ready to attack Ministers and their measures; never, if possible, to make a concession, by word or vote, to official shrewdness or skill. For the time being they are Her Majesty's loyal sappers and miners, not to be very particular if only they can hack and hew their way to the treasury benches. They are waiters upon Providence—all animated with the most exalted, never-say-die patriotism. If they only had a bandage on their brow inscribed 'organized fault-finders,'

[Senator Kirby.]

Certainly, that is not much of a problem on this side of the house and I do not think we need to be very organized in order to find fault with a number of things, and particularly the GST bill which I will come to in a few moments.

Mr. Pearson then went on as follows:

> If they only had a bandage on their brow inscribed 'organized fault-finders,' and a symbolic gridiron, to be transferable, like the seals of office, the equipment would be complete. Broiling is part of their special functions; and woe to the Minister when a chief with the spirit of an untamed Indian is at the head of his foes. For party aims, he is understood to be clothed with forked-lightning invectives; and in debate, wonder not, if he substitutes epithets for arguments, and deals more with the motives than with the logic of Ministers. In brief, he and his lieutenants must be quick to detect the joints in the armor of those in power; and above everything they are bound to cultivate the most wakeful and morbid suspiciousness.
>
> I do not admit that in opposition 'we three'—

He said "three" because there were three people on the panel, Mr. Gaitskell, Mr. Stevenson and himself. He goes on:

> I do not admit that in opposition 'we three' are or have been 'untamed Indians.' It is true, however, that we are 'waiters upon Providence' and the electorate.

● (0715)

> It is our duty so to improve the waiting period that it will end at the next election.
>
> While vigor in opposition is desirable—and also that eternal viligance which is the price of political success for the opposition, as well as of political freedom for people, criticism should always be tempered with responsibility. A purely negative, obstructive opposition would be condemned to remain in opposition for a long time.

Honourable senators, I point out that the key thrust of that particular paragraph in Mr. Pearson's speech is the importance of opposition being constructive based on fact and not merely based on invective. It is for that reason, it seems to me, that we should, in due course, have a lengthy debate in this chamber with respect to the criticism of the GST described in the 192 pages of the committee's report, which documents in a fairly detailed and fairly objective way what we heard as we travelled across the country this past summer from St. John's, Newfoundland to Vancouver and north to Yellowknife and Whitehorse. What we have, in fact, are very detailed comments on what is wrong with Bill C-62, and it is precisely those detailed comments which underlie our basic opposition to the bill.

Mr. Pearson then went on to say:

> There is also a difference to be observed between vigor and violence. The good opposition leader in a good democracy doesn't go around looking for belts so he may hit

below them or, on the other hand, looking for parades so that he may head them. He will certainly fail if he insists on no bread because he does not like half a loaf.

Again, I think there is an important message for us there, that being the importance in both government and the opposition of a willingness to reach compromises and to recognize that you cannot, in the world of politics, or indeed in life in general, be very successful if your only position is going to be "It is my way or no way," or it is going to be "This document, this bill, this agreement—"even if it happens to have a fancy name such as the Meech Lake Accord—"is such that not one word, not one comma, absolutely nothing, can be changed. "Success in political life, success in governing, as indeed success in everyday life, depends very much on the willingness to make compromises, or, as Mr. Pearson says:

> You are certain to fail if you insist on no bread because you are unprepared to accept half a loaf.

Mr. Pearson goes on to state:

> Those in opposition are politicians who have confronted electoral misfortune with fortitude and are upheld by that optimism which comes from a knowledge of the fickleness of public opinion and the infinite capacity of those in power for getting into trouble.

Some of us have been absolutely startled by the infinite capacity of those opposite to get into political trouble. This is one of those rare occasions in my life when, as a mathematician, I think I understand the meaning of infinity.

Mr. Pearson goes on to state:

> They know how to convert the disaster of one year into the success of the next.
>
> The wise politician—and I admit this is easier in opposition—knows also that in the operation of the democratic process nothing is fixed or final; nothing is all black or all white. This may work to his benefit. In any event, it must work, or democracy could hardly survive.

Again, I repeat that the underlying theme of much of Mr. Pearson's speech was the importance of the democratic process, recognizing that nothing is perfect, recognizing that nothing is all black or all white, recognizing that the art of compromise and the art of compromising with the other side is extremely important. It seems to me that if there is one notion the members opposite have failed to exhibit entirely—specifically the Leader of the Government in the Senate—it has been the notion that compromise and reconciliation are an important part of the democratic process.

Mr. Pearson goes on to state:

> As a political reporter for the *New York Times*, W. S. White—

Honourable senators may recall that W. S. White is the author of the book *The Making of the President,* which goes back to the days of John F. Kennedy. He followed that with two other books following subsequent federal elections in the United States. Mr. Pearson goes on to state:

> As a political reporter for the *New York Times*, W. S. White, put it some years ago:
>
> Politics, in this or any other free society, settles nothing finally, nothing arbitrarily, and nothing on the first and most capital totalitarian principle of either-or. At its infrequent very best, politics makes a sensible and a tolerable amalgam of the wishes and desires and prejudices of a great many people. At its very worst politics still distinguishes men from ciphers, men from cogs in a managerial machine.
>
> The situation in a Presidential and Congressional form of government is very different, of course, from that of a parliamentary democracy. For one thing there is in London or Ottawa a recognized and recognizable Leader of Her Majesty's Loyal Opposition who sits in Parliament as an elected member. Therefore he can castigate the government to its face, on every day Parliament sits. Not for him the impressive ex-cathedra statement of the elder statesman from Olympus. There is nothing Olympian about the daily cut and thrust of parliamentary questions and debate. But his position, if not as awe-inspiring as his American opposite number, is more clear-cut. He knows where he is—at least while he is there. His party accepts him as the formal leader—until they decide they want a change and take formal action to that end. Even the government of the day acknowledges his position as a leader.
>
> Indeed it is a minor glory, and some evidence of the maturity of our parliamentary democratic processes, that the government of Canada each year asks Parliament to appropriate a sum of money to pay a salary to the Leader of the Opposition so that he will have a more abundant opportunity, with greater resources, to pursue his efforts to deprive the members of the government of their salaries by defeating them at the next election.

It seems to me that that paragraph underlies a very important principle, the notion that there is a legitimate and meaningful role in the parliamentary system for an opposition; and indeed that role is recognized not only morally in parliamentary procedures, but, in fact, is recognized by the fact that the government of the day includes in its budget funds to support opposition parties, funds to support research for opposition parties, in the belief, presumably, that statements from the opposition, research done by the opposition, work done by the opposition, will, in fact, significantly improve the legislative process and help to ensure that democracy exists in the country. Given that philosophy—which clearly underlines our system of government—and our objection to the removal of that principle, or the elimination of that principle by the Speaker—which led many of us to get as upset as we did—by his cancelling of the bells and the arbitrary calling of a vote last Thursday, and indeed the locking out of members of the opposition in this place, it is clear that the Leader of the Government in the Senate and the Speaker do not believe in any element of opposition and will resort to whatever lengths necessary in order to ensure that the opposition does not have a

role to play which can cause the slightest bit of inconvenience, in spite of what the rules of the Senate may state.

Mr. Pearson then went on to state:

> Mr. Gaitskell is also the beneficiary of this practice.

Mr. Gaitskell was the Leader of the Opposition in the United Kingdom. Mr. Pearson went on to state:

> Mr. Stevenson is not.

He is referring to Adelai Stevenson, who was at that time regarded in the United States as the titular Leader of the Opposition, having lost two elections, one in 1952 and one in 1956, to Dwight Eisenhower.

Because this speech was given before the 1960 election in the United States—which, as honourable senators will recall, in late November resulted in the election of John F. Kennedy and the return of the Democrats to the White House—and since Adelai Stevenson was not to be the Democratic candidate in the 1960 election, he did not seek the nomination and had become regarded as being, *de facto* throughout the western world and particularly in the United States, the Leader of the Opposition in that form of government.

Mr. Pearson went on to state:

> The manner of acceptance of an opposition by government, and the manner of acceptance of its responsibility by an opposition provides one of the best tests of the nature of democratic government;

One begins to wonder, therefore, the extent to which this government, and particularly the Leader of the Government in this place, passed that test of the nature of a democratic government when one finds the lack of acceptance and, indeed, the virtual outright rejection by the Leader of the Government and the Speaker of an opposition in this place. I think it is that issue more than any other single issue which is seriously troubling members on this side of the House.

Mr. Pearson then went on to say:

> —whether it is based on a strong and solid foundation of popular acceptance and by support, or whether it is merely a word taken over by those who have no understanding of its reality. The word "democracy" has become debased by the nature and amount of trafficking done in it. So today we have "controlled" democracy where the control is despotic;

● (0730)

In case any of you think that Mr. Pearson was referring to Canada in 1990, he was not. That speech was given in 1960. I chose it for my remarks today because it has a great deal of relevance to our situation today. Mr. Pearson said, and I repeat:

> . . . we have "controlled" democracy where the control is despotic; "guided" democracy where the guidance is one way;

That would certainly seem to be an appropriate and relevant comment on the government of today.

> "popular" democracy which functions without any regard to the expression of the peoples' will.

[Senator Kirby.]

That is perhaps the truest nature of the kind of democracy we have in the country today. When I get around to my comments on the GST bill itself, we will discover that if one listens to the evidence heard by our committee heard during the summer, it is clear that what we have in this country at the moment is a popular democracy that functions without any regard for the expression of the people's will. Indeed it is precisely that failure to take into account the people's will that has led to the current impasse and continuing strong show of support for the role that members on this side of the chamber have played with respect to our continued opposition to Bill C-62.

Mr. Pearson then goes on to say the following:

> This particular test of political democracy—in the confrontation of authority and opposition—fails when the former—

that is to say, the authority side

> —degenerates into tyranny and intolerance, and the latter—

the opposition side

> —into friction and fury. The first decline—

the decline of authority into tyranny and intolerance

> —becomes apparent and dangerous when a majority rides roughshod over the strong views, sincerely held, of a minority;

It is amazing how prophetic this speech, given some 30 years ago, was. He also said that the latter—that is to say, the failure of the opposition—occurs when a minority, by purely obstructive tactics, tries to frustrate the will of the majority when that will clearly has the support of the people being governed. It seems to me that that test has not been met in this particular case. As I said a few moments ago, it is that test, and the dismal failure of that test in the current context, that is causing not only the problems in this chamber, and in court cases from one end of this land to the other, but a great deal of opposition across the breadth of the country.

Mr. Pearson then went on to say:

> Opposition and authority can best function in their relations with each other when there are two parties, one of which emphasizes reform, with responsibility, and the other conservatism without stagnation. In one party—

that is to say, the party that emphasizes reform with responsibility,

> —there should be a place for the liberally minded; in the other, for the conservatively minded.

That is to say, in the other party, which emphasizes conservatism without stagnation, there should clearly be a place for conservatively minded people. They tell me Mr. Pearson went on to say:

> They tell me that this neat and tidy division of political parties is not too obvious in the United States. Is it, in fact, in any democracy today?

If we look at the nature of the membership of both the Liberal Party and the Progressive Conservative Party in Canada

today, one begins to recognize that you cannot take either of our parties and divide them neatly into two little boxes so that there is a fixed ideology and a fixed set of views among all of the members of one party, because, as Mr. Pearson says:

> There are too many pressures and influences and complicating factors in modern democracy to make this classic political and party division among the electorate easy or perhaps even possible. But the nearer we can approach it, the stronger and more stable a democracy should be. Parties organized along these lines of basic division—

Essentially Mr. Pearson is speaking of parties organized along ideological lines or lines of a clear political philosophy.

> —can be an effective device for containing and modifying extremes on either end of the political spectrum, without preventing that steady change which is the best protection against violent and destructive courses.

In 1960 Mr. Pearson was arguing that to the extent that one can contain a consistent pattern of ideological or political thought among members of a party, and to the extent that they can be centrist parties, one had a better opportunity for a stable and long-term democracy than if the spectrum of a party were too broad or, in particular, if it moved to the extreme right or to the extreme left.

Mr. Pearson went on to say:

> While there are differences, there is an important and binding similarity between oppositions in any form of democracy. We all work to throw out the government of the day; to replace it by a more economic and more general, a more progressive and more cautious, a more responsible and a more imaginative one . . .

In short, Mr. Pearson said that those of us in opposition spend our time trying to replace the incumbent government with a better government—the word "better" meaning more consistent with the political philosophy and ideology of the government of the day. Mr. Pearson went on:

> . . . we are willing to go to great lengths to strengthen democracy in our respective countries. To this end we plan and produce policies. We tailor personalities and create images of leadership to fit those policies or, if necessary, vice versa.
>
> Without the daily and crushing pressure of official duties, oppositions, and particularly their leaders, are supposed to have time to produce ideas which will be as sound as they are captivating. Indeed, opposition leaders constitute, with editors and professors, the thinking element in democratic society. Government leaders, I am told, have no time for anything except decisions, with the space "sign here" already thoughtfully and carefully indicated by those who have behind the scenes, or in front of them, decided what the decision is to be.

As these comments were made by Mr. Pearson while he was still Leader of the Opposition, it would be interesting to know whether or not he had exactly the same views after three or four years as Prime Minister.

Mr. Pearson went on to say:

> Mr. Dean Acheson once wrote, after he ceased to be Secretary of State, that policy "bubbles up", and does not "trickle down". It was popular and not bureaucratic bubbling that he had in mind.

It was "popular" in the sense of doing what the public wanted, and developing policies that had grass roots support as opposed to developing policies that were there simply because the bureaucracy said they ought to be there. It is exactly the belief of those of us on this side of the chamber that major public policies need to have at least rudimentary public support which has led to much of our opposition to Bill C-62. I think it is clear that of all the things one might want to say about the GST bill, the one thing one could not say about it is that it has any base of popular public support.

Mr. Pearson then went on to say that it is one of the dangers of our time that this bureaucratic bubbling up is developed by the public policy of the bureaucracy. This development of major public policies by the elite is becoming the dominant element in the democratic process. In fact, he was saying as long ago as 1960—some 30 years ago, at a time when the government of Canada was significantly smaller; 25 per cent of the size it is today—that the bureaucracy had too big a role, had become too powerful and too strong in the policy development process, and that government was in serious danger of becoming increasingly captured by the bureaucracy as opposed to being captured by the public that it is supposed to serve.

Mr. Pearson went on to say:

> Here an opposition can play an important and corrective role by supplying a continuous, spontaneous and occasionally hissing contribution to this bubbling-up. In this way it can disturb and impress, and even assist, those responsible for government.

The one thing I must say for leaders opposite, the government leader opposite certainly does not believe that there is any role that those of us on this side of the chamber, to use Mr. Pearson's words, can in any way, shape or form assist those responsible for government other than by rolling over and blindly passing any legislation that this government wants to impose on the Canadian people.

Mr. Pearson then says that the opposition can also irritate and often exhaust the government and that perhaps this is beneficial. That is certainly one thing that we are attempting to do today.

> Governments, it has been said, more and more tend to secure agreement by exhaustion; inside in the procedures of officialdom, and outside in those of legislation.

This is an amazingly prophetic speech given by someone 30 years ago, at a time when the government of the day was not any more inclined to negotiate with the opposition and to seek reasonable compromises than is the current government, yet we have Mr. Pearson saying that governments more and more tend to secure agreement by exhaustion, particularly with respect to legislation.

> Oppositions can make their own effective contribution to this exhaustion and hence to agreement. Lest in saying this I seem to contradict what I said a few moments ago . . .

He also said that there were a large variety of ways that this can be done.

> Members of the opposition and the government, in democratic states, have at least one strong bond which normally transcends party differences—they are all members of the one Big Union of Elected Politicians. The fact that this union has had about as much abuse as the Teamsters—

This speech was given in 1960 when Mr. Pearson said the union of politicians received as much abuse as the Teamsters. In 1990 it is fair to say that we have passed the Teamsters with respect to the amount of abuse we have endured.

> —from more people and over a far longer period of time, tends to draw all its members together.
>
> Politicians have always been the victims of undeserved criticism and condemnation. Shakespeare called them "scurvy" and Adam Smith, "insidious and crafty."

● (0745)

> This has gone on for a long time—long before politicians were democratic. Both the criticism, when it is unfair, and the politicians, when the criticism is justified, may constitute a greater threat to democracy than those more direct attacks which are made on it and which seem a greater menace to us. If politics are ignoble, so is democracy, which operates through politics and politicians.
>
> Some part of the disdain and disapproval of the politician is due to the bad conscience of those who desert their own civic duties. It is easier to be a critic than a county councilor and it helps to remove one's sense of guilt at evading a tax or avoiding a vote.
>
> The politician, without being corrupt or even shady, can also evoke the disapproval of the fastidious through his aggressive zeal and his vivid imagination in applying those devices and pursuing those courses which are considered necessary to woo voters who are more impressed by singing commercials than monetary policy. These voters, we are told, are in the majority, and it is essential for the politician to secure most of them for himself, if he desires to save his country, or even humanity. So if too often he wraps himself up in slogans and sales-talk, remember he has to get elected. The executive-assistant has to play up to the Vice-President, and later to the President if he is ever to end up as Chairman of the Board, or so I am told.

In short, Mr. Pearson was making the observation that the art of selling yourself in politics, the art of talking to the public about your public policies, the art of explaining yourself to the public, is an art which must be demonstrated to voters, whom he describes as being more impressed by singing commercials than by monetary policy. It must be demonstrated in a form which voters will understand.

[Senator Kirby.]

It seems to me that the events in this chamber over the last several days have become something which the voters do understand. The message that is going out across the country, it seems to me, is two-fold: First, it is that there is very strong opposition to the GST on this side of the house and that we will do whatever we can to debate Bill C-62; and, second, that the Prime Minister will do whatever he can—however undemocratic, however much it violates the rules, no matter how illegal it is with respect to the standing of the Senate—to try to get the bill through.

Those are the two messages going out across the country these days. It is regrettable that their net effect will not only lead to a belief that it is a good thing that the GST is being fought, but it will also lead to a decline in public support for politicians and the political process. The net result will be a significant decline in public support for all of us, not only in this chamber but in the other place, and for the entire political process in general.

It seems to me that that is not good, either for us or, indeed, for the country.

Mr. Pearson went on to say:

> If the politician yields to unworthy pressures, some of which he may honestly mistake for the compulsions of a public opinion which cannot be denied, he is to be condemned. But equally, or even more to be condemned, are those who apply the pressures and those who create the climate of indifference and complaisant morality which makes the application easy.

I simply make the observation that one thing which is true of members of both sides of this house, whether in the Conservative Party or the Liberal Party, is that most of us have one important thing in common: We are inclined to think that public policies really do matter, that government has a major role to play in Canadian society. We are inclined not to be familiar with, or have, many friends who are agnostics or are completely against the political process. We are people inclined to be committed to the public, to the debate of public ideas and to the pursuit of major public policies.

Mr. Pearson then went on to explain his position on this issue by stating the following:

> I call to witness in my defense of the politician as the pillar—if at times the tarnished pillar—of democracy a professor from Duke University, Dr. Mayo . . .

Again we see academics being quoted on this subject. It seems to me that some of the best writings on the role of democracy and on the nature of democratic institutions have, in fact, come from political science professors. Mr. Pearson quoted a Dr. Mayo of Duke University, who wrote the following words:

> The politician is the broker, the adjustor, the reconciler, the arbiter—subject always to the sanction of the next election. He pours oil on the troubled waters of dispute. He is the peace-maker, transforming bitter social struggles into a game with rules. Among the clash of abstract principles he injects the saving doses of sweet expediency. He is the indispensable instrument of democratic politics,

> through whom grievances are ventilated and tolerable justice done. To every problem there are too many solutions—usually incompatible and often contradictory. The politician thus rightly ignores many of the high-minded but impracticable schemes for the moral reform of humanity. He knows they could not be put into practice except by force and the destruction of liberty. He aims not at ideal justice, but at the right which is attainable, at the feasible and the tolerably good. The conscience of society is not sensitive enough to accept the highest ideal. Politics, like salvation, is for sinners not saints.

I do not think there is any particular appropriateness in Senator Steuart's having entered the chamber just as I mentioned that politics is for sinners, not saints; but some people enter on cue.

Dr. Mayo went on to say:

> Saints would probably not get elected in the first place, and would certainly never be reelected.

Mr. Pearson then said that Professor Mayo was right. Mr. Pearson basically said that he recognized that politicians must be brokers, adjusters, reconcilers and arbiters, that their challenge is not to do what is absolutely perfect but what is tolerable, that their target is to do what can be achieved realistically, not to set unreasonable goals that, however perfect or idealistic, are unattainable.

The role of the politician is to seek not 100 per cent perfection, not what my discipline of mathematics would call the "optimum solution" to any problem, but a practical solution, to muddle through, if you like.

I use the phrase "to muddle through" because it has become a standard phrase in the way political scientists describe government decision-making processes. A muddling through is about the best one can reasonably hope for and is, in fact, the target of most politicians. That is really what Dr. Mayo was saying and that is really the point Mr. Pearson was making when he said that Professor Mayo was right.

Mr. Pearson then continued by stating:

> There is no greater proportion of rascals or hypocrites among politicians than among lawyers, or farmers, or dentists, or ballplayers, or the repairers of television sets.

In short, the makeup of this house and, indeed, of the other place is very much a reflection of Canadian society in a wide variety of ways. It is wrong for the public to subscribe to politicians the notion that we have a greater proportion, as Mr. Pearson said, of rascals or hypocrites than any other segment of society. In fact, we truly reflect the nature of Canadian society and, indeed, one would hope, the views of Canadian society.

Mr. Pearson then went on to say:

> It is well to keep these editorial spotlights, that TV camera, and the radio microphone, squarely on the politician.

Honourable senators can tell that this speech was given in the 1960s. Reference was made to the relevance of editorials and, to a lesser extent, the radio, whereas if one were writing that sentence today one would focus almost exclusively on television.

Mr. Pearson says that the politician asks that these spotlights be focused on him.

> He asks for it—at times he cries for it. And it is good for him if not always to him.

It may not always be very good for the political process. It may not necessarily always be good for the politician himself. Mr. Pearson states:

> If the result is bad for the politician, it should be good for politics, especially if the agency of exposure is honest and objective.

● (0800)

Mr. Pearson said:

> Nevertheless, it is wrong, and can damage democracy, if we despise or even ignore the politician; if we wrap ourselves up in a white sheet of superior if phony virtue, because the political servant at times permits his principles to be adjusted to circumstances without being abandoned; because he realizes the best can be the enemy of the good in the management of human affairs; that a too intense and intolerant concentration on perfection—a not too common political weakness, I admit—can encourage imperfection.
>
> Above all I hope that the professional and editorial critic will not sneer at the politician because normally he is not an intellectual (there are, of course, a few brilliant exceptions), or even one whose mental processes are always as rational as his instinctive reactions.

Dr. Mayo was the political scientist I mentioned a few minutes ago, because Mr. Pearson quoted him in the speech he gave in Washington. Mr. Pearson said:

> Dr. Mayo, whom I have quoted, observing from the vantage point of his ivory tower, believes that 'aspiring politicians who are unusually original, brilliant or witty, should try to conceal it, to appear as the plain, blunt man of the people.' This is good advice though it may lead one into strange places and unusual situations and unnatural expressions.

Mr. Pearson went on to say:

> Whatever he may do or say, the politician is the reflection of those who choose him. So if the reflection is one that invites concern about the plight of democracy, we should blame it on ourselves.

That comment is worth noting for all of us. Mr. Pearson made the observation—again, 30 years ago; some 24 years before the election of the current Prime Minister—that the politician is the reflection of those who choose him. So if the reflection is one that invites concern about the plight of democracy, we should blame it on ourselves.

Honourable senators, if one looks at what is happening in the Canadian electorate today, one finds a great many Canadians, from one end of this country to the other, are, in fact,

"blaming themselves", to use Mr. Pearson's words, for the nature of our current problems and, in particular, for the decision they made back in November 1988—at least with respect to the GST issue.

Mr. Pearson then went on to say:

> If our values—

By that he means the values of society—

> —are being lowered, if we do not cling with the assurance of earlier and simpler times to the things that are righteous, if we are not even sure what they are, because we increasingly mistake the package for the contents, then it is our fault and not that of some Congressional Committee.

Or, I might add, some committee in this place or some committee in the House of Commons. He goes on to say:

> It is not our politics and our politicians that have deteriorated. If there is such deterioration, it is in ourselves.

In that comment Mr. Pearson was referring to the deterioration of society as a whole and the growing belief, even 30 years ago, that governments could solve all problems and that all problems were solvable.

One of the difficulties facing Canadian society today is the belief that we can, through the power of the state, through government, solve all of the problems in our society. That is why Mr. Pearson went on to say:

> Or perhaps I should put it this way. Politics and politicians have always been deteriorating in the eyes of contemporary observers,—

Honourable senators will recall that at the beginning of my remarks I quoted the decline of politicians in the political process dating back to pre-Christian days—that is, dating back to the Roman Empire. Therefore, Mr. Pearson said:

> Politics and politicians have always been deteriorating in the eyes of contemporary observers, a fate which they share with every other kind of human activity. It was always better in grandpa's time.

In commenting to my own children—although I hope I am still a long way from being a grandfather—I find that we do have a tendency to look back and wish for easier and more peaceful times. The decline in support for politicians in the political process has been going on for generations.

Mr. Pearson concluded his remarks by saying the following:

> It should encourage us in this day of confused and worrying democracy, where we are—

Let us remember that this speech was given in 1960—

> —behind in missiles but well ahead in color TV and new models, to recall that politics were never so corrupt and inefficient in England as from 1732 to 1832, when the politicians were the most aristocratic and privileged. It was not in 1960, but in 1830 that Tocqueville commented on the talent among the people and the lack of it among the governors:—

[Senator Kirby.]

If one were to talk to the average Canadian across the country today, he would certainly echo the view that there is far more talent among the people than there are among those running the Government of Canada today.

It was back in 1830 that Tocqueville commented:

> "The most able men in the United States are very rarely placed at the head of affairs."

That statement is extremely true in Canada today. It would be harder to imagine a truer statement than that the most able men in Canada are very rarely placed, and are certainly not placed at the present moment, at the head of our national affairs.

Mr. Pearson concluded by stating how extremely strange it was that 130 years later—now 160 years in our case—it is still so demonstrably true in Canada that the most able people—and, indeed, one might say some the least able people—are actually running the government. It is because of that lack of ability among members of the government that many of our current, national problems, and the problems which we now face in this chamber, exist. If only greater ability existed in the government. If only there were greater ability on the other side to recognize that autocratic and dictatorial methods will not work and that elements of compromise are required if problems are to be solved. That is the kind of attitude that must prevail if many of the problems facing us at the present moment in this chamber are to be solved.

In concluding my remarks on this point of privilege, I wish to return to the point that I made at the beginning, namely, that in the absence of recognition by the Leader of the Government and the Speaker there is a role for the opposition to play. That role must be consistent with the rules of this place. It is now nearly impossible for us not only to do our job but also for democracy, as we know it in this country, to continue to exist. It is in defence of those democratic principles, in defence of the right of all members of this place to understand what the rules are, and in defence of the belief that the rules of this place should not be changed, and cannot be changed, unilaterally by the Speaker acting in collusion with the government leader in the Senate and the Prime Minister, that I speak. It is precisely in defence of those principles and in defence of the role of the opposition in democracy, about which Mr. Pearson talked so eloquently 30 years ago, that I decided to intervene on this issue of privilege. In so doing I had hoped to have the opportunity to comment in detail on Bill C-62, the GST, as a member of the committee and as a member of the steering committee, to explain in some detail why I am opposed to that bill. However, I will save those remarks for another time and will yield the floor at this time.

[*Translation*]

Hon. Gildas Molgat: Honourable senators, if I remember correctly, when I was here last night, Senator Simard remarked that Senator Murray had not had a chance to take part in this debate. I wonder whether Senator Murray intends to do so, since one of his colleagues said we had not given him an opportunity. I am certainly prepared to accommodate him

if he wishes to speak. However, since he is leaving the Chamber, I must conclude Senator Simard has not been in touch with his leader. There must be a lack of communication somewhere. There must have been a mix-up. I was certainly very interested to hear what Senator Murray would have to say about this question, since as the Leader of the Government, he would seem to owe us an explanation for the present state of affairs. Unfortunately, he has decided not to participate.

[*English*]

If my memory serves me correctly, it was somewhere between three o'clock and four o'clock in the morning, or thereabouts, when I spoke on the question of privilege. I was speaking first with regard to my personal objections as to what had happened to me, namely, that Senator Everett, from my own province, a colleague of mine for many years, had received a letter and I had not, and that my rights had thereby been abridged.

I spoke about the rights of the Senate; but I will not go over that same territory as I understand that one of my colleagues, Senator Lucier of the Yukon, quoted extensively yesterday from my speech of that day. I was not in the chamber at the time, but I understand that he said some kind things about me, and I thank him very much for that.

If the other day I was speaking directly to Senator Charbonneau and then to the Senate as a whole, my comments today are really addressed more to the new senators who have recently arrived in this chamber.

• (0815)

I think it is extremely important that they understand how this chamber works, what is the background of the Senate and why it is the way it is, because we now find ourselves in a situation which I think we can reverse and which I think we should reverse. However, before we can do that we have to understand why the Senate operates the way it does. To do that we have to go back to the origins of this chamber and understand the way it is structured. Frankly, I find that outside the chamber very few people understand what goes on here, and I do not blame them for that because I think it is perfectly understandable. As a rule the media coverage concentrates on the House of Commons, and not on the Senate, and for people not to understand that this is a very different chamber is neither surprising nor, I suppose, disappointing.

The facts are that this is an entirely different chamber from the House of Commons. It is entirely different in its structure and in its functions.

The first difference is that the Speaker in this chamber has no relationship to the Speaker in the other chamber with respect to authority. The Speaker in this chamber has no authority. That was determined at the very outset when way back in 1867 the government—the Fathers of Confederation, the provincial leaders of the day—insisted that there be a Senate as one way in which the diverse provinces could get together. They also decided that the Speaker would be appointed by the Prime Minister.

That is not the case in the House of Commons. It is true that the situation in the House of Commons has changed, since there is now a secret ballot for the election of the Speaker, which I think is a wise course. That is a fairly recent step. Nevertheless, over the years, the Speaker of the House of Commons has been selected by the members of the House of Commons. Previously an open vote was held which, admittedly, was done on the basis of an understanding between the parties and there was an election within the House of Commons.

That has never been the case here in the Senate. From the very beginning the Speaker has always been appointed by the Prime Minister. It is perfectly understandable that honourable senators were never prepared to give the Speaker in this chamber the authority that the Speaker has in the other chamber. When we, in the course of debate, trot out *Beauchesne* or *Bourinot,* or any other authority, and that authority refers to the Speaker, the responsibilities of the Speaker, the duties of the Speaker and anything to do with the Speaker that has nothing to do with this chamber. There is no point, and we should never get ourselves involved, in using those outside authorities, particularly *Beauchesne,* to determine what the Speaker in the Senate can or cannot do, because when *Beauchesne* speaks of "the Speaker" he is speaking of the Speaker of the House of Commons and not of the Senate. We should not quote what *Beauchesne* says about what the Speaker can do.

Senator Murray: Why do we have Rule 1 in our book?

Senator Molgat: Rule 1 in our rule book is a very simple rule. It states:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

The operative part of that rule is "In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House . . ." If we are to interpret what we should do we should first go to our own rules. Step one is to go to our own rules. If our rules do not specify what we have to do, we go to the "customs, usages, forms and proceedings of either House", but first of our own house. In response to Senator Murray's question, I urge you to refer to the back of the rule book, where we have the "Forms and Proceedings" which are very clear. They are found at page 48 of the *Rules of the Senate of Canada.* There we see the following:

> (*This appendix is a general description of Senate practice and is included in this volume as a source of information on the customs, usages, forms and proceedings of the Senate referred to in Rule 1.*)

It is clear that if there is a question about our rules, we first go to our rule book. Secondly, we go to this appendix, which is the customs, usages, forms and proceedings of the Senate. If we do not find an answer after following both of those steps, we then go to our precedents. We go to the precedents of this house before we go to those of any other house. In that regard, I will

be quite happy to have the clerks of the Senate produce the precedents of this house specifically with regard to the question now before us as to the role the Speaker has taken upon himself, or has had pushed on him by Senator Murray and Mr. Mulroney.

Let us go back to the precedents of this house. Let us ask the clerks to produce what has happened in the past. I do not want to get them involved in any political discussion, because that is not their function, but they are certainly capable of producing for us the precedents.

This is what I submit we should be doing: Only as a very last resort, if we do not find in our rule book and in our forms, practices and proceedings, and in the precedents of this chamber, do we go to other authorities. We do not, in any case, go to other authorities concerning the role of the Speaker because—and I come back to the point I was trying to make at the outset—the role of the Speaker in this chamber, from the very beginning of the Senate, has never been the same as that of the Speaker in the House of Commons. That has to be clearly established in everyone's mind. There is no comparison between the two.

If, then, the Speaker does not have the same kind of authority, let us deal with what has happened here in the past. To my knowledge never, never, never in the history of this chamber has the Speaker taken upon himself the authority to call a vote. I would ask my honourable friends to show us the precedents—show us where it has ever happened. If they can show me such a precedent I will be surprised. I would have to bow to the fact that there was a precedent, but I do not believe there is. Let us dismiss completely from our minds the relationship of the Speakers in the two chambers.

I hope that the media, if it is reporting the proceedings of this chamber, will clearly report in that regard, because it is an important fact of which Canadians should be aware.

As I have said, the other day I spoke about my own privileges and the privileges of the Senate as a whole, but really what we should be talking about are the privileges of Canadians, because that, in essence, is what this is all about. I see my honourable friend, Senator Roblin, with whom I have had debates of this type before, shaking his head, which reminds me of previous debates.

Senator Roblin: I was not shaking my head at you.

Senator Molgat: Ah, you are agreeing with me.

Senator Roblin: I am afraid I was not even listening to you.

Senator Molgat: I am delighted you are agreeing with me. In any case, the fundamental question here is the privilege of Canadians, because while it is true that we are not an elected chamber, we are nevertheless a representative chamber: We represent Canadians. Each of us has taken a name of an area. In the province of Quebec senators represent a constituency much more directly, because not only do they carry the name of the constituency but they must actually be representative of that constituency in that they must own property in it. There is a more direct representation. However, the rest of us have a representative role as well. We represent provinces at large.

[Senator Molgat.]

We must be residents in that province; we must own property in that province; and we must establish a name. In the case of many of us, such as Senator Roblin and myself who come from provincial legislatures, I think we probably feel a much closer representative role. Having been in a provincial house representing specific areas, I think we remain closer to the people in our region. Certainly, in my case, having taken the name of my old provincial constituency of St. Rose, I still feel a very definite attachment to that region. I visit there frequently; I participate in the activities of that region; and I still feel that I have that kind of representative role. But we all have, in any case, a very clear provincial representative role. We are here representing the people of our province.

When our rights are abridged, when I am prevented from voting, as I was the other day, when the Speaker of this chamber takes upon himself authority that he does not have and thereby reduces my participation, my rights, the rights of all of us, it is indeed the rights of Canadians that are affected. We are preventing all honourable senators from properly representing the regions from which they come. In that lies the danger in what has happened here. By a unilateral decision, the Speaker, pushed by Senator Murray, pushed by Mr. Mulroney, and pushed by Mr. Wilson, has changed the rules of this chamber.

Senator Stewart: Will the honourable senator permit a question?

Senator Molgat: Certainly.

Senator Stewart: A moment ago Senator Murray intervened to put forward a certain interpretation of our rules. I wonder if perhaps you are too harsh on him. You imply that he actually has studied our rules, but his question reveals that he has not studied our rules; that, perhaps, he is relying upon the advice of some well-paid but ill-informed young persons; and that he, distracted by his other duties of state, has never looked at the rules of the Senate. We all know that by reason of his devotion to Meech Lake he has spent very little time here, so it would be unreasonable for us to expect him to be acquainted with the rules of this house as the result of experience; and I suppose it is also reasonable to assume that, given a large staff, he relies on what his staff tells him. He is a very important member of the Mulroney cabinet. I was going to say that he is a very important man in this government; but I heard cries from across the way that that is nonsense. I insist that he is at least an important man in this government.

• (0830)

I have read in the newspapers—indeed I believe this—that he is the most intelligent man in this government, a man who gives the kind of legitimacy that comes with intelligence to this government. So he is very busy in the council chamber. Many, many matters of state demand his attention.

Is it fair for us to assume that he, himself, has given the kind of attention to the rules of this House that Senator Molgat has given to the rules of this House? Must we not presume that he is relying on his well-paid staff and that somehow or other his staff, inexperienced in Parliament, have gone wrong, with the

result that Senator Murray has gone wrong? In consequence, we find ourselves in this dismal situation.

I am merely intervening, Senator Molgat, to protect Senator Murray from the notion that all this was done quite deliberately by him. Is it not possible that there is an element of misunderstanding and ignorance, as betrayed by the question which Senator Murray addressed to Senator Molgat earlier, behind the plight into which he has plunged this chamber?

I ask Senator Molgat to consider that seriously, because we would not like the record of this House to show that Senator Murray deliberately and with good knowledge conspired in the breaking of the rules of this House.

I ask Senator Molgat to consider the importance of my question and to answer it.

Senator Molgat: Senator Stewart has raised a most interesting question. I note the very gentle tones and the kind approach Senator Stewart has used vis-à-vis Senator Murray. That is the typical approach of a Maritimer. Maritimers are always gentle and pleasant people to deal with. I know that Senator Stewart is treating Senator Murray with a kind touch, and I commend him for that.

Unfortunately, I cannot answer directly Senator Stewart's question. I do not know how Senator Murray could have asked me the question he did regarding our rules, and referring me back to Rule 1, if he had read the rule book and if he had imbued himself with the background of this chamber! If he had understood the real meaning of the Senate and the purpose of the Senate, I suppose he would not have asked me that question. So, when Senator Stewart raises this matter, I hope that he is reminding Senator Murray, in his gentle way, that he ought to be paying more attention to the rule book itself and that he should read through it. Perhaps Senator Murray will give us the benefit of his views on this.

I asked Senator Murray at the outset of my comments, following a request made last evening by Senator Simard, whether he wanted to participate. I repeat that Senator Simard chastised us last evening for not giving his leader a chance to speak.

Senator Lucier: Perhaps he will after he has read the rules.

Senator Molgat: Yes, but it would be of benefit to the Senate to hear what Senator Murray has to say in this regard.

I regret that I cannot give Senator Stewart a more direct answer. Perhaps, as the debate proceeds, he will have an opportunity to pose that question directly to Senator Murray.

Honourable senators, concerning the privileges of Canadians having been abused by the Speaker of this house, aided, abetted and pushed by Mr. Mulroney, the Prime Minister of the country, by Senator Murray, the Leader of the Government in the Senate, and by Mr. Wilson, the Minister of Finance, let us look at what has happened in this affair.

This goes back to a statement made by Mr. Wilson to the effect that the government had a way to solve this matter of the GST and the Senate. He said they were going to push this forward and that by the end of last week Canadians would see how the government had this planned.

Following that, Senator Murray had his marching orders. We have to recognize that Senator Murray is under some difficulty. He was the government's chief operator in the matter of the Meech Lake Accord, the individual who was to ensure that the Meech Lake Accord was adopted by Canadians willy-nilly, regardless of what the attitudes might be in other parts of the country. He was the individual charged with accomplishing that agreement.

If honourable senators look at the dismal record of the Meech Lake Accord and the way in which it was handled, they will appreciate the difficult position in which Senator Murray finds himself. His position in the cabinet has been extremely weakened. He was given a task to do and he did not accomplish it. He tried all sorts of tricks, including the last one, which was putting the provincial premiers in a hot box for ten days, using all kinds of techniques to force them into submission; but he was unable to deliver the goods.

Senator Murray now finds himself in a very weakened position in cabinet. He is now in the position—and I put this as a hypothesis—where he has to deliver the goods, because if he does not deliver the goods this time, then it is probably goodbye; he is likely out of the cabinet.

Having an ultimatum from Mr. Wilson from the other place, and an ultimatum from the Prime Minister, and his own ultimatum—because he wishes to recoup his position in cabinet—he decided that come what may his will will be imposed on this chamber. How else can one explain the decision of the Speaker in this chamber to go against the historic position of the Senate, to go against the rules, to go against the proceedings, to go against precedents and push forward by a change—not a change in the rules, but creation of a new rule. How else can one explain that kind of action in this chamber?

I think that honourable senators opposite should reflect on exactly what has happened, because we did not need to get into this situation at all. There is a way out, or there was a way out. It is traditional in this place to resolve our differences by communication. That is why we do not use the Speaker. If there is a problem, we discuss it among ourselves. The leaders of the two parties sit down and discuss any problems that arise. They normally come back to the caucuses and tell us how they have decided to resolve a matter.

Senator Corbin: We usually deal with Senator Doody, an excellent person.

Senator Molgat: That is correct; we normally meet with Senator Doody, and we have arrived at solutions. We have done that time after time after time. That is not an unusual practice. On the contrary, it is the usual practice of communication between the two sides.

Why did the government not do that this time? Why did Senator Doody not talk to Senator Frith? Why did Senator Doody not say to Senator Frith: "We are into this type of situation with the bells ringing, and they may ring for a long time. What is it that you intend to do?" Then some kind of an

agreement could have been arrived at. The opposition can then state what it wants and the government can state what it wants.

Was there any attempt to do that in this instance? Not to my knowledge. If there were such an attempt, that was not communicated to me. There was no attempt by the members of the government to arrive at an understanding. What was done was done by decree, by a wrong decree, by pressure on the Speaker to have him do something that he should not have done, instead of following the normal system of communication between the two sides. That is the way in which the Senate has operated in the past and that is the way in which we should conduct our business; but there was no attempt in this case to do that. A decision was taken by the government without consulting this side—though the government did consult the whips, but not the rest of us. By decree the government imposed this decision. It prostituted the Speaker, as I said earlier; it destroyed that individual. That is the wrong way to proceed. There is another way, one which has been used time and time again in this chamber, and that is what should have been done. The question now is what can be done about this.

I believe honourable senators opposite the way are just as interested as I am in having a set of rules in this chamber under which we can function. It is essential that we have rules. This is a civilized chamber and all senators have the interests of Canadians at heart although we may have different ideas as to how to get there. My honourable friends across the way may think the GST is the right answer. I am equally convinced it is not. That is fair; but nevertheless we have to operate under rules.

I submit that it is not in the interests of honourable senators opposite that the precedent that has been established so far on these questions of privilege should remain part of the precedents of this house. I think that in the long run it will be damaging to the Senate as a whole.

I appeal to members across, particularly the new members, to speak to the leadership on that side. They cannot be happy with what is taking place now. They cannot be happy with a situation in which the Speaker makes rules that should not have been made. Honourable senators opposite cannot be happy with a situation in which members on both sides are not the ones who decide what the rules should be. That is not the proper way for this chamber to function. I think we can find a way out of this affair. We can indeed turn the clock back. Let us forget what has gone on. Indeed a precedent was set for that in the last few days. If honourable senators refer to the *Debates of the Senate* of last Thursday, September 27—and this may seem like a long time ago—they will see there an agreement to have Senator Frith withdraw a motion. Senator Frith had moved the previous Thursday that there were strangers in the house. In the *Rules of the Senate*—this is the only rule I can find under which there is no debate—Rule 17 says:

● (0845)

> If at any sitting of the Senate, or in Committee of the Whole, any senator shall take notice that strangers are present, the Speaker or the chairman (as the case may be) shall forthwith put the question, "That strangers be ordered to withdraw"—

and this is the important part of the rule

> —without permitting any debate or amendment:

I believe that is the only motion that is not debatable. Senator Doody is shaking his head.

Senator Doody: Is the adjournment motion debatable?

Senator Molgat: It is debatable.

Senator Doody: The adjournment?

Senator Molgat: Yes, according to Rule 27, which says:

> A senator may speak to any question before the Senate . . .

So an adjournment motion is certainly a question before the Senate.

> A senator may speak to any question before the Senate, a question of privilege, or upon a point of order, or upon a motion or an inquiry, or in making a mere interrogation . . .

As I read the rule book, with the exception of the motion that strangers be ordered to withdraw, every other motion is debatable.

Returning to the events of that Thursday, Senator Frith moved the motion that strangers be ordered to withdraw, which was non-debatable, non-amendable and to be put forthwith. The Speaker did so and the bells started to ring. As an aside, the bells did not continue to ring, because Mr. Speaker decided they should stop. It may have been a sensible action in the sense that we did not want to keep the staff present and have someone in the Chair over the whole weekend, but what was wrong was that there was no consultation.

Senator Stewart: Senator Molgat, is it not true that when the bells rang in the other house in 1982, the Speaker of that house—a Speaker who, as you yourself said earlier this day, has vastly greater authority than the Speaker of this house—did not allow the Chair to stand empty, did not slam the doors and did not presume to shut off the bells? Senator Molgat, is it not true that what was done here, not only last Thursday but during the previous week, was a contempt of Parliament? Is it not true that if this had been done in England a few hundred years ago, heads would have rolled—not just figuratively? Is it not true that no Speaker in the House of Lords would ever have presumed to close down the house? Is it not true that no Speaker in the House of Commons at Westminster would ever have dared to close the doors and leave the Chair on his own? Would that not have constituted the offence of treason in those days? Senator Molgat, I ask you to direct your mind to that before you move on from what was done not last Thursday but the week before.

Senator Molgat: Thank you for your question, Senator Stewart. I must say that I am by no means the historian you are. I would not pretend to be able to speak as to what would have happened in the Parliament of England, although there is no question that Parliament was considered to be much more

important than it is now, and the privileges of Parliament in particular were viewed as being absolutely critical—and so they were in that particular era, because they were the only protection against an absolute monarch.

By the way, it seems that we have now reached the point in Canada where we need the same kind of protection against an absolute monarch in the other place.

Senator Gigantès: If Senator Molgat will allow a question, are you agreeing with me, sir, that Prime Minister Mulroney is now behaving in a manner similar to that of absolute monarchs, driven only by his personal ambition and with total disregard for what is decent and traditional in this country?

Senator Molgat: Senator Gigantès, I must confess that I am concerned about the way in which the Prime Minister is proceeding. That is why I spoke with the depth and feeling I did the other evening and with which I speak now. I believe that the institution of Parliament is being severely damaged by the actions of this Prime Minister. I believe many other things have been savagely damaged in Canada, but I specifically refer to your question of Parliament. Frankly, I deplore the fact that there is a tendency to trivialize this situation. We do not now have the same concerns for the rights of Parliament as we had in previous years. This is a serious problem in a democratic system. I am not answering your question in a light manner. The matter is most serious.

I realize that some honourable senators will say that the continuation of the debate in this way is trivializing the matter. I do not believe that. I believe that the matter is so serious that we have to proceed in this way, because we have to impress upon the members on the other side that something has to be done to get us back on the right course. This brings me back to what I was saying about the events of last Thursday when Senator Frith moved the motion that strangers be ordered to withdraw. The bells rang over the weekend. The actions of the Speaker in that particular case were wrong. The Speaker does not have the authority in this house to decide that the bells shall stop ringing. He does not have that authority. The rules and procedures are clear. The bells should have continued ringing.

However, from a practical, sensible standpoint—and I think we could have settled the matter in a practical, sensible way—there should have been consultation. Senator Doody, in consultation with the Speaker, could have met with Senator Frith, who normally handles these situations. Together they could have said that the sensible thing to do was not to keep the staff on duty all weekend but allow our pages—who must be getting tired during the course of this debate—the stenographers and everyone else to go home. That would have been arranged by consultation, and I am sure the matter could have been resolved. Senator Doody is a reasonable individual, as is Senator Frith. I think they would have returned from each of their caucuses and asked the other side if they agreed with this proposition. If this had happened on our side, we would have had an understanding and the bells could have stopped for the weekend—but only by consultation and understanding. That is not what happened. The Speaker, on his own, made that decision. The Speaker had no right to make that decision. It was the first step of changing the rules by decree instead of changing the rules by understanding in this chamber. That is what should have happened in that instance.

Let us return to what we did in the next case. Senator Frith's motion was that strangers be ordered to withdraw. What happened then? By decree the bells stopped ringing. I have discussed that. We returned the following Tuesday. The Senate resumed and we went directly into a question of privilege that I raised, which had to do with the eight new senators, who, by that time, had been officially or unofficially sworn in. They had been sworn in in secret in the Speaker's chambers. On the Thursday, when Senator Frith moved his motion, we did not know that that secret operation had occurred, but by Tuesday, of course, it was public. So I raised the question of privilege when we first entered the chamber.

During the course of that day we proceeded to discuss questions of privilege. What happened by late that afternoon? Senator Frith and Senator Doody had a conversation about what was going on. What came out of that agreement? We turned the clock back. We got out of the situation in which we found ourselves by agreement between the two sides—not by the Speaker making any decision. He was not involved in that decision, nor should he have been. The two sides got together and what happened then? That evening at 8 p.m. the sitting of the Senate was resumed.

Senator Frith rose and said:

• (0900)

> Honourable senators, I have had a short discussion with Senator Doody, and we propose the following: That you grant me unanimous consent to withdraw my motion dealing with the strangers, and that we then adjourn until Wednesday, October 3, at 2 o'clock to give both sides an opportunity to confer with their caucus colleagues; and that we start a new session on Wednesday.

There was then a correction made; it was not a session, it was a sitting.

Senator Doody agreed to that. He said:

> . . . what Senator Frith has said is substantially correct, with the clarification he made about the new session. We at no time agreed to a new session, but we have agreed that we would adjourn this evening to return at 2 o'clock on Wednesday, October 3. I am not sure if Senator Frith has to make a formal withdrawal, but leave is granted.

Honourable senators, let us look at the situation. We were actually in the middle of a division. The division bells had rung, and technically they should still have been ringing at that time. The Whips were walking in. We were just about to proceed with the division, and what happened? By agreement of the two sides there was an understanding that we would not proceed. By agreement of the two sides in the middle of a division—it was not in the middle of a debate; it was in the middle of a division—we withdrew the motion and returned to square one.

That, honourable senators, is the way in which the Senate should do its business—by agreement. Our business should not be carried out by decree, certainly not by the Speaker making new rules, certainly not by the Speaker taking upon himself authority which this house has never given to him. It is essential that senators maintain that authority unto themselves.

So there is a precedent over the last few days where, by agreement, we have been able to resolve a problem. I submit that by agreement we can resolve the present problem. I submit that we could agree to revoke the decision that was made by the Speaker here last week, that he could call a vote on his own. My honourable friends know that it was a wrong decision on the part of the Speaker. They know that it was not made according to our rules. It was not done according to our precedents. It was not done according to the way this house has ever conducted its business. I do not believe that senators opposite are any more interested in giving the Speaker authority that he does not have than we are.

Why not go back, as we did in the case of the withdrawal of the division that was then in process? Why not go back? Why not have Senator Doody and Senator Frith sit down to find a way out of this impasse in which we find ourselves? Let us get back to our sensible proceedings of past times, where we did things by consultation.

Let us not try to say that we have now established a precedent whereby the Speaker can decide when votes are going to be taking place in this house.

Let us remember, my honourable friends, that this works both ways. Temporarily you have a majority in this chamber—

Senator MacEachen: A very thin majority.

Senator Molgat: —but you are not always going to have that majority. It will change.

Senator MacEachen: How large is it, senator?

Senator Molgat: I am not quite sure how large it is, but until such time as the status of the eight senators is settled, until the courts determine that, I suppose that no one can give us the answer as to what the majority is. But majorities change in this place and we should not be depending on the whim of a Speaker.

Let us remember, honourable senators, that this is a Speaker appointed by the Prime Minister. Do not ever forget that we have a Speaker appointed by the Prime Minister. Majorities change in this place and Prime Ministers also change in this country. I hope that this change will happen soon in Canada, but a change in Prime Minister will take place. He will appoint the next Speaker. Does this chamber want the next Speaker to have unilateral rights to make rules, to decide by himself how this chamber will conduct its business? Is that really what senators want?

Think about it, honourable senators. There is a valid reason for what goes on in this chamber. There is a valid reason why we do not give the Speaker that kind of authority. I plead with honourable senators to think about what it is they are doing.

[Senator Molgat.]

I am particularly concerned by a comment made by Senator Doody at the adjournment of the last sitting. We have had so many sittings that on occasion I miss keeping track of them, and I cannot find the exact quote—I believe we have not yet received that day's *Hansard*—but, if I understood Senator Doody correctly, he left the impression that the decision of the Speaker to call a vote established a precedent.

I would hope that that is not really what Senator Doody meant to say. I think it would be terribly wrong to say that the Speaker having done something once it then becomes a precedent for this chamber, even though it had not before been done in 123 years.

I sincerely hope that that is not what Senator Doody meant to say. I think he would agree that one wrong decision by a Speaker should not establish a precedent in this chamber.

My honourable friends, I go back to an appeal to Senator Doody, who essentially is a reasonable man, a man who I think recognizes the need for the independence of this chamber. If we were able last week to turn the clock back in the middle of a division, surely we can turn the clock back now, remove from the record what has happened, go back to our rules and our precedents, have our clerks prepare what the precedents are, and on that basis arrive at an agreement in this chamber.

I appeal to Senator Doody to use the time-honoured practice in this chamber of doing things by agreement, by discussion. I appeal to him not to do things by way of pressure—and shocking pressure—on the Speaker, resulting in the kind of debate in which we have been engaged now for too many hours.

Hon. Eymard G. Corbin: Honourable senators, I have always been fascinated by the development of parliamentary practice, parliamentary rules, parliamentary precedents, and, indeed, the very establishment of Parliament. As we know, much of that goes back to the very beginnings of written and, indeed, oral history. Much of that goes back to stone engravings as far back as 6,000 or 7,000 years ago. Archaeologists are now finding documents that presumably are even older than that, though dating these finds has always been a problem.

Honourable senators, like everyone else in this house, I was not born a parliamentarian, but my interest in Parliament and the ways of Parliament is something I picked up in grade school, in elementary school and, later on, in college debating societies. Eventually I developed a real interest for parliamentary life, for the electoral process and, indeed, for the ways in which the lawmakers acted and the means by which they developed laws.

When I was a civil servant in New Brunswick, I would rush after work to the gallery of the New Brunswick legislative assembly and look down upon the functioning of one of the oldest assemblies in Canada. And my interest grew. One day I decided to run for Parliament and then I really had to do something about my relative ignorance of the conduct of the work of that house.

The first piece of advice I was given, upon arriving at the House of Commons, with respect to the rules was that I should remain seated in the house, observe what was going on and try to appreciate the finer points of procedure, which are not readily understandable to the lay person and certainly not to most people who come to Parliament, whether it be to this august chamber or to the elected house.

One of the things that has always amazed me in this evolution of my knowledge of parliamentary rules, laws, practices and what have you, was that most of the things that are written, whether in our rule book, *Beauchesne, Erskine May, Bourinot, or any* of the old authorities, existed in one way or another in primitive society, as we civilized moderns like to call the societies that existed millennia ago. Nothing was invented in this day and age. Most of our practices rest upon ancient usages and practices, some of which go back to the very beginning of history.

Some people may waive such considerations, taking the view that history is history and that what happened 600, 1,000 or 2,000 years ago really does not matter any more. Some people may think that we now have to live by the rules as they are written.

Honourable senators, the copy of the *Rules of the Senate of Canada* that I hold in my hand is dated March 1990. The book of rules is upgraded from time to time upon the recommendation of the Rules Committee, which currently is presided over by Senator Molgat. With the approval of the full house, and only when the Senate approves any recommendations, can they become part of our inner statutes, governing the way in which we must conduct ourselves in our deliberations.

● (0915)

What is the Senate? A lot has been said about the Senate not being representative of the people. It is not the Senate that is important, it is the people who sit in the Senate. Without the people in the Senate, without the men and women who have been called to this place, the Senate is an empty shell. It has no meaning in itself. It is only when it is peopled that it has meaning.

The Senate is peopled by many individuals who have experience in the professions, in the business community, and many people who were involved in their local communities as mayors, councillors, or aldermen—call them what you wish; the names vary from place to place in Canada. Certainly, there are people here who have had experience similar to that which I have had the pleasure of acquiring over the years in parliamentary practice picked up in the House of Commons.

I am not expert on parliamentary rules. I never pretended to be, and I will not pretend that at seven minutes past nine on this ninth day of October.

Senator Molgat: That is the wrong calendar day.

Senator Corbin: Well, I do not know what that nine stands for. Is that the calendar date Senator Molgat?

Senator Molgat: That is the date that we started.

Senator Corbin: That is yesterday.

Senator Molgat: Yes, it is yesterday by the calendar.

Senator Corbin: The ninth of October that we see on the Table was yesterday.

I take this opportunity to raise a matter of procedure. I am speaking on privilege, but I am giving notice to honourable senators that at a later date I will raise a serious question of procedure with respect to the manner in which we date and time the *Minutes of the Proceedings of the Senate.*

The practices of not seeing the clock, of not following the calendar or the movement of the clock hands like the rest of Canadians is an acronysm, and we must do something about that. Some will say, "You have no respect for the long-standing practices of Parliament." That is not the point. I am basically a practical person. I would like matters to be run the way they are run in the rest of the world in terms of proper chronometry or chronology—call it what you want. That way of dating our current sitting is wrong. This is not on October 9; this is October 10 right now.

In any case some people will argue, "Never mind. Do not bother with the way the parliamentary system was developed over the century. That does not count." I say that it does count. What counts, especially in the case of Canada, is the Constitution and how that evolved. That in itself is quite a scholarly matter.

My leader, Senator MacEachen, pointed out yesterday that Senator Beaudoin is an eminent academic when it comes to constitutional matters. He has written quite a heavy book. I purchased it for my own betterment and knowledge of what the Constitution is all about.

A constitution basically has to be written in such plain language that the layperson—and I do not use that term in a demeaning way—can understand what the Constitution of this country says. Dean Beaudoin may write an 800 page volume on the Constitution, but the Constitution—and I have the text of it annotated in the two official languages—is not a thick document. The French text alone, if you left out the notes, would not take more than about 50 pages, depending on the size of the print.

A constitution has to be drafted in simple terms so that everyone in the country knows where he or she stands. Otherwise, if the ordinary person could not understand his Constitution, what would be the use of writing one in the first place?

In the current Constitution, under section 34, there is a paragraph that pertains to the Speaker of the Senate. Where does the Speaker of the Senate get his power? Section 34 says:

> The Governor General may from Time to Time, by Instrument under the Great Seal of Canada, appoint a Senator to be Speaker of the Senate, and may remove him and appoint another in his Stead.

There is a footnote to that which I will not read. Most of the footnotes in this book are of historical significance. Section 34 states:

> The Governor General may from Time to Time, by Instrument under the Great Seal of Canada, appoint a

> Senator to be Speaker of the Senate, and may remove him and appoint another in his Stead.

That is where the Speaker comes from.

The Governor General does not do this on his own; he is advised by the Prime Minister of the day, the cabinet, the inner cabinet, the outside cabinet—the tight cabinet, the loose cabinet. The Prime Minister is personally responsible for the selection of the person who occupies the Chair in the house of the Senate of Canada.

The following paragraph is interesting. All the powers of the Senate are enunciated in the Constitution of Canada, thank God. Section 36, which is entitled "Voting in Senate," states:

> Questions arising in the Senate shall be decided by a Majority of Voices,

I stress the word "Majority." It goes on to state:

> and the Speaker shall in all Cases have a Vote, and when the Voices are equal the Decision shall be deemed to be in the Negative.

To proceed with a vote and to have a majority under our parliamentary system, which is a system of constituted parties recognized over the years—that is, many years—means that the parties have to be physically present in the Senate. You do not put a question with half the house away. You do not put a question after deciding to lock the doors before the time appointed unilaterally, and I would be inclined to say despotically, by the Speaker of the Senate, has arrived, which is what happened the other day.

I said in my remarks the other night that I had never seen anything like it. Never in my parliamentary life do I remember reading anything similar to that incident. I am still quite shocked by that occurrence. Like Senator Molgat, I feel that a bad precedent cannot remain as a precedent in any way, shape or form. A bad precedent based on partisan judgment is not a precedent.

Hon. John B. Stewart: Honourable senators, perhaps Senator Corbin will permit a question. I want to ask about the creation of precedents. When I quoted Speaker Sauvé speaking in the House of Commons on March 18, 1982, as recorded in the *Commons Debates* at page 1556, I failed to quote a part of her reflections—I think that is what you call it—which dealt with this matter of creating precedents. She said, speaking about the proposal that was made in March 1982, that she intervened as our Speaker now has intervened to stop the ringing of the divisional bells:

> What would have been the consequences of an arbitrary decision that did not derive from any of the rules approved by this House nor from a precedent with any relevance to the present situation? It would have meant breaking with an age-old practice that has proved its worth—

Namely, the prolonged ringing of the bells. She goes on to say:

> How can the Speaker make sure that all members available to take part in the division are in the House?

[Senator Corbin.]

That is the same question that Senator MacEachen asked yesterday, namely, "How will the Charbonneau rule work in the real world?" She goes on to say:

> Is it the responsibility of the Chair or the whips? What would prevent the Speaker from setting the time of the division in other circumstances? The Chair would have set a precedent that might create even greater confusion in the case of a minority government.

Speaker Sauvé then went on to say:

> In any event, such action on my part would have been open to allegations of partiality.

• (0930)

> Clearly, the Speaker must at all times be impartial. If, for example, the Chair had sacrificed itself—

—and this is the part to which I particularly want to draw your attention, Senator Corbin—

> —in order to get the House back to work,—

that is to say, to work on the government's business—

> —would this have saved the House? And in the circumstances, would the House have agreed with the new precedent that I would have created? It was a question I had to ask myself.

She then goes on to say:

> The authority of the Chair is no greater than the House wants it to be.

The clear implication of what Speaker Sauvé says there is that a Speaker alone, operating as a bolt out of the blue, cannot create a precedent. The implication was—and I put it to you, Senator Corbin, for your consideration—that when a Speaker is said to have created a precedent, what, in fact, has happened is that a Speaker has brought together, has put down, has stated, has articulated the sense of the House. If there is no sense of the House, no sense which would sustain what a Speaker has said in such a case, there is no precedent. It is so obvious that unless the players on a field playing a game have a general acceptance of the rules of the game, rulings on specific points made by the umpire or referee are but hollow words and do not constitute a precedent.

I interrupted you, Senator Corbin, and I know you will not resent this interruption, because I think it is important for us to realize that a Speaker, even a Speaker of the House of Commons of Westminster or a Speaker of the House of Commons in Ottawa, cannot, even with their great authority, of themselves create a precedent. What they can do in the absence of authoritative practice, in the absence of a clear rule, such as we have here with regard to divisions, is to pull together and state the sense and will of the House. To use an analogy: They turn the water of opinion into ice; if there is no water, there can be no ice.

Would Senator Corbin give us his considered opinion on this point, which I derive from what Speaker Sauvé said in 1982?

Senator Corbin: Thank you, Senator Stewart. I am no match for your knowledge of the rules, your knowledge of the

historical development of the rules, and I am no match for your wisdom. I will simply say that I subscribe to your views.

Certainly, in my view, the Speaker has no right to claim that he interprets the rules when the rules are written in such a way that they are so plain, so well put, so clear that the person on the street understands them. A Speaker may be called from time to time to clarify points of order or to give some kind of a judgment on questions of privilege, but he certainly has no power to edict new rules or to interpret them in such a way that they clearly express the desires and wishes, indeed the dictates, of the government of the day.

In the case of Speaker Charbonneau we have a clear cut situation of the Speaker who threw aside the precedents, the clearly annunciated rules of the Senate, and, in a pigheaded way, decided he was going to tell the minority—indeed, Her Majesty's Official Opposition in the house—how he thinks they ought to be conducted, managed, call it whatever you want. In other words, he clearly went out of bounds.

As an occupant of the Chair in the other place, I was very impressed at our daily meetings with the Speaker of the House of Commons. Whether the Speaker was a he or a she, the Speaker in every instance, before bringing down a ruling, before deciding on points of order or questions of privilege, would ask the officers at the Table and the research branch to pull out all of the precedents, decisions of former Speakers. He would study them with the Table advisers, the Clerk of the House of Commons and with the assistant clerks, and once he had reviewed the material he would call his assistants into his chambers and tell them that he had looked at the precedents, that he had studied them carefully and he would state what advice he would be giving. He would then ask, "What is your view?" We would discuss and debate the matter sometimes for days before he would feel comfortable enough to rise at his place—or her place in the case of Madame Sauvé—at the head of the chamber, at the foot of the Chair; and when the Speaker did feel comfortable, when the Speaker had a feeling of the "sense of the House" as you put it Senator Stewart, especially with difficult situations, he would bring down the ruling.

In my day and age, because of that very sage, wise way of conducting themselves, Speakers of the House of Commons had never been challenged with partisanship. They have never been voted out of office. In recent years some Speakers apparently did not do too good a job and they were replaced, but that is another thing and that is for that House to decide. However, here in the Senate we have a different situation. We have a Speaker who holds his mandate from the government of the day. As I understand it, he can only be replaced by the government of the day. We have a Speaker who says, "Why should I bother with the sense of the House? Why should I bother with the rules? Why should I bother with the customs, the practices and the precedents? I hold my mandate from the government of the day and "the heck" with you boys and girls. I will call the shots when I feel like calling the shots." Honourable senators, he called a number of bad shots. We had to redress him a few times for bad rulings. I am not necessarily referring to this Speaker but to a former occupant of that Chair who has since left us for a higher calling.

Speakers are human; we all recognize that. We do not expect their intelligence to be clad in chrome. They are human. They have brains and they have blood running through their arteries like everyone else, and they will make mistakes.

Honourable senators, to make an honest mistake and to have the common sense to say, "I have made a mistake" is to be human and it is something that we must all respect. However, it is another thing to act out of pigheadedness and to say, "I have had enough and I will conduct myself the way prefective disciplines used to conduct themselves 30 or so years ago in colleges." They would call the shots and there was not much democracy. Obviously, the Speaker knows not the terms of democracy.

You could ask him what was printed in the *Quorum* twenty days ago, five years ago or two years ago and he could answer you because during the proceedings of the Senate he reads *Quorum*. He reads it from page one to the last page. He does that every day. He does not know procedure because he never follows the proceedings of the Senate. His conduct has been an insult to this House and to every senator in this House. He does not know the rules, because he never bothered learning the rules. He is like Senator Chaput-Rolland reading papers—the mumbling senator from Montreal: Mumble, mumble, jumble. That is all she has done since she has been here.

Senator Chaput-Rolland: Thank you, sir.

Senator Corbin: A friend of Senator Simard, the other mumbler. What is wrong with this place is that the Speaker has not shown respect for the Senate. We have all been insulted, we have all been hurt, and the house has been done great damage.

• (0945)

Those senators who come here without previous parliamentary experience—and I will forgive their ignorance; I was ignorant when I came to the Commons—should be very careful in the coming days and weeks. I do not want to lecture them, but they should be careful when the time to vote comes, because although they may never say a word in the debate, the fact that they are voting expresses their views. The simple fact of standing up is the same as having given a speech: You have expressed your views though you have not made a speech. Voting in this place is an expression of one's views. If they do not vote according to their hearts and conscience, but according to the dictates of their political bosses, they will have that on their hearts and souls for as long as they live, and I think they will regret that.

It is nice to have power. It is a great thing for the Prime Minister of Canada to say, "I have a majority. I can run the House of Commons the way I want; I can run the Senate the way I want. If I do not have enough senators, I will pack it, I will swamp it with my friends, with friends of the party."

It is nice to be in that position, but it is also damn dangerous for the country. It is dangerous for the Senate, it is dangerous for the House of Commons.

The rules of the Senate were developed by evolution, accretion, adding, layer upon layer, stratum after stratum. The rules of the Senate evolved as civilization evolved. When we had the death penalty Parliament decided that it was no longer a humane penalty. I think that decision made Parliament and Canada more humane. It is part of the evolution of this country that we passed that law. What Speaker Charbonneau wants to do is turn the clock back. He wants to go back to the age of despots, tyrants, dictators. He had no right to make the ruling he made. The bells ring until the whips come in. Speaker Charbonneau decided that he would send a letter to some privileged few. That is his sense of fairness and justice. He sent letters to indicate that the bells would stop at a certain time. A Speaker has no right in this chamber to turn the bells on or turn the bells off unless the Senate tells him to do so, unless the senior members of the parties agree and tell him to do so.

Those bells are not his domain; those bells belong to the Senate, not to the Speaker. He can only order the bells rung when senators have expressed a wish to proceed to a division. He has no power to stop them except if the rules say he has the power to stop them, and the rules just do not say that. The rules are clear.

The whips give the signal. The whips trigger the shutting down of the bells, no one else. That is a basic practice in all Parliaments. But, of course, that is not something one reads about in *Quorum*; one has to read the rule book.

I just happened to be reading a book by Johannes Brondsted entitled *The Vikings*.

Senator Sparrow: Read it to us.

Senator Corbin: I intend, Senator Sparrow, to quote a few extracts from it because I think they are pertinent to my question of privilege, inasmuch as some of the practices and privileges we enjoy in this house, indeed in this Parliament, go back to that period when Parliament began to evolve in terms of a gathering of people who made laws and who interpreted laws.

I will quote the following paragraph from that book:

> The Scandinavians—

I think today or tomorrow we are hosting a visit by the Prime Minister of Norway, or it may be the Head of State.

Senator Bosa: The President of Newfoundland!

Senator Corbin: That will be the day!

Senator Cools: Is that Senator Doody?

Senator Corbin: In any event, I will proceed to the quote:

> The Scandinavians introduced into Anglo-Saxon England their own territorial divisions, and the names of these, too, survive in places. For instance in many northern areas hundreds (as they are elsewhere called) are known as "wapentakes", which derives from Old Norse *vapnatak*, a word used at the sessions of the ancient Thing or assembly.

[Senator Corbin.]

As a parliamentary institution, they had the Thing, and also the Althing. The Althing was the Commoners' Parliament and the Thing was the higher assembly, more or less. I cannot make an exact parallel or draw an exact analogy to our institutions, but the roots were there.

The paragraph goes on to state:

> The assembled people showed their agreement with a decision taken or a sentence passed, by striking their shields or rattling their spears, and this was called *vapnatak* "grasping of weapons".

Last week there was a *vapnatak* in this place. We did not have shields, we did not have spears, but we did make noise, not because we agreed with the Speaker's decision to proceed to a vote in the absence of Her Majesty's Official Opposition, but because we wanted to express our deeply-felt indignation.

The paragraph goes on to state:

> Later this word was applied to the place where the Thing was held, and then to the whole of the region from which the Thingmen were gathered. Both Thingoe (Old Norse *pinghaugr* "assembly mound")—

Parliament is very much an assembly mound. Very little has changed over the years. We refer to the place of the Parliament of Canada as "Parliament Hill". What is described in this book existed 900 years ago. They had their assembly mound then, and we have Parliament Hill today.

I continue:

> —and Thingwall (Old Norse *Pingvollr* "assembly field")–

There was the assembly mound and the assembly field. I continue:

> —are to be found among placenames in the north and east of England. Yorkshire to this day is divided into three Ridings, East, West, and North; Riding derives from Old Norse *pridiungr* "a third part".

Where does the term "Speaker" come from? Did they have a Speaker in the old days? Did the government of the day appoint the Speaker of the Thing? Did the people appoint the Speaker? What kind of creature was the Speaker? I refer to page 84 of the book and quote:

> Some of the more important early settlers—

The author is referring to Iceland:

> —set up their own law courts, but it soon became necessary to organize justice on a wider scale, and it is said that a man called Ulfljot—

For the benefit of the reporters, I will pass them this book after I have completed.

Senator Gigantès: How is that spelled?

Senator Corbin: U-l-f-l-j-o-t. May I ask Senator Gigantès if he can pronounce it?

Senator Gigantès: No, I cannot.

Senator Cools: What is the pronunciation?

Senator Corbin: In any event, I continue:

> —was sent home to western Norway to study methods of law and justice. Three years later he returned to Iceland, and in 930 the Althing was set up, and Ulfljot became Iceland's first *logsogumaor* (law speaker).

Senator Molgat: Would you permit me to interrupt? Perhaps Senator Johnson from Manitoba could assist us in the proper pronunciation of these Icelandic names. Given her Icelandic background, I am sure she would be of assistance in this regard.

Senator Corbin: I stand corrected by Senator Johnson as far as the pronunciation of these words is concerned. I would be pleased if she put her expertise to this task.

Senator Gigantès: This chamber needs that kind of expertise.

Senator Sparrow: If you have any questions on chickens, just ask me.

● (1000)

Senator Corbin: I know of a lot of chickens—people whom we have not seen in a number of days around this place. I do not know where they are hiding. I continue:

> The annual session of the Althing was held in the summer in a place called Thingvellir in the south-western part of the island.

The "island" meaning Iceland.

> Here the people gathered to hear the laws proclaimed, to lodge their suits—

I suppose they had petitions in those days. They presented petitions. That was a standard practice. You went to the Thingvellir and presented your petitions.

> —to worship their gods, to display their skills, and to buy and sell. Several local Things were established over the island.

Then there is an interesting paragraph about how Iceland became Christian, which is intimately linked with the evolution of their parliamentary practices. I quote:

> The story of how Iceland became Christian is as dramatic as everything else in the history of the saga island. It began with several unsuccessful endeavours at the end of the tenth century. First, in 981, the Icelander Thorvald returned to the island accompanied by a Saxon priest called Fridrek. Their ardent missionary efforts, however, ended in killing, outlawry, and their banishment from Iceland.

That happened with the missionaries in Canada. In fact, they ate the missionaries.

> The zealous, fanatical Olaf Tryggvason sent missionaries to Iceland on two occasions. First he dispatched Stefni in 987; but Stefni seems to have been a man of Olaf's vehement temper, for he too was chased off the island. Olaf's next missionaries, in 997, were an Icelander and a German (Thangbrand) who, after some initial progress, found themselves involved in killing and banishment.

That is a heck of a way to establish a religion.

> At last came success. Two Icelanders, Hjalti Skeggjason, and Gizur the White, arrived from Norway. They began boldly by pulling down a shrine to the gods, and then with a crowd of followers went to the Thing—

their Parliament

> —and proclaimed Olaf Tryggvason's message, calling upon the islanders to accept Christianity. At that moment a volcanic eruption occurred, and was promptly interpreted as a sign of the wrath of the ancient gods.

Remember the headline Friday "Senate Erupts"? The wrath of the gods. It happened in Iceland a little less than a thousand years ago.

> At that moment a volcanic eruption occurred, and was promptly interpreted as a sign of the wrath of the ancient gods.

What are our ancient gods? They are the customs, usages and practices upon which our rules of conduct are based as parliamentarians. Those are our modern ancient gods.

> A skirmish developed, but the law speaker, Thorgeir, in whose hands the case was placed, proved himself master of a difficult situation. On the third day he called the people together and warned them sternly of the division that would destroy them, if they could not reach agreement. The people understood the issues involved and, says the Icelandic source,
>
> it was then agreed by law that all should become Christians, and that all who were baptized must become so; but certain ancient laws were retained—

They did not begin *tabula rasa*. They did not sweep the table clean. They built their customs, practices and ancient uses layer by layer, sediment upon sediment. In my opinion, some of them should not have been retained, but that was for them to decide in that day and age. I quote:

> . . . but certain ancient laws were retained, such as the practice of exposing children and eating of horseflesh. Sacrifice in secret to the old gods was also permitted, but if witnessed by others incurred the sentence of banishment from the island for a period of three years. A few years later this relic of heathen practice was abolished.
>
> The decision to retain secret sacrifices for a time may seem naive, but it no doubt served as a safety valve. Thorgeir, himself a heathen, knew exactly what he was doing. This remarkable occasion, probably unique, on which an entire people, although a small one, decided to change its religion, suggests that the situation was ripe for such a radical change of faith, and that the traditional religion had lost its power. In this simple yet dramatic manner Iceland adopted Christianity in the year 1000.

I suppose one could compare the adoption of the Christian faith by the Icelanders and the need to reform the Canadian Senate. All of us on this side of the Senate favour reform. What shape should that reform take? I do not know, but I believe that in spite of the fact that we already have had many consultations with Canadians at large on this topic, there

would be no harm in proceeding with a national referendum to let the people speak out, give them an opportunity to indicate whether this place ought to be abolished, whether the method of appointment should be modified or changed, whether it should be elected, and elected by whom, under what circumstances and for what term of office. We should let the people decide. That is the Canadian way. I do not think it is good enough for a party leader to say, "If elected, we are going to do this or we are going to do that." When it comes to changing the fundamental institutions that exist under the current Constitution, everyone in Canada ought to be given the opportunity to express a view for better or for worse and then live with the consequences.

Senator Gigantès: Will the honourable senator entertain a question?

Senator Corbin: Certainly, my friend.

Senator Gigantès: You have given us an instructive reading from the Scandinavian law on the birth of democracy. In their part of the world, as I was listening to you . . .

[*Translation*]

This reminds me of what happened in Athens in the sixth century B.C., as I mentioned yesterday.

Would you agree, Senator, that the fact that two ethnic groups, thousands of kilometres apart, should have come up with such similar procedures, proves that it is something peculiar to human nature, and that inevitably, societies that want to be democratic, that want to be stable, must act with a certain common accord, with a certain degree of civility and a certain degree of respect for minorities if they are to produce the kind of stable society we see among the Scandinavians and the Greeks and in Herodotus, for instance? The Ethiopians were doing the same thing during the fifth century B.C.

Senator Corbin: I certainly do. It is one of those strange phenomena in the history of civilization and the development of parliamentary institutions in various part of the globe that, either simultaneously or at different times, people felt a deep-seated need to associate in order to have a better life.

You are probably the expert in this Chamber on the democratic process as it evolved in Ancient Greece. I concede that, first of all, and I may add that I listened with a great deal of interest to what you said yesterday.

That is not to say the Greeks had a monopoly on truth. They never claimed they did, in any case.

What you just pointed out certainly indicates that some strange things happened. Even today, when anthropologists discover forgotten tribes in the heart of the Amazonian jungle or elsewhere, they find customs and practices that are related to our own parliamentary practice. They may not be as elaborate, but in many cases they are a damned sight more democratic, fairer and a lot simpler.

Senator Gigantès: Than Tory practices?

Senator Corbin: Tory practices—oh, well, if you want to call them that.

[Senator Corbin.]

I think it is natural for men and women to have this need to band together, to associate for the benefit of their particular society, also in order to be able to defend that society against foreign invaders.

[*English*]

I found another interesting chapter in this book called "The Viking Way of Life". I sometimes smile within myself at the saying that Westminster is the mother of Parliament. In a sense it may be the mother of modern Parliament, but before Westminster other institutions existed which evolved into the British parliamentary system. I quote from page 241 of that chapter:

> In this vivid language the three classes of the Viking community are described. In the highest class, the king, chosen by the chiefs, is *primus inter pares*, the first among his equals.

• (1015)

> We know this situation from Tacitus's description of the Germanic peoples about A.D. 100. There we learned that the power of the king was limited by the assembly of the people, that is to say, of the free men.

That was before Westminster, honourable senators. At about the year 100 we learned that the power of the king was limited by the assembly of the people; that is to say, of the free men.

> It was difficult, virtually impossible, for the king to take a decision in opposition to the assembly of chieftains, who were his equals in all but name.

Senator Charbonneau may think that he is the king of the rules, but if he had bothered researching how our rules evolved over the years he would have found out that he is simply *primus inter pares*—he is first in name only and nothing else. He does not make the rules. He has no right to walk on the rules, to destroy the rules or to decapitate the rules. That is not for him to do. That is for free men.

> In early Viking times, when the North was divided into many loosely associated clans, a chief became king simply by the nomination of a group of other chiefs. In later Viking times, when the monarchy had become a more powerful instrument, inheritance rather than nomination became the rule. Significant of the way of thought of the early Viking period is the answer given by Danish Vikings in the late tenth century to a messenger from the Franks. The messenger, standing on the bank of the River Eure in France, hailed the Viking ships and demanded, "What is the name of your master?" "None," was the reply, "we are all equals."
>
> After the king, but close to him in rank, were the *jarlar* (earls), owners sufficiently wealthy in land and goods to have a company of housecarls—

and housecarls were a type of private bodyguard,

> —to own ships and to assert their importance. Of their aristocratic way of life we have heard in the *Rigspula*. For them, the family and the hereditary estates, which

> passed to the eldest son, were the centre of this existence, as the significant names of Earl's sons in *Rigspula* show.

That concept still exists today in the House of Lords at Westminster.

> The solid backbone of the Viking people was the peasant class—smallholders but free men. In Rigspula the first of the peasant's sons is called "Freeman", the next "Warrior", and only farther down the list come such names as "Smith" or "Settler". In the two superior social classes, earls and peasants, women enjoyed high esteem and full freedom, as Norse literature abundantly testifies.
>
> Lastly the thralls, the bondmen, necessary to the community but little heeded by it. Of the thrall's condition of life, degree of dependence, rights, or rather lack of them, we know little, but it is clear that he was little more than a slave. Killing a thrall was not a major crime.
>
> Our knowledge of the legal systems of Viking society is scanty: for the contemporary primary sources are almost entirely missing. Something may be inferred from the legal texts and literature of the early (post-Viking) Middle Ages, but such inferences must be regarded with caution. We have extensive knowledge only of the position in Iceland. What can be positively asserted about all the Nordic countries, however, is that Viking law was based upon the proceedings of the institution called the Thing—the assembly of free men.
>
> In Viking times Denmark was divided into a couple of hundred districts (Old Norse *Herud*) each with its own Thing. The Thing was a gathering of free men of age and quality to bear arms who met to put the law into effect, pronounce judgments, and discuss matters of interest within the community. The law was a customary one, handed down orally from one generation to the next; and it was therefore the responsibility of the older members of the Thing to remember and uphold it, their memory supported by the alliterative formulae in which it was couched.

The oldest member of our Thing, Senator David Croll, rose yesterday to tell us about the customary law of this place, our precedents and our practices.

Honourable senators, can you imagine this? What Senator Croll did yesterday is the same darn thing that was done in Denmark a thousand or more years ago. That is the basis for tradition, practice and observance. I am sure that senators on the other side listened attentively to Senator Croll and were touched. What Senator Croll did here men of experience in other parliaments also did in their own good time. And, honourable senators, we ought to pay attention to the voice of experience. I am sure that if Senator McElman, for example, had been here, he would have said much the same thing.

These are men of experience and they are giving us a serious warning. If we do not pay attention to this warning, if we do not pay attention to the voice of experience, we will all fall into dust.

Honourable senators, I want to suspend my question of privilege at this time. I have much more material to put on the record, but I will yield to my colleague, Senator Thompson, so that he may make his remarks.

Hon. Andrew Thompson: Honourable senators, I rise with a very deep sense of sadness and, frankly, shock. I never thought that a day like this would take place, when my vote and the vote of other honourable senators would be so imperiled. I would hope that all senators would think seriously about the state of our country. God knows, we need civility today, as can be seen when we look over past events and past efforts to hold this country together. Valiant efforts, I may say, were made. I look across the floor and I know of the tireless energy that was expended in trying to develop a working arrangement to unite this country.

Honourable senators, frankly, I deplore, as I think a lot of us do, the fact that a deadline was imposed upon those discussions. In fact, I think one of the tragedies we are facing is that we are imposing deadlines upon ourselves in connection with a number of negotiations that take place. No matter what government—and particularly a majority government—is in power, there always creeps in the tendency to argue expediency. I want to say to honourable senators across the floor that there was a time when I stood up as a member of the government, when I deplored the approach that was being taken to argue expediency as a reason for the patriation of the Constitution. In my own conscience I could not accept that argument, and as I look across at honourable senators here, very tired, I hope that, like Edmund Burke, they have come here, even if it takes some courage on their part, to protest this. If they really feel there has been an abuse of the privileges of this house of Parliament, which reflects back upon the privileges of Canadians, I hope and pray that they will, like I did, stand on their feet and protest. I hope they will not act—and I hate to suggest this—like a herd; and I hope that we will not act like a herd, either. I hope we are here to respect the fact that our vote is made with thought, deliberation and integrity.

Honourable senators, because I think our vote represents our very roots, I would like for a moment to go back into my own history. I have not often spoken about myself, but I think that, in order to know why I am saddened and shocked, this is necessary.

I am from Ireland. I was born in Ireland, as honourable senators probably recognize. When I was born, Ireland was a sad country. That was due to a situation in which there had been articles of agreement, and in those articles there was one clause which caused brother to fight brother because it was not accepted. There was a civil war, which caused all kinds of agony and distress throughout the whole of Ireland. That was all for one cause.

As the Irish people look back, I think they realize that if they had formed together a government and a Parliament, they could have achieved the same purpose with deliberation and negotiation instead of being in such haste as not to form a Parliament.

Honourable senators, I remember as a very small boy in Ireland that when I went to school I was accompanied by a policeman because of the tense atmosphere. There were men who wanted to usurp the use of a Parliament and go to other means to achieve their ends.

I came to Canada as a war evacuee. The last day before I left England, to which we had subsequently moved, I was out with my father and we were riding in the hills outside Bristol. It was 1941. Dunkirk had occurred, as had the collapse of France. At that time, England, where there was a free Parliament, was facing enormous threats.

● (1030)

To show how defenseless they were, my father, with a group of others from the City of Bristol, hunted parachuting Germans in the hills outside Bristol. They organized themselves into a cavalry. I am referring here to the last war, the 1939 to 1945 war. They could not get rifles because there were not enough, but the War Office said, "We do have Indian lances that we will send to you." I was a young boy in my early teens. I was orderly to my father, who did not have a title, but he would have been the colonel of the regiment.

We were up in the hills on my last day there before I left. I asked my father, "Why are you sending me to Canada?" I was the youngest. He said, "Because I want you to go and live where there is a free Parliament. I dread to think that with the mass of Nazi thunder a free Parliament will be still standing for long in England."

It is too bad that Senator Molson is not here, because as we were riding I saw the offensive might of the Nazis. Goering had boasted that he would get us on our knees and we would be weeping for mercy. His planes were going to bomb the cities of London, Bristol, and so on. I saw this great wave of German planes coming over like a swarm of bees. I then saw about ten Mosquito planes. The reason why I mention Senator Molson's name is because I have always felt that he could have been in one of those planes, because he was a Mosquito fighter.

I saw our flyers heading up into the sky against this massive hord of planes. I shall never forget watching that. We were praying that somehow our small planes would survive. We then saw some of the German planes swirl and start falling to the ground, and then we saw some planes, known as mosquitoes, falling. It looked like an absolutely hopeless fight. Our planes were completely outnumbered. But I remember the words that my father said: "I am sending you to a land with a free Parliament."

I never saw our Parliament Buildings for over seven or eight years. But then I visited these buildings, and I had the privilege of sitting in the gallery. The person I heard speaking was John Diefenbaker. He stood up and pointed his finger at the Honourable Jack Pickersgill. He railed about an immigrant person away out in B.C. and the mistreatment he was receiving from the government. I thrilled to think that in this building there could be raised the hopes and aspirations of some small person; that someone would defend that person and bring his situation before the whole of the nation; and that the business of the nation would stop to permit that protestation. That is the greatness of Parliament. You do not get that in a dictatorship, senators.

When I was brought up in England we heard of the Winslow boy. This was a little boy who attended one of the naval colleges as a midshipman. He was accused of stealing half a crown, or 50 cents, and was sent home. His father said to him, "You have never lied to me, you have never been a thief. Did you take that half crown?" The boy said, "No. I did not. I am wrongly accused." The father said, "Well, then, we will fight about this."

This situation of a little boy and a half crown went through the House of Commons. The Naval department got into it. They thought, "We have to stick up for this academy. The whole reputation of the navy is at stake." The business of Parliament ground to a halt because of a little boy who was alleged to have taken half a crown. He was vindicated. That is the greatness of our Parliament and our parliamentary system.

It is not like General Motors or some of these board meetings that some attend—and I am not in that position, unfortunately. You do not have enough time on these boards. You have important fiscal matters to take care of; so it is the personnel department that can look after those problems. But Parliament, by its rules—and there is a former attorney general here—provides that there can be legitimate protest. That is the greatness of this system. It is the frustration of the system. It drives us all slightly crazy. We all get so frustrated at the delays that take place. But think back, honourable senators. Those rules are the protection for all our people.

I think back—and I am sure that all of you are aware of this—of Elizabeth I of England. She had enormous impatience with Parliament. Elizabeth, as you well know, said to Sir Edward Coke: "All I want out of you is 'yea' or 'nay,' no more. Yea or nay. None of the deliberations that you have." Peter Wentworth stood up right after Sir Edward Coke had brought this declaration to Parliament. He started to talk about the succession—a touchy matter to Elizabeth. It took courage to stand up on his feet and talk. He went to jail for it.

I think of you, sir, sitting in this Speaker's role—and I think of other Speakers, and the reason why we have that hallowed seat there. I respect that it may have come from the Vikings and their past, but to me it comes from the evolution of the British parliamentary system. I think about the resistance that took place throughout centuries by brave men to resist the encroachment of the monarchy.

Through doors such as ours, walking up to the Speaker's Chair, was Charles I. He was fed up with Parliament, wanted money from it and was damned if, with his divine right, he would have a Speaker who would cover up protesting members. He walked right up to the Speaker—I am paraphrasing here—and said, "Get out. I will take the Chair for a minute." The Speaker looked at him and then replied. His words should be seared in all our hearts. In fact, I should like to see them printed above the Speaker's Chair. He said, "I have eyes for

no one and ears for no one except in this assembly." No encroachment by the executive or by the monarchy would force the Speaker to deny respect for the house.

Over a number of years—and I have been here a large number of years—I have seen where a government with a majority would sometimes tend to think, "We will push things through. The heck with all the discussion, debate, and niceties—get the Speaker on the job!" I do not know all the facts of the case, but I suspect that in the pipeline debate that took place a large number of years ago the Speaker caved in.

Honourable senators, I was in this house at 5.30. I was then going to the hospital. To be quite honest, not that long ago I was not sure that I would be coming back here, but I know now that this was not the time to resign and I will hang in longer if I can. As an aside, I also enjoy seeing a number of the senators, even though we do not agree completely with everything; and I am hanging on because I feel deeply about what is taking place.

I know that a number of honourable senators across the floor must feel as deeply as I do. They know, as I do, the necessity for a Speaker to be impartial. They know the tradition from which that was developed. There were Speakers who cried and shivered with fear and were held on their seats. Finch was one who in the history of the British parliamentary system, was held down. Holles and Eliot, among other members, demanded that he be impartial. There are some who ring out like a clarion call because of their stand for impartiality, which represents and protects freedom for all Canadians.

When I first stood on my feet I referred to those small planes, known as mosquitoes, flying overhead. Do you think that the little boy who had stolen the half crown, under the system of a Hitler or Mussolini, or a Stalin, would have had the nation stop to hear his story? Do you think that type of protestation could have been permitted if there were not men like Jack Marshall and many others who had not felt, "By God, we will fight to preserve the freedom." By "freedom" I mean the words that my father said to me: "You are going to a land where there is a free Parliament."

Honourable senators, I was shocked and deeply dismayed when, while heading back to Toronto, I heard the news that the Speaker called together one side only. I was in my office until 5.30 p.m.; I could have been informed. But only one side was called.

I look now at honourable senators across the way. How could you have permitted that? How could you have done it? You are men and women who believe in fair play. You know the traditions of our parliamentary system. I stood up and read a speech in this chamber when I felt that Speaker Marchand might be veering towards moving with the government. I was with the government side but I had the courage to stand on my feet when I felt there was a whiff of abuse. I cannot for the life of me think that among this government group of honourable senators some of you do not question, to some extent, the action of the Speaker.

• (1045)

You may feel that we are going through all kinds of procedural delay because of the GST bill, but I am focusing now on the process of Parliament, the rules of Parliament, and the impartiality of the Speaker. If the Speaker is not fair, and if the Speaker is to say that one side alone can have a vote when the others are outside and do not know of it, and when the whips have not entered the chamber, how can you expect us to believe in the impartiality of the Speaker? Put yourselves in our position. I can think of many of you who would rise with righteous indignation and passion at the injustice and unfairness not just to this House but to all Canadians.

I will go further. In my opinion, this action is unfair to me, to Senator Marshall, to Senator Molson, and to many others, because we wonder what we fought for. We fought for a free Parliament. My father sent me out here that I could live in the land of a free Parliament. I was privileged to stand in a free Parliament and it is on that basis that I plead with you to think of what you are doing. I would hope that among this group of senators I am facing at least one or two of you will be appalled by this action, this horrendous backward step and will say that you want a free, impartial Parliament, that that is what you believe in, and that you will stand with all free men on that ground.

Some Hon. Senators: Hear, hear!

Hon. Herbert O. Sparrow: Honourable senators, I rise on a point of privilege touching on a matter which I discussed somewhat on a previous occasion. I feel that my privileges were abridged and trampled on in this chamber last week. May I quote from an unknown source a statement that says, "A nation may lose its liberties in a day and not recognize that loss for years." What we have done perhaps does not appear that grave to some members in this chamber and to some of the people in the nation, but a few days ago we lost some of our privileges, and there is a danger of losing more unless we discuss this issue widely and attempt to ensure that such a thing will not happen again.

I am concerned about the Speaker of this chamber aiding and abetting the trampling of the rights of Canadians and trying to govern this country against the wishes of the majority. The Speaker of this chamber sided with the Mulroneys of this country and we are faced with the degradation of all Canadians in this chamber with the process of trying to impose upon Canadians an unfair tax that will hurt, basically, most Canadians. Very few, in fact, will benefit from this GST tax. We have not been able to have a fair and just discussion of the issues with all Canadians.

We are talking about instituting a tax—ramming it down the throats of Canadians—when there are so many issues in this country that we should be discussing. Such a tax will bestow unfairness and injustice on Canadians. We should be discussing poverty and its devastating effect in this country. Twenty to twenty-five per cent of our people live below the poverty line. Unemployment is much too high, and that in itself devastates many families. We should be discussing the abortion issue and the high interest rates that, in turn, are

destroying many families and many people. Bankruptcies are on the rise throughout this country, and I am speaking not only of business bankruptcies but farm and personal bankruptcies. We should be discussing illiteracy in this country. We should be discussing environmental issues. Instead of that, we are bogged down in a proposal for a tax on Canadian people that will perpetuate all of those issues.

I am certain that interest rates will go higher because of the inflation that will result from this new tax. We have before us "a big lie." That lie is in telling the Canadian people certain things that, in fact, are untruths. The government is telling us that the tax will be beneficial to people earning less than $30,000 a year. They say that those earning less than $30,000 a year will, in fact, not pay this tax and that they will get a rebate. Honourable senators, the maximum rebate is $190 per year. That $190 is only for those who earn $24,350 or less. The person who earns $28,050 will get a rebate of $5. What kind of a lie is it to tell the people that those earning $30,000 or less will not be affected by the GST?

If we are going to tell the people about the benefits, let us not tell them that people earning under $30,000 a year will not pay any tax, because that is not true. Many people in this country earning a minimum wage and living on the poverty line will receive only $190. How can the government have the nerve to tell the Canadian people that their taxes will be rebated?

How can we tell farmers that they will be better off with this tax because they will get a rebate? How can you get a rebate on farm machinery if you cannot afford to buy farm machinery? Every dollar spent by the agricultural community on every item except food and medicine will be subject to that tax, and certainly no rebate will be coming to them.

Honourable senators, when the tax was proposed, the government said that at 9 per cent the tax would be revenue neutral. Then, when the majority Conservative committee brought in a proposal and the tax was reduced to 7 per cent, they said it would be revenue neutral. Now, in an effort to sell this tax to the Canadian people, they are saying that this is a method of reducing the deficit. How can it be revenue neutral at 9 per cent and revenue neutral at 7 per cent, and now, to grab at any straw, how can they tell us to go for it because it will reduce the deficit? Is it possible to believe what they are telling us? It is also correct that the tax will probably be increased.

I recently received in my mail a pamphlet which is receiving a great deal of criticism. The Minister of Finance has sent this pamphlet out to all Canadians at a cost of well over $1 million. In it he states that Canada needs the GST. He says that it is the same system used by 48 other countries around the world. From my studies I have found that there is no country in the world that has the same system. Other countries may have some type of similar value-added tax, but there is nothing that I am aware of in any of those countries that is the same as our proposed GST.

[Senator Sparrow.]

Hon. Paul Lucier: Would the honourable senator entertain a question at this time?

Senator Sparrow: You betcha!

Senator Lucier: I have not had an opportunity to look at this new $1-million pamphlet that the government is putting out to tell us, as Canadians, what a wonderful deal we are getting. I wonder if anywhere in that pamphlet it points out that Canadians who live in northern Canada, western Canada, Newfoundland and other regions will pay a higher rate of GST on exactly the same product, such as shoes, as people in central Canada. I am speaking of articles which everyone must have. The rate of GST paid in areas where those items are manufactured will be lower than in other parts of Canada. Surely, since this is a government document, it should be a factual document and it should tell the people of Canada how the GST will affect them. Does it tell people in certain parts of Canada that they will be saddled with an unfair tax because of GST charges on freight?

An Hon. Senator: Hear, hear!

Senator Sparrow: This expensive pamphlet is somewhat at odds with the statement the honourable senator has just made about the unfairness of the tax on western Canada, the Atlantic provinces and the north, because it says that the goods and services tax will be fair, visible and modern. Based on the facts the honourable senator has just given me, which square with mine, I would come to the conclusion that the tax is not fair.

Senator Lucier: Is the pamphlet not accurate?

Senator Sparrow: In many cases it is not accurate, because certainly the tax is not fair. I object to taxpayers' money being paid for propaganda that does not tell the facts as they are. However, I suppose I should not be totally negative about the pamphlet, but I have not had a chance to read it in its entirety. However, there is one true statement that I did see in it, because it says, "Why is the government proposing unpopular sales tax reform?" I think that is true, that they are beginning to get the message that it is unpopular. However, I must admit that no taxes are popular. No one is expected to agree with the imposition of higher taxes; sometimes we are faced with them. If people do not agree with high taxes, they at least agree that taxes should be fair. That is what we have to look for, a fair tax.

• (1100)

It is not true that 48 countries in the world have the same system of taxation or a tax similar to the proposed GST. I have heard many people say that other countries have this kind of tax; but those countries do not have the same system of taxation.

If we require additional funds, why not bring in what is considered to be a fair tax? When 85 per cent of Canadians believe this is an unfair tax, surely they cannot all be wrong. Surely it is not those sitting across the chamber or those sitting in the House of Commons and the Prime Minister who are right. If it is "What is good for General Mulroney is good for the country," then that is not necessarily the case. We have to

look at what is good for all Canadians. We have to look at what will get us out of the terrible situation we are in in this country, with poverty and high unemployment, high interest rates and high inflation. Those are the problems we should be attacking.

Is there anyone here who believes that the imposition of this tax will not mean greater inflation? Is there anyone? Even the pamphlets the government is putting out say that this will not increase inflation by more than 1.8 per cent. The government is agreeing that it will increase inflation. In my opinion it will increase inflation much greater than that. We have had unions negotiating for salaries with protection against the GST. They have said they have to have an increase to compensate for the rise in the cost of living due to the GST. Of course, those unions expect that protection, and, of course, they will get that protection.

In Saskatchewan the media is saying that by next week we will be paying 70 cents for a litre of gasoline. They are saying this at a time when we are faced with this problem of inflation and high interest rates. How can we survive in western Canada and how can our industries compete if they are faced with such high costs? To add another 7 per cent to those increased costs at the beginning of next year will devastate western Canada.

I do not argue that it is necessary to raise taxes, as long as the system is fair. Let us raise taxes to the limit the economy can stand.

We have been told that in western Canada we are going to lose another 30 per cent of our farmers. I am sure that is also true in other parts of the country. We are also being told that we are going to lose another 30 per cent of the small businesses in this country. Conservatives, Liberals and the NDP built this country on the backs of small business people. That is our pride and our joy. We cannot destroy any more small businesses.

We have talked in western Canada, and all across Canada, about getting rid of inefficient farmers. We were told that 10 per cent of farmers were inefficient, and we got rid of them. We were told that we had to have an efficient agricultural community. We then decided to get rid of another 10 per cent, another 10 per cent and another 10 per cent because we were told they were not good farmers; but they were good farmers: They have given us the greatest agricultural industry in the world. They have given us the cheapest food in the world. As Canadians, we pay out only 17 per cent of our earned income for food, yet we have been told to get rid of our inefficient farmers.

Let me tell honourable senators that at the rate we are going we will only have one farmer left, and we will still be saying that he is not efficient.

In my part of the country we do have efficient farmers, as I am sure there are efficient farmers all across the country, but they are not getting a fair shake. Canadians must realize that they will have to pay higher prices for their food products, either higher prices for food products at the farm gate or through transfer payments, because we cannot afford to lose our agricultural industry, and we cannot afford to lose any more small businesses.

Small business people in this country are the ones who employ the greatest majority of the people. They are the ones struggling and trying to raise the minimum wage in this country to get people above the poverty level.

The federal minimum wage in this country—and I have talked to the Minister of Labour about this—is $4.00 an hour. That comes to less than $9,000 a year. Every province now has a minimum wage close to $5 an hour, yet the federal government will not budge.

There are not that many people working in federal institutions for that hourly rate, but it is the principle. The federal government is saying, "We have people in this country who are worth only $4 an hour. Let us pay them $4 an hour."

Senator Beaulieu: It is $5.30 in Quebec.

Senator Sparrow: Yes, but the federal government will not recognize that there are people who work for federal institutions at $4 an hour. What a shame! Please ask the Minister of Labour to bring that minimum wage up, to tell Canadians that they are worth more than that. We do not need to have people working as slave labourers, for a rate that puts them below the poverty line.

A maid in a hotel or motel—probably the most important job—earns the minimum wage. The desk clerks, the managers and the bartenders do not earn the minimum wage, the maids do. The maids work eight hours a day at the minimum wage level and then they have to go home and work another eight hours to look after their families.

The federal government has said that these people are only worth $4 an hour. We have been told that those earning the minimum wage will benefit by the GST. Please tell me how they will benefit if they only receive $190 a year when they have to spend their total income on necessities of life? It is not hard to figure out what this tax will take from them.

Why we cannot look at the fairness in this system is beyond me. Why is it necessary in this country to have food banks? I am not advocating doing away with food banks, as some are, because there will always be such a need; but there is no justification for people to have to line up at the food banks and school-feeding programs, which is now increasing at the rate of 20 per cent a year. That is not fair. Those are the same people who will have to find additional money to pay the GST.

That is what we are talking about; we are talking about the fairness of the system. Let us have fairness in the system.

The Governor of the Bank of Canada has just received a 28 per cent increase in his salary, yet the rest of the people in this country are told to tighten their belts.

The President of the Potash Corporation of Saskatchewan has just had his salary raised to $750,000 a year, and there are some people making more than that. In the same week that was announced, the Government of Saskatchewan announced a poverty program to feed the hungry with a budget of the same amount, $750,000. One man earns $750,000 a year and

the government announces a program to feed the hungry with a budget of $750,000. How can we justify that in this nation? I do not think we can.

How can we expect small business people to survive in this climate? Small business people are being asked to collect 7 per cent the first of the year. Did the government ask that the ultimate be the only user to pay 7 per cent? No. It asked that at every step along the line the 7 per cent rate be applied so that the tax is collected in many areas seven times, and the rebate is six times. What a terrible burden to place on our business people.

Those who bring the iron ore out of the ground will charge 7 per cent; the fabricator will collect 7 per cent and receive a rebate on what he paid; and then it goes to the distributor, the wholesaler, the retailer and then to the ultimate consumer.

If we are going to have a value-added tax in Canada, let us have one that is fair to western Canada, fair to the north, fair to the Atlantic provinces and fair to those people who are expected to collect it.

I rise today on a question of privilege because the Speaker has taken away our right to discuss this issue. Why do we, in this nation, have to be so stubborn? Why can we not say that there is some unfairness in this system? Why not delay this for six months or a year and try to iron out some of the problems? Why do we have to be so stubborn and say, "It must proceed now. I do not care what it takes. Trample on the rights of Parliament, if you will; trample on the rights of Canadians, if you will, but the hell with it, put it in place now."

What difference will six months make? What difference will it make if we wait another year until we are out of the terrible economic situation we are in? Is it really fair—and I will repeat myself—that we will lose another 30 per cent of our small business people in western Canada and another 30 per cent of our agricultural industry?

I have just taken off my greatest crop ever. I took off No. 1 high protein wheat. Because of international markets, I could sell only a few bushels of that wheat. I received only $3.17 a bushel for it.

Senator Lucier: What did it cost to grow it?

Senator Sparrow: It cost $4.50 a bushel to grow it, and even then I downgraded my costs by not fertilizing this year. Still my cost was $4.50.

I do not know about other parts of the country, but in my part of the country the elevators are offering 76 cents for a bushel of oats.

I phoned a fellow who produces oats because I wanted to buy some. When I asked him what he wanted for his oats, he said he would like to get a dollar a bushel but did not know if he would be able to. I told him I would never have the guts to offer him less than a dollar a bushel when it costs as high as $2 a bushel to produce it. I know it is a problem that is not easily solved by the federal government. I know the federal government has poured billions of dollars into the industry. We are thankful that Canadians shared part of that load in the past. We need a greater sharing now, and, in the same breath, we cannot place an additional burden on those people.

I appeal to the government to look at the situation, to acknowledge that there is a problem, and to delay the GST until July 1. Let us have a new session of Parliament. Perhaps there are amendments that could be made. Why do we fight with the Senate, the House of Commons or with the government? We are all in this together and we will either fall or grow as a nation. We are not growing now. We are not growing in this chamber and we are not growing in this country.

I have not had the opportunity for some time to talk about our agricultural industry and the soil degradation that is taking place. We are talking about environmental issues, and there are many problems; but the greatest crisis facing the agricultural industry today is soil degradation. You may say that the economic situation is the most serious issue at this time, and it is—the economics in the agricultural industry. If we do not solve that economic problem in the agricultural industry within the next two years, we will lose our agricultural industry entirely. We cannot afford that. We are a nation of agriculture and small business people, and we cannot afford to lose that.

Let me talk to you about soil degradation. If we do not solve the problem of soil degradation, we will lose our agricultural industry forever. Economics will not bring it back. We must acknowledge the fact that it is an environmental as well as an agricultural problem. It is the problem of every Canadian in every part of the nation—not only in western Canada or Quebec, but in every agricultural area of this nation.

What do I mean when I talk about "soil degradation"? I talk about erosion by water, about erosion by wind, about compaction of the soil, and the loss of organic matter in those soils; I talk about the devastating effects of roads, highways, gas lines, pipelines and power lines; I talk about the devastating effects of the residential, commercial and industrial complexes moving out across the nation's future, destroying our most precious natural resource, our topsoil. We talk about our most precious natural resource being our young people or our old people, but they are not our most precious natural resource. Our topsoils are, and they are being degraded at a high rate in this country primarily because of the industrial complexes moving across the soils and the economic situation in the agricultural industry whereby the farmer cannot afford to be a conservationist.

I outlined earlier the prices that are being paid for agricultural products. I talked about the erosion of prices. If we put a further burden on the Canadian agriculture industry we will have no money left to protect our soils. We are talking about the erosion of the agricultural farmlands, which leads to the erosion of what the Speaker has done to us: the erosion of the rules of this Parliament and of this chamber. That is what we are talking about. That is why we have to tie this together.

Senators from the Atlantic provinces know that the area possesses a fantastic agricultural industry. We know it is

smaller than other areas, but it is important. That part of the country feeds a lot of Canadians and exports its products into the United States. Do honourable senators know what happened in that part of the country? When they started the agriculture industry in that region they had 15 to 18 inches of topsoil. Now they have an average of 6 inches of topsoil left. Did they lose that in 150 years of agriculture? No. They lost it in the last 30 or 40 years because of the type of agriculture they entertained. They found that to give Canadians a cheap food policy they had to rob from the soil. They had to go into the monoculture base of a single crop year after year, leaving the land black in the fall, winter and spring. When the heavy rains, snow and melts came, what did it do to those fragile soils? It washed them into the low-lying areas, into the lakes, rivers and streams, and it is gone forever. If they started out with 15 inches of top soil and have lost 8 or 9 inches in the last 50 years, how many more years will they have a viable agricultural industry? They will not have it for long. We have to ensure that we maintain a healthy agricultural industry in this country so that those who want to be good stewards of the soil can afford to be good stewards of the soil. We cannot have additional costs imposed upon them at this time.

Those of us from the prairies talk about the dirty 30s and wind storms and dust storms. I was in the Atlantic region almost two years ago, during the month of January, on a speaking tour from Charlottetown to Montreal. They had 36 inches of dry snowfall with heavy winds, which is unusual for that part of the country. When I looked out of the car window I saw black land with no cover crop or residue. The tops of the hills were bare. The windshield wipers on the car were taking topsoil off the windows. I thought that those things happened only in Saskatchewan, but no, sir, we are facing that situation today in Atlantic Canada. The topsoils are eroding all across this country.

Do honourable senators realize that 200 miles out in the Pacific Ocean and 300 miles in the Atlantic Ocean they are finding dust on ships? What is that dust? That is topsoil and organic matter that is coming from Canada—primarily western Canada—and the western United States. Can you imagine how much of that land is lost in those lakes, rivers and streams as it crosses the mountains to the west and ends up 200 miles out in the Pacific? It is lost forever. In the west, when we have a windy day, we will say that Fred's land moved over to Charlie's land today or that Manitoba got a lot of Saskatchewan topsoil; but it is not a joking matter, because it is moving into the lakes, oceans and streams. We have to solve this terrible crisis with economics. We have to ensure that the agricultural industry is healthy.

In my opinion, the beautiful province of Quebec has the greatest agricultural industry in the world. They have an efficient agricultural industry that is second to none. Are we critical of that industry in other parts of the country? Sometimes we are. We say that they have subsidized their industry to the detriment of the rest of us. Perhaps they do, but that is not the issue. In that province they decided that if they wanted to be self-sufficient in food they would have to have a good agricultural industry, and, by golly, they do. But they robbed the soils. They used the monoculture basis, the same as the Atlantic provinces, year after year, leaving the land black in the fall, winter and spring. When the heavy rains and snow melts came, that fragile soil was washed into the low lying areas and into the lakes, rivers and streams.

Most of Quebec's soil is organic soil, not the heavy mineral soil we have in Ontario and in the western provinces. Mineral soils are not heavy either when there is nothing to bind the particles together and the wind blows them away. But the organic soils are much more fragile. In many areas of the province of Quebec, unless something is done to make the agricultural industry healthy and make it possible for farmers to be good stewards of the soil, in 20 years there will be thousands and thousands of acres of unproductive soil in that province. Can we as a nation lose that agricultural industry in the province of Quebec or in the Atlantic provinces? The answer is no, but we are faced with that unhealthy situation of not being able to afford to be conservationists.

Ontario has all of the forms of degradation I talked about. They have the wind and water erosion; they have the compaction of the soil, the loss of organic matter in those soils, the devastating effects of the mining and oil development, roads, highways, gas lines and pipelines; and they have the terrible encroachment of the urban communities that are growing across healthy topsoils in this country for residential, commercial and industrial development. Millions of acres are being destroyed. If honourable senators look out from the top of the CN Tower in Toronto on a clear day they can see a third of the number 1 topsoil in all of Canada? Another third of the number 1 topsoil is in the Montreal area where Mirabel Airport sits. The other third of the number 1 soil in this country is divided among the rest of us. In western Canada we farm number 3, 4 and 5 soils.

There are seven types of soils. Number 1 is the best and number 7 is so marginal that it is not even good for grazing. A third of the number 1 topsoil is outside the city of Toronto. The other is in the province of Quebec. We allowed the federal government and the Government of Quebec to use 75,000 acres of the best farmland outside of Montreal for an airport or a great industrial complex. There seems to be a better use for farmland than agriculture. Let me tell you that is not true. Residential housing and commercial and industrial development should not be a higher priority.

Senator Stewart: Senator Sparrow, may I ask a question?

Senator Sparrow: Yes. I need to stop for a break.

Senator Stewart: You mentioned the way urban sprawl is being allowed to eat up the areas of superb farmland—areas that are relatively limited in extent in Canada. But given the policy of the present government with regard to Canadian agriculture, particularly as embodied in the Free Trade Agreement with the United States, is it not consistent that these areas of good farmland should be abandoned to airports, for example; airports from which people can depart on their flights to Florida; from which they can take off to West Palm

Beach, a place which I understand is popular with certain members of the government? Is it not consistent with that kind of scorn for the long tradition of Canadian self-sufficiency in basic foodstuffs that these prime agricultural lands should be abandoned?

• (1130)

Senator Sparrow: Land throughout the world is being abused, senator. We believe in this country that there is an unlimited amount of land. Take it and use it!

I am glad that Senator Stewart asked that question. I was speaking in Shawville, Quebec, not long ago to a conservation group. At that meeting were two mayors, one from the city of Shawville and another representing the surrounding areas.

After the meeting was over we were sitting around having coffee. Seven or eight of us were at one table. The local people, the conservationists there, were talking to the mayors, criticizing them for what they were doing to their communities, infringing upon the topsoil and thus the future of this country. They were talking about the movement of residential, commercial and industrial enterprises in ribbon development on those soils. They were talking about building a large garbage dump in the Shawville area to handle the garbage of the entire region; it would be trucked in from Ottawa and elsewhere. It would be a great development there and it would provide employment. They were talking about building a huge sewage lagoon system there that would employ a number of people in construction, and so on.

Honourable senators, they were saying that a higher use of farmland would be a garbage dump—that would be a higher use for agricultural land. Well, let me tell you that it is not.

In frustration, one of the mayors at that meeting said, "Well, tell me, then: How much agricultural land are you going to need for the next 100 years?" Well, you can ask me how much agricultural land we are going to need for commercial, industrial and residential development over the next 100 years and I can guess at that, but nobody could ask me how much agricultural land we will need for the next 100 years, because we will need it forever.

Who can we, as Canadians, say that we can dispense with that land over the next 30 or 100 years? That land was given to us to protect. We must feed ourselves and we have to protect it and enhance it for the future.

What right do we have, as Canadians, as parliamentarians, as farmers or whatever, to say that we will destroy that land? And we will destroy that land in 20 or 30 years through poor farming practices or in 100 years through the development of the industrial complexes of this nation.

Do senators know what we do as governments, municipal, provincial and federal? We decide that we want a new road or a new pipeline or a new gasline and we take the shortest distance between two points. In a stretch of 100 miles we will take the best farmland in this country; and if a farmer doesn't want to sell it, we will expropriate it. For whom? For whom are governments doing that? Are they doing it for the agricultural industry or for future generations? No! They are making

[Senator Stewart.]

that road ten miles shorter in a stretch of 100 miles and for whom? It is for the people with the big cars and boats, so that they can go as quickly and as cheaply as possible on their holidays. For whom? That is for industrial complexes to move their products as quickly and as cheaply as they can.

No consideration has been given to the precious resource that is there, the soil, which is the very future of this country.

Is there a higher use for farmland than agriculture? Well, there isn't. Let's face it. We are saying that we don't need this land because we can import our food for the future. Let me tell you about a meeting I had in Richmond, British Columbia, which is the island just outside of Vancouver. It is a great agricultural area.

There I spoke to a group who showed me the great land they had there. They showed me the urban expansion into that area. I asked them how long they thought they would still have an agricultural industry there at that rate of urban expansion and they said that at the rate it was being encroached upon, they would not have any agricultural industry in the Richmond Island in fewer than 18 years. I asked the same question about the Fraser Valley. They said that not many studies have been done—and that is true—but they believe that with soil degradation and encroachment by urban communities there will be no agricultural industry there in 50 years. I asked them what they planned on doing to feed themselves. They were talking about further diverting the Columbia River into the United States, irrigating the land, growing the crops and bringing them back to Canada. What kind of nonsense is that? How can anyone say, "I don't want to talk about free trade today but I want to talk freedom"? How can Canada expect to remain free as a country if we cannot feed ourselves?

Honourable senators, if we are going to tax the agricultural industry further and drag them down so that they cannot be good stewards of the soil, in 20, 30 or 40 years from now we will not be able to feed ourselves. And now we are saying that we will bring in our food from somewhere else? Where? Where are we going to get it? Where will it come from? Is it going to come from Ethiopia? Will it come from Chad or the Sudan?

Honourable senators, that area of Africa was the bread basket of the world for centuries. It took them 1,000 years to destroy their land, but they have done it, and the deserts are slapping their rear ends year after year, moving forward. We are so efficient in this country in our agricultural industry that it will not take us 1,000 years to destroy our land. We are doing it in 30, 40 or 50 years. That is how efficient we are.

Government policy—and I am not talking only of the federal government; I am talking about municipal, provincial and federal government—is abetting this process. The government policy is that we do not need that agricultural land. How can we talk about British Columbia not having a viable agricultural industry?

We talk about Vancouver being built on rock, and the people there brag about that. They say, "Look at the British properties. The lights are shining up there on the roads. It's

beautiful. It's built on rock"; and they claim in their brochures that you can build in Vancouver as cheaply as any place in the country, and it is built on rock.

In the Fraser Valley and the Okanagan Valley, do we insist that they do the same thing? No. We let them encroach onto the great topsoil in those valleys. We are destroying that land throughout British Columbia, and British Columbia will no longer have a viable agricultural industry, certainly in less than 40 years.

We cannot afford to lose British Columbia, the Atlantic Provinces, Quebec or Ontario. We talk about western Canada being the breadbasket of the world. Well, look, we are not the breadbasket of the world. We produce only 5 per cent of the wheat that is grown in the world. But let me tell you that it is an important industry. It is important for western Canada and it is important for the country because of the dollars that can be earned—not this year, not last year but historically and, I hope, in the future. It is a crucially important industry, but western Canada does not feed Canadians. Sure, it helps feed Canadians, but Canadians are fed from the fruits and vegetables of British Columbia, Ontario, Quebec and the Atlantic provinces.

We export from those provinces, too, but we cannot afford to lose an acre of land in any of them. We cannot afford to lose an acre of land anywhere in this country. We have to see that agricultural land is protected.

Do senators realize that the number one and number two topsoils in Ontario are disappearing due to urban encroachment at the rate of 50 acres an hour? You people who live in agricultural country ought to step out your back doors and just see your best land disappearing at the rate of 50 acres an hour. Do you realize that in the last ten years we have lost 3.5 million acres of our best farmland due to urban encroachment? That is an area larger than the province of Prince Edward Island. We are losing it in physical quantities, and we are losing those topsoils in terms of quality.

We are taking out everything we can get from it and we are putting nothing back. We have to do it to survive. We are talking now about imposing additional problems on that industry, and we cannot afford to do that.

Honourable senators, I am telling you that we have to look at this whole situation. We have to stop talking about unimportant issues when we have so many important ones in this country; and let me tell you that unless we change our attitude, unless we develop a conservation ethic that says the land comes first, we will be non-viable in the agricultural industry in this nation in less than 40 years.

Let me tell you that that is not just a figure pulled out of a hat. In this country and in the whole world we are doing this.

Do honourable senators know that in the province of Saskatchewan there are 60 acres of agricultural land for each citizen? In Canada there are only five acres of agricultural land for each citizen. Do you know that in the whole world there are six people for every acre of agricultural land? Do you know that there is only 9 per cent of the total land base in all of Canada that will grow anything? Only 9 per cent of the land base of this beautiful country will grow anything. Half of that, or only 4.5 per cent of the total land in all of Canada, is suitable for agriculture—and that includes the number one best soils to the number seven poorest soils.

Can anyone tell me that we have a lot of land? Can you say that we have new frontiers? The answer is no. It is great for the urban communities to say that they are only encroaching on ten acres. It is fine for Toronto to say that it needs only two sections, or for an industry to go out and take 50 acres when it could get by with three. The Mirabel airport took 75,000 acres of land and is now using only 5,000 acres of it. It destroyed the quality and quantity of that topsoil. We thought there was a higher use for that agricultural land, but let me tell you there is no higher use.

We are doing this across the country. If every small community were to take ten acres of land, with the thousands and thousands of small communities in this country we would find that soon we would not have much agricultural land left. That is what I am talking about. I am talking about the idea that we are going to impose additional burdens upon the agricultural industry.

Senator Bosa: Would the honourable senator permit a question? He stated that thousands of tons of topsoil are spilled into the sea due to erosion from the prairies, from the Atlantic provinces and from British Columbia.

Is there any technology or research and development under way right now to retrieve that topsoil? Is there any way to conserve the soil?

Senator Sparrow: Certainly there are things being done; but once that soil is lost, you can never get it back. Once it is at the bottom of the lake or the sewage lagoon or the water system or the ocean, it is non-retrievable. It is gone. They tell me that in 300 years nature, under ideal conditions, might produce one inch of topsoil. But if we are losing one inch or one-quarter of an inch a year, we are on a terrible downward slide.

• (1145)

Let me quote those figures—and thank you for asking, because I almost ran out of steam. Let me talk to you about agricultural land with under six inches of topsoil. On the average, across the world it is less than that now. Remember that I told you that there are five people in the world for every acre of agricultural land. That is pretty shocking when you realize that fact—five people.

If you have six inches of topsoil on an acre on any land and you lose one-eighth of an inch of topsoil every year—and if you read any periodical it will tell you that that is what is happening—you only have 48 years of topsoil left. Can you farm to the last eighth of an inch? The answer is "no." If we are losing one eighth of an inch of topsoil per year and we can only farm down to half of that amount, then in theory we only have left 24 or 30 years of agricultural land. That is factual.

If you lost only one sixteenth of an inch per year, you have only 96 years until it is all gone, but you cannot farm down to

the last sixteenth of it. Similarly, if you have six inches of topsoil on an acre of land you have 1,000 tonnes of topsoil.

You will read in the *Globe and Mail*, in periodicals and in farm magazines across the country that we are losing 20 tonnes of topsoil per year. That is true in the Atlantic provinces, Quebec, Ontario, western Canada and B.C. If you lose 20 tonnes of topsoil a year, how many years do you have left? I do not need to be some genius up here—you have 50 years left. If you use 20 tonnes of topsoil a year, there are only 50 years of topsoil remaining. Can you farm down to the last tonne? The answer is "No, you can't." As a nation, we look at this problem and say, "What do we do about it?" We must stop the terrible urban encroachment and allow that encroachment only on the 95 per cent of the land that is non-productive for agriculture. It must not be allowed to swallow up that other precious 4.5 per cent. Without exception, every community in this country has submarginal lands right beside it. The City of Toronto is the exception; they have beautiful, number one topsoil around that area.

I do not know what the answer is. We cannot slow expansion because we need it—and we are not talking about stopping it—but we are talking about letting that expansion go into the air, if necessary. The industries that move into urban development areas should take one and a half or two acres of land, not 50 acres of land. Why would we allow the Ford Motor Company to build a plant close to St. Thomas and take 1,500 acres of land?

Senator Gigantès: Shame!

Senator Sparrow: Why do we allow them to do that? It is because that land is dirt cheap. I asked them why they located there when they could have gone ten miles further out on submarginal lands. They are self-sufficient on water and sewers and power anyway—they do not need the urban community. Do you know what they said to me? They said, "We want to be close to the transportation corridor and the labour market in St. Thomas."

What are we talking about? In this country we bring in 50 per cent of our cars from Korea, Germany, Japan, and so on. Those manufacturers are not anywhere near the transportation corridor of St. Thomas. The Ford Motor Company only had to go ten miles out to reach submarginal land.

Similarly, when they decided to build a GM-Suzuki plant—and we talked about this a year and a half or two years ago—we got on the bandwagon in soil conservation in Canada. We told the province of Ontario and the rural municipalities to take that industry into their communities, but to see that it went on submarginal land—not on the most precious natural resource that we have. Do you know what they did? They think that they listened to us. When GM went into Ontario to build the plant, they only took 750 acres of land, not 1,500 acres. Do you know how much land they could have managed with for that plant? Easily 100 acres of land. Why do they buy the extra land? Because it is dirt cheap.

I went to view that site. They had large equipment there-caterpillars and buggies—to make the test tracks, and so on.

They did that at that site because the land was so cheap. The land is the cheapest component of that plant, but it will be the most expensive component if we have to start importing our food to this country—that is, if we can find a place to bring it from—and if we have to start paying 30 per cent or 40 per cent of our earned income on food.

Earlier in my speech I told you that Canadians are paying 17 per cent of their earned dollar on food. That compares with the rest of the world, which pays anywhere from 30 per cent to 90 per cent of their earned income on food. If Canadians in the future cannot feed themselves, then we will be faced with that same problem.

We have to realize that the agricultural community must be paid a higher price at the farmgate. If they are not paid a higher price—for whatever reasons or policies have—then those transfer payments must keep on coming through the municipal, provincial and federal government to make that a healthy industry. It is the most crucial industry in this country, yet we forget that.

Today we are attempting to impose a further cost factor, an umbrella of a 7 per cent GST tax that will further degrade and downgrade that income. Thus the failure of farmers to be soil conservationists will be perpetuated, because they cannot afford to be otherwise.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, we have just heard a lengthy and interesting disquisition by Senator Sparrow on the question of soils. The one thing that I am sure is clear to all honourable senators, and to all who know anything about parliamentary practice, is that the speech, while interesting, had virtually nothing to do with anyone's question of privilege. It is the essence of the argument that honourable senators have been making here for some days that a parliamentary body should be helpless in the face of this kind of filibuster, time wasting and obstruction. That is really the essence of the argument that we have been listening to now for so long—

Hon. Stanley Haidasz: Are you imposing closure upon us, senator?

Senator Murray: —namely, that there should be no way in which—

Senator Haidasz: Is this the beginning of closure, senator?

Senator Murray: —parliamentarians should be able to get on with the business that is before—

Senator Haidasz: Honourable senators, I was on my feet to make a speech on the question of privilege that was raised earlier today by Senator Stewart. We now see the Leader of the Government in the Senate beginning what I suspect is a request for closure on this debate—that is, a closure on our complaints about our privileges being destroyed by the Speaker of the Senate last October 4 by his precipitous and unwarranted, unneeded decree in calling a vote—

Senator Murray: Honourable senators, do I have the floor?

Senator Haidasz: —a vote that was taken without our presence in the house.

Senator Murray: Do I have the floor, honourable senators? Do I have permission to speak?

Senator Haidasz: Mr. Speaker, I ask for a ruling.

Senator Murray: There is nothing to rule on, Your Honour; I have the floor.

An Hon. Senator: No rules!

Senator Murray: I have the floor.

Senator Frith: What do you mean? You are on your feet.

Senator Haidasz: He is not speaking in the Speaker's Chair!

Senator Gigantès: I do not see anyone in the Speaker's Chair!

An Hon. Senator: Will you promise to do your ballet?

Senator Murray: I certainly may. My honourable friends can dig into their desks and get out their noisemakers, kazoos and bells and start to ring them, and I suppose it will be as difficult, or as impossible as it was last week for me to make myself heard.

Senator Haidasz: I asked the Leader of the Government in the Senate to kindly answer my question.

Senator Murray: I think the question—what was the question?

Senator Haidasz: Do you intend to propose closure of this debate on the question of our privileges being struck down by the Speaker? Please answer my question!

Senator Murray: Surely the honourable senator can contain his curiosity for a moment while I try to make some arguments that will lead, I hope, to quite a logical conclusion.

An Hon. Senator: To nothing!

Senator Murray: It may even commend itself to Senator Haidasz.

Just two weeks ago honourable senators opposite were on the warpath in the Standing Senate Committee on Banking, Trade and Commerce. During the preparation of the report of that committee the chairman, Senator Buckwold, completely denied access to the staff of the committee to the Conservative vice-chairman and other Conservative members of that committee.

Senator Hastings: And the Liberal members of the committee also!

Senator Murray: He denied access and took it as his personal prerogative as chairman to tell the staff what should go into the report.

The report—over 300 pages long—was then presented to honourable senators who, in the case of the Anglophone senators, were given three and one half hours in which to digest it. It was rather less than that in the case of the Francophone senators, because the two versions were not available at the same time. Senators were then told that they must pass the report. They were told "ass the report today." It was over 300 pages; they were given three and a half hours to consider it; a few hours to discuss it, but they were told "ass the report now."

In the process, the *Rules of the Senate*, which we acknowledge are rules, were brushed aside by the chairman who simply declared that those *Rules of the Senate* did not apply to the committee. In other words, there were no rules in the committee; no protection by the chairman for the rights of the minority.

Senator Haidasz: Is that true?

Senator Murray: There was no recognition—

Senator Haidasz: —on the part of the members of the Banking Committee?

Senator Frith: The chairman is not here.

Senator Haidasz: The chairman is not here to reply to these accusations.

Senator Frith: But he will be here shortly, if you would like to—

Senator Murray: Fine. I am glad to know that.

Senator Frith: We certainly would not deny you an opportunity to speak again when he arrives, or even to attempt to deny you the opportunity of speaking if you wait until he comes. Of course, he can always read the blues, I suppose—if you will share them with him.

Senator Murray: I am sure that my honourable friend can convey to Senator Buckwold the gist of my remarks. He has heard them before.

Senator Frith: That is true; many times.

Senator Murray: But I think I should, by way of background, summarize what has been going on here in the past few weeks.

The conduct of that committee was a disgrace to parliamentary practice.

Senator Frith: Oh, oh! In spite of the fact—

Senator Hastings: It stands right there.

Senator Murray: There was no recognition of an abuse of privilege; no recognition of points of order. Every time the Conservative senators objected, they were met with the same reply by Senator Frith, who was there in his capacity as ringleader, manipulating the chairman.

• (1200)

Conservative members heard the same reply from Senator Frith time and time again. The answer was the same: "It is the will of the majority. It is the will of the majority. It is the will of the majority." That was Senator Frith's reply in justifying every abuse of the rights of the Conservative minority in the Standing Senate Committee on Banking, Trade and Commerce. I am glad to see that the honourable senator who chairs that committee has returned to the chamber. Honourable senators, that was the week before last.

What was established in this place last week when all the sound and fury settled down and the rhetoric evaporated were two precedents that I contend are eminently sensible.

The first precedent relates to questions of privilege. What we established here last week from a ruling by the Chair is that there is some limit on the pursuit of questions of privilege; that there is a rule; and that that rule as to how you go about a question of privilege is the same here as it is in the House of Commons—

Senator Frith: Wrong!

Senator Murray: —and in most of the legislative assemblies that any of us have ever heard of.

Senator Frith: Wrong!

Senator Murray: What was established was that that rule is what Senator Frith, Senator MacEachen and Senator Olson stated it was a few days before when it suited their purpose to do so.

Senator Frith: We were as wrong as you are now.

Senator Murray: They said, "Mr. Speaker, you have a duty to rule on whether there is a *prima facie* case of privilege."

Senator Frith: I was wrong.

Senator Murray: They said, "You have a duty to intervene when you have heard enough of this argument and take under advisement, or rule right away, whether there is a case of *prima facie* privilege."

Senator Frith: I was wrong.

Senator Murray: Of course, in the alternative, it is open to senators to do what they have been doing over the last 20 hours or so which is, under the guise of a question of privilege—questions of privilege are, under parliamentary practice, very important things—make lengthy, time-wasting speeches, however interesting, about soil and soil policy. That was an interesting speech but I did not hear it in the chamber; I listened to it in my office.

In the alternative, it means that question of privilege can be used for filibuster. We established, through a ruling of the Speaker, that the practice here is what the practice is in the House of Commons and other chambers; that the practice here is what Senator Frith, Senator MacEachen and Senator Olson insisted that it must be; that is, that the honourable senator raising a question of privilege should have to satisfy the Speaker that there is a *prima facie* case, always remembering that in this chamber, unlike the chamber down the hall, there is an appeal from the Speaker's ruling and all other matters.

The second matter on which we established a sensible precedent concerns the holding of a vote. I say that we established that the Speaker has authority, after a reasonable time has elapsed, to give notice to Whips in order that the vote can be taken. I will come back to this in a few minutes. For the moment, let me say that honourable senators who do not agree with those precedents, or do not accept them as such, have a number of recourses open to them. Let me mention two. First, they could have appealed the ruling of the Chair and sought to overturn it in both of those cases. Goodness knows, they have not been hesitant to do that over the past six years, time and again.

Senator MacEachen: How can you appeal a letter? The ruling was in a letter.

Senator Frith: How do you appeal a letter?

Senator Murray: Honourable senators could have appealed the decision of the Speaker to call that vote and have it overturned. They could have overturned the decision. They have never hesitated in the past.

Senator Gigantès: You say we should appeal, but you have taken our privilege away.

Senator Cogger: He listened to you; listen to him.

Senator Murray: They have never hesitated in the past to appeal and to overturn the ruling of the Speaker. They could have done it in these two cases. They could have taken their chances in this "finely balanced House" as Senator MacEachen calls it, where neither of our parties has a majority and where we depend on independent senators who hold the balance of power. But they chose not to do so. That is behind us.

They could have, and I suppose they still could, draft a new rule.

Senator Buckwold: That is what you did.

Senator Murray: They could have drafted a new rule and tried to get support for it in the rules committee and in this House—this finely balanced House where neither of our parties has a majority and where we must depend on the independents who hold the balance of power. But they did neither of those things. They caused turmoil last week and created chaos. They behaved in a way that some journalists have described as behaving like animals in the Senate.

Honourable senators, I will not take nearly as much of the time of the Senate today as Senator Davey did earlier in this sitting to place press quotations on the record, but I think at this point there are a couple that I would like to read in part. Ron Corbett, a columnist in the *Ottawa Sun* wrote:

> So in the battle to kill the GST the Liberal Senators have resorted to banging their desks and clucking like a bunch of stringy-necked chickens every time a Conservative Senator tries to speak. What's next? Chop blocks in the hallway? Full-nelsons on the carpet?

Then we have Marjorie Nichols in the Ottawa *Citizen.*

Some Hon. Senators: Oh, oh!

Senator Cools: What a choice!

Senator Murray: I will give honourable senators an opportunity to make their venomous remarks. If Senator Cools, Senator Haidasz, and Senator Hastings wish to make some personal remarks about Miss Nichols, they can take this opportunity.

Senator Carney: It is her birthday today.

Senator Haidasz: Wish her happy birthday.

Senator Murray: I am sure she will receive no good wishes from honourable senators opposite, especially if they have taken note of this comment of October 6. It states:

> The Liberal members of the Senate of Canada are, collectively, a disgrace to this nation. To witness these underworked and overpaid—

Senator Haidasz: Slander!

Senator Murray:

> —foul talking deskbanging, senatorial anarchists acting like animals within the Parliament Buildings is to experience revulsion. They make the masked Mohawk Warriors look and sound like diplomats.
>
> Senator Stan Haidasz stood on his chair and shouted.

Miss Nichols did not say what the honourable senator shouted, but perhaps I will come to that later. She goes on to say:

> Senator Jacques Hébert challenged a Tory to a fistfight. Senator Davey Steuart started ranting and shouting obscenities. Parliamentary guards had to be called in to establish order.

Senator Cools: She wasn't even here.

Senator Murray: She goes on as follows:

> In a democracy, public opinion is supposed to provide the check on such anarchy.
>
> The warning to Canadians is now writ large: Reform the Senate or abolish it before it destroys parliamentary democracy in Canada.

Some Hon. Senators: Hear, hear!

Senator Gigantès: Have a vote in the House of Commons to do it.

Senator Murray: My friend knows well that we do not have the votes in the House of Commons to abolish the Senate.

[*Translation*]

Reporter Michel Roy in *Le Droit*, October 6:

> The Liberal senators, after losing the majority from which they drew their position of power, opted for sabotage and disorder, like a spoilt child that is asked to share its toys and breaks them instead.

To kill the GST, they are prepared tp create total anarchy in this institution, to set up a three-ring circus, to condemn the Speaker and organize a happening with the help of the media and members of the House of Commons. Since they are unable to kill the bill through the democratic process, the Liberal senators, with the blessing of their leader, Jean Chrétien, have decided to delay the proceedings on the bill for as long as it takes to prevent its being implemented by January 1.

[*English*]

Finally, honourable senators, I should like to quote from an editorial in the Ottawa *Citizen*. I will read only one sentence, just so that Senator MacEachen can get the flavour of what it was like here last week. It says:

> The spectacle of Liberal senators blowing kazoos, ringing cow bells, shouting obscenities and obstructing the business of Parliament has taken the Canadian democratic system to an all time low.

That is what Liberal senators did last week when there were recourses open to them under the rules; and they knew there were recourses open to them under the rules. They chose to operate outside the rules and to create anarchy in this place.

I was not aware of who the ringleaders were in opening the doors and bringing the media with camera men and so forth and members of Parliament on to the floor of the Senate in this free-for-all the other night until I saw it on television on the weekend. There, before my very eyes, was the Speaker *pro tempore* of the Senate, Senator Molgat, and the Deputy Leader of the Opposition, inviting this disorder, this disgraceful behaviour.

● (1215)

Senator Frith: You bet!

Senator Murray: They were both inviting anarchy upon this place.

Senator Frith: It was a disgraceful crime the Speaker committed.

Senator Murray: Altogether, that was a shameful performance, as everyone who watched it agreed.

Senator Buckwold: That happens when there are no rules.

Senator Murray: Honourable senators, I want to open a parenthesis here because the Leader of the Opposition, in his speech earlier in this sitting, referred to the appointment of the eight new senators under section 26 of the *Constitution Act, 1867*. I want to briefly comment on what he had to say about that.

Senator MacEachen said that the conditions did not exist to enable the Prime Minister, to invoke section 26. He said there was no deadlock at all.

I do not know what the Leader of the Opposition considers to be a deadlock in parliamentary terms, but let me remind him and the members of this place that Bill C-21 has been before the Senate for ten months, since its introduction in the Senate on November 7, 1989; Bill C-28 has been here for nine months, since its introduction in the Senate on December 21, 1989; and Bill C-62 has been in the Senate for five months, since its introduction in the Senate on April 1, 1990. All of us who are here have not the slightest doubt that, as long as the Liberal opposition had the numbers in this place, those bills were going nowhere.

Some Hon. Senators: Hear, hear.

Senator Murray: Those bills were blocked. Never mind that they were money bills and, therefore, in a very special category in our parliamentary system, a very special category in terms of the prerogatives of the House of Commons, as the elected representatives of the people; never mind that two of the bills come from the 1989 budget and one from the 1990 budget. In respect of both budgets, there have been votes of confidence, carried by the government in the House of Commons. So in blocking these budget bills, these financial bills indefinitely,

honourable senators opposite not only interfered with certain prerogatives of the House of Commons with regard to money bills, but interfered with the role of the House of Commons in voting confidence in the government of the day.

Senator MacEachen has said there was no deadlock. What a very strange definition he must have of "deadlock". They had no intention of passing those bills and, indeed, in respect of the GST, we have heard over and over again—most recently within the past 24 hours from Senator MacEachen himself—that they intended to do everything in their power to defeat it.

The argument Senator MacEachen has made is essentially an argument of political judgment on the basis of which, in due course, the people who made the judgment call, the Prime Minister and his elected colleagues in the other place, will face the judgment of the Canadian people in a general election. That is the way our system works. They made the political judgment on invoking section 26, and they are not required to satisfy honourable senators opposite or the opposition in the House of Commons; they are required to make their case in the first instance to the Governor General and to the Queen.

Senator Stanbury: Have you read the Constitution?

Senator Murray: There is nothing in the *Constitution Act of 1867* about deadlocks. The provision is very clear, and in respect of its application in this case, the government not only took advice from its own legal advisors but went outside for independent legal advice, and so I am advised did His Excellency, the Governor General.

As I said, these are political arguments the Honourable the Leader of the Opposition and his colleagues are making. He is now saying that the Governor General should have consulted him and his colleagues on this matter.

Surely there is a limit to what the honourable senator is trying to peddle here. In this constitutional monarchy the Governor General and the Queen act on the advice of their ministers, and the idea that the Governor General should come down here and intervene in the legislative process is absolutely ludicrous. The suggestion is that he should consult an arbitrator. To see whether the Prime Minister was justified in invoking section 26, the Governor General, we are told, should have come down here or invited the Leader of the Opposition out to Rideau Hall and said: "Allan, are you blocking those bills?"

Senator MacEachen: That might have been a useful exercise.

Senator Murray: And Senator MacEachen would have responded: "Me? Not me. Block a bill? No."

Senator MacEachen: It would have been useful for him to be told the Prime Minister had misled him on a number of these questions of fact. That is the point.

Senator Frith: Exactly!

Senator Murray: The honourable senator talks about questions of fact. I have just placed the facts on the record with regard to those bills. One of those bills has been before the Senate for almost a year, Bill C-21; another has been before the Senate for nine months; and another has been before the Senate for five months.

As I said, no sensible person in this country who follows matters believes for one minute that honourable senators opposite had the slightest intention of unblocking those bills. Nor did you! Come on! Don't kid the troops. Honourable senators opposite had no intention of unblocking those bills.

Some Hon. Senators: Hear, hear.

Senator Frith: Wrong!

Senator MacEachen: Absolutely wrong! You have just demonstrated that you do not have a factual basis for the appointment of the eight new senators.

Senator Murray: They have taken their political argument to the courts now in the guise of a legal argument. All I can say is that I am confident the courts will know what to do about a political argument brought in under the guise of a legal argument.

Senator Frith: You will not be able to tell the courts what to do as you have told the Speaker what to do.

Senator Murray: Then the Leader of the Opposition, after he had expressed his indignation about the appointment of the eight new senators under section 26 said: "We were ready to swallow that." But no, they were not ready to swallow that, honourable senators. The first thing they did was move a silly motion to clear the House of strangers.

Senator Stollery: Who says it was a silly motion?

Senator Murray: Because we sympathized with the embarrassment of Senator Frith, we allowed unanimous consent to withdraw that motion a few days later.

Then we had a day of so-called questions of privilege regarding the eight new senators. When the Speaker ruled on the *prima facie* case, he ruled on the basis that Speakers in the other place have ruled year after year, day in and day out, including one most recent case against the Conservative party. The Speaker ruled that it was not for him to decide on constitutional and legal matters and, therefore, ruled there was no *prima facie* case of privilege and that he would not receive the motion. When that happened they were unwilling to appeal the Speaker's ruling, they were unwilling to accept the Speaker's ruling, so we had a motion to adjourn, and two and a half hours later, Liberal senators had still not shown up for the vote.

That is the chronology of events. They were unable to turn up after two and a half hours to vote on their own adjournment motion.

Senator Barootes: Shame on you!

Senator Murray: Honourable senators, whenever a vote is held in this place, it is the Speaker who orders that the bells be rung and it is the Speaker who orders that the bells be stopped.

Senator Turner: After hearing from the whips.

Senator Murray: I was waiting for that. Yes, the Speaker does so on the advice of the whips. That is our custom.

Senator Frith: That is in the rules.

Senator Murray: That is our custom.

Senator Frith: And it is also in the rules.

Senator Murray: Our custom is described in the Appendices to the *Rules of the Senate of Canada*, which, as Senator Frith himself pointed out at his celebrated press conference with Senator MacEachen and their Quebec Lieutenant, Senator Hébert a couple of weeks ago, the appendices—and Senator Frith was speaking in French, so I was listening carefully—are not themselves the rules. They describe custom and practice and, of course, they are all subject to Rule 1.

Senator Frith: They are referred to in Rule 1 as customs and practices.

Senator Murray: These are customs and practices in the Senate, in the House of Commons and in other parliamentary bodies.

The basis of the custom that Mr. Speaker should take his advice from the whips is that there be agreement among the whips. What happens when there is no agreement?

Senator Gigantès: The Liberals waited five days when there was no agreement. They sought out an agreement but waited 144 times longer than you waited.

Senator Simard: Stop bugging us!

Senator Gigantès: You waited two and a half hours; they waited 360 hours.

Senator Murray: What is the alternative, if there is no agreement?

Senator Gigantès: Wait and work out an agreement.

Senator Murray: We would have waited forever.

Senator Stollery: He does not know how to do that because he is not a parliamentarian.

Senator Murray: Wait while a couple of senators stop parliamentary proceedings indefinitely?

Senator Gigantès: Your party did that for 15 days until an agreement was reached.

Senator Murray: Nobody said this better than Senator Stewart in an article to which he drew our attention yesterday in the *Toronto Star* of March 18, 1982. Let me read a couple of paragraphs from that article by Professor John Stewart of the Political Science Department of St. Francis Xavier University:

● (1230)

> The purpose of the bells is to call the members to the chamber to vote; it is not to permit either side to stop the work of Parliament. My view is that once it has become obvious—a few hours should be more than sufficient—that the practice is being used, not to round up members, but to stop the House, the Speaker has the power to complete the interrupted vote.

Some Hon. Senators: Hear, hear!

Senator Murray: Later we have this paragraph of Professor Stewart:

> The Speaker had said that there is no standing order that would have authorized her to complete the vote.

Senator Stewart was referring to Madam Sauvé.

> There is no standing order because what we are dealing with is a practice.

Senator Frith: In the house!

Senator Murray:

> If there were a rule, the rule would state both a minimum and a maximum time for the bells. She had said that there is no precedent bearing directly on the present situation.

Senator Frith: In the House of Commons!

Senator Murray:

> If Speakers never dealt with procedural situations except on the basis of exact precedents, there would be no precedents.

Some Hon. Senators: Hear, hear!

Senator Frith: All in the House of Commons!

Senator Murray:

> Sometimes impartiality requires no action, and sometimes it requires action. Every day the bells rang tended to confirm the propriety of the tactic being used. As long as we enjoy the constitutional system known as responsible government, the House of Commons—

and I would say the Senate

> —should be protected from those who would disable it by procedural arrest. The Governor-General, of course, may prorogue a session or dissolve a Parliament, but neither the government nor the opposition should be permitted to arrest the House of Commons by a walkout.

Some Hon. Senators: Hear, hear!

Senator Frith: Or by a lockout!

Senator Stewart: I am honoured that Senator Murray has quoted extensively from the piece which I told the Senate yesterday I wrote for the *Toronto Star in 1982*. He should also recall that I reminded the Senate yesterday that that was a view I stated with respect to the situation in the Canadian House of Commons, where much greater power is conferred upon the Speaker. The Speaker here is in an entirely different situation. In the House of Commons the practice with regard to the whips was simply practice; not a matter dealt with clearly in the an appendix to the rules and given status as a rule by Rule 1. When he has dealt with that, will he not—

Senator Murray: Well—

Senator Stewart: I think it would be better if you dealt with this all at once. When he has dealt with that, would he not, in candor, admit that whatever I said at that time dealing with the 1982 situation does not have the authority and should not command the attention of the words of Speaker Sauvé, who

refused, as I said, to listen to my entreaties, who refused to listen to the entreaties of Liberal ministers and, indeed, many members of the public. She stated that even though her authority was great, even though it was only a practice in the House of Commons, it was not for her to undertake to lay down rules for the future. Is the Speaker of the House of Commons not of greater authority than a mere professor of political science, even though he should have been a member of a faculty of a university from which the present Prime Minister and the present Leader of the Government in the Senate graduated?

Some Hon. Senators: Oh, oh!

Senator Murray: Honourable senators, I will deal with the last point first. A mere professor my friend is not. He is the author of *The Canadian House of Commons: Procedure and Reform* and was a Liberal member in the House of Commons from 1962 to 1968. Perhaps I should also add a reference to his highly respected treatise on the political philosophy of David Hume, which has been in academic circles—

Senator Cools: He is a great scholar.

Senator Murray: He is a great scholar. So I do not accept his unbecoming modesty in this field.

To deal with the points he made, first with the respect to the provision in the red book regarding the description of our custom—this is in the appendix—that does not have the status of rules. Senator Frith pointed that out the other day in his press conference. Second, it is true that the House of Commons invests far greater authority in its Speaker than we do. On the other hand, however, we permit appeals from our Speaker's rulings.

Senator Stewart: Now.

Senator Murray: Always.

Senator Stewart: It used to be different in the House of Commons. That is no longer true there.

Senator Murray: They no longer have appeals from the Speaker's rulings in the House of Commons. That one fact has considerably reinforced the authority of the Commons Speaker. However, we can, and honourable senators opposite have successfully appealed on many occasions rulings made by Mr. Speaker Charbonneau and on one occasion by the Speaker *pro tempore*, Senator Molgat.

Yesterday we heard Senator MacEachen, the Leader of the Opposition, reaching back into his vast experience as a House of Commons man, describe this political dynamic that exists when a vote is called—a political dynamic in which the whips are the key players. What happened here the week before last is that one day, perhaps in a fit of pique or perhaps from a strategic or tactical plan, Senator Frith moved this silly motion to clear the house of strangers. The bells began to ring. Then honourable senators opposite left for a few hours; and, finally, with complete contempt for this place and for the rest of us in it, went to a press conference on Thursday afternoon and said "We will be back on Tuesday. Good bye." So much for their respect for Parliament, the Senate or, indeed, their colleagues.

[Senator Stewart.]

"We will be back on Tuesday. Let the bells ring." That is the political dynamic that existed around here the week before last when these time-wasting and dilatory tactics were embarked upon by our friends opposite.

Honourable senators, if you take the position that in the absence of agreement Parliament must wait forever—and of course ultimately you are tying up both houses of Parliament and the parliamentary process—then the position is that the Speaker is really the creature of the whips. He has ceded his authority to the whips. I think a more sensible position—one that sensible people would accept and one that is now contained in the precedent that was established here last week—would be that, when there is no agreement, some person must decide, and that person must be the presiding officer, the whip and then the Speaker, after a reasonable period of time has elapsed.

Some Hon. Senators: Hear, hear!

Senator Murray: I have heard a lot of extremely insulting—

Senator Grafstein: When did he decide that? Would the Leader of the Government respond, because obviously there is a question about this. When did the Speaker decide that? When did he come to that conclusion?

Senator Murray: Which conclusion?

Senator Grafstein: The conclusion as to time. Was that conclusion made the previous Sunday? The Leader of the Government had to have been involved. When did he make the decision?

Senator Murray: If my honourable friend will give me a moment to reply, I will reply. I received the letter at about the same time Senator Frith received it—

Senator Haidasz: You wrote the letter!

Senator Stanbury: You had the original letter!

Senator Murray: —which was at 5:05 on the afternoon of the vote. I must say that that afforded me, our whip and deputy leader adequate time to get our people into the Senate for the vote.

Senator Grafstein: Was that your first notice of the contents of the letter?

Senator Murray: Of course.

Senator Stewart: How do you explain Senator Pitfield's comments?

Senator Murray: I have heard a lot of insulting things said about Mr. Speaker Charbonneau in this place—

Senator Hastings: Get used to them!

Senator Murray: "Get used to them" says Senator Hastings. I suppose precedents can be set in the line of boorishness too, and my honourable friend has had something to do with that in the last few days.

Some Hon. Senators: Hear, hear!

Senator Murray: Placing these insults on the record would dignify them, especially those from Senator Hébert, Senator Haidasz and others. But I will quote a couple of paragraphs from the *Winnipeg Free Press* of Saturday which may redress the balance. It is an editorial entitled "The tyranny of the bells".

> Canada should erect a statue on Parliament Hill to Senate Speaker Guy Charbonneau.

Some Hon. Senators: Hear, hear!

Senator Murray:

> Mr. Charbonneau struck a mighty blow for the rights of Parliament on Thursday when, after giving Liberal members ample time and notice to show up for a routine vote, he held the vote without them.
>
> The most fundamental right of any Parliament is the right to meet, to debate and to vote on the measures before it. One British monarch lost his head for denying it that right.

Senator Buckwold: Good idea!

Senator Frith: As a matter of fact, it could well be a headless statue!

Senator Murray:

> In Canada, that fundamental right of Parliament has come under attack three times in the past decade, a victim of the tyranny of the bells.

The editorial then goes on—and I will not quote it directly—to mention the three cases involved. One was in 1982, when the Conservative minority in the House of Commons let the division bells ring for 14 days; in 1984, when the Conservative minority in the Manitoba legislature did the same thing with respect to a language question. The third assault was on the rights of Parliament which the editorial says was launched by the Liberals in the Senate, first last week and then again on Thursday.

> In many ways, the action of the senators was the most outrageous of them all because the people who took it were unelected. Paralysing the Senate eventually stopped the work of both houses of Parliament, the elected one and the unelected one.

Later the editorial says:

> Why the Commons Speaker in 1982, Jeanne Sauvé, did not exercise her common sense and defend the rights of members of Parliament to debate and vote on public business has always been impossible to understand.

Then there is a reference to the Manitoba Speaker, Mr. Walding. Then it continues:

> Finally, the Speaker of the Senate has got it right. He has seen through the Opposition subterfuge and understood his fundamental duty to Parliament, which is simply to permit it to do its work. There is no rule or principle which should lead him to do anything else. The practice that the whips of the two parties approach the chair before a vote was taken is rendered irrelevant by the refusal of the Liberal whip to do so.

● (1245)

Senator Frith: But if it had been a Conservative Whip, it would have been all right, would it?

Senator Murray: Well, no. As a matter of fact, the *Winnipeg Free Press* will tell you that it took the same position with respect to what the Conservative MPs did in the other place in 1982.

Senator Frith: Well, that is just wrong!

Senator Murray: The editorial continues:

> Those Liberal senators who are now making a spectacle of themselves in the Senate chamber with unruly displays of bogus indignation know precisely how hypocritical they are being. Some of them were sitting in the House of Commons when the Tories first pulled their bell-ringing ploy. They cheered and applauded Privy Council President Yvon Picard when he accused the Tories—

Senator MacEachen: That is Yvon Pinard.

Senator Murray: Pinard, yes. It is written "Picard". I remember that gentleman very well. He is now a judge. This is, indeed, a misprint. It should read "Yvon Pinard."

Senator LeBlanc: That article is full of falsehoods!

Senator Murray: My goodness—a former journalist and a former press secretary to the Prime Minister, screaming "falsehood" when he meets an unfriendly editorial. How times have changed!

The editorial continues:

> That is exactly what the Liberals tried to do this week. There is a nice irony in the fact that the Tories, who invented bellringing, have now been getting a taste of it themselves. No doubt they deserved it. But Parliament does not deserve it and neither does Canada. Canadians should be grateful that they have a Speaker ready to defend the rights of Parliament.

Some Hon. Senators: Hear, hear!

Senator Frith: That guy should be a stand-up comic, or a sit down one.

Senator Murray: Honourable senators, in the speech made by the Leader of the Opposition earlier in this sitting, he devoted a great deal of time to the importance of the Whips, to the role of the whips. I have to tell him that some of his colleagues also alluded to or spoke of the importance of the Whips out of one side of their mouths when they attacked the Speaker by saying, "How dare the Speaker allow a vote in the absence of the agreement of the two whips?" But, on the other side of their mouths, it was, "What role have the whips? You didn't send me a letter. It is not enough to send the whips a letter. The Whips have no role."

Their view was that the individual senator must be written. They want a personal invitation to the vote.

Honourable senators, time and time again I have heard members of the Liberal caucus complain that a letter was sent to their whip and to our Whip, to their Leader and to our Leader, and that they did not receive notice that a vote was to be held.

Senator Buckwold: Twenty minutes later!

Senator Haidasz: Did you get notice from the Speaker?

Senator Murray: Of course; I am the Leader of the party.

Senator Hastings: He wrote it!

Senator Murray: Senator MacEachen's office received notice.

Senator MacEachen: I didn't.

Senator Stewart: Honourable senators, Senator Murray has just quoted from the *Winnipeg Free Press* an editorial stating what Senator Charbonneau has done as a great new departure, as starting a new and bright era in parliamentary life. It is a great new departure, he says. Something new was done and Senator Charbonneau was commended for that. That is why, if something quite new was being done, I should have been informed!

Senator Frith: Exactly!

Senator Stewart: Something was being changed. Senator Murray, in the name of consistency, ought to deal with this point. And perhaps, while he is dealing with this point, he will go on to deal with the point of privilege that I raised at the beginning of this sitting.

Perhaps he would deal with the fact that the official records show that, contrary to the letter sent to some senators, the Senate resumed at 5:25 p.m. and the Speaker said, "Let the doors to the chamber be locked." Would he deal with that point?

Senator Murray: Honourable senators, the only thing I can say about that, because I was not watching the clock, was that I got here and our senators got here.

Senator van Roggen: Sure—they knew!

Senator Frith: Yes. Senator Pitfield told us how that happened.

Senator Murray: My friends opposite were in caucus.

Senator Frith: What about Senator Pitfield? Do you intend to keep ignoring what Senator Pitfield said, that your people knew very well what was to happen? They said, "Stick around, because he is going to call them back."

Senator Murray: I do not ignore what Senator Pitfield said, nor do I ignore what Senator Everett said, which was that a member of your caucus told him that you were not coming back for the vote.

I have heard Senator Stewart, Antigonish-Guysborough and Senator Steuart, Prince Albert, as well as other senators on the other side, get up time and time again to recount their experience of the other day. "I was in my office at 5:30 when all of a sudden the bells stopped, so I rushed down."

[Senator Murray.]

Honourable senators, if they wait until the bells stop before they rush down, they will miss a lot of votes in this place. What do they think the bells are for?

Senator van Roggen: We weren't in on the fix!

Senator Murray: Where were you? I haven't seen you in ages.

Senator Molgat: You should have followed the rules.

Senator Murray: The bells had been ringing since 2:30 and senators opposite say, "I was in my office and all of a sudden the bells stopped." Well, if senators are in their offices three hours after the bells started to ring, they must realize that the bells are going to stop sometime.

Senator Stewart: They stopped the previous Thursday and they stayed stopped until Tuesday.

Senator Murray: Indeed, somebody told me that Senator Kirby had said this on television and I did not see it until last weekend, when CBC television reviewed the events of the previous week. There, large as life, was our friend Senator Kirby, heading out of the building on his way to Toronto. He was asked by a journalist, "Are you going back in?" "Oh, I would be very surprised if we went back in."

Look, we all know what is going on here.

Let me say a word for a moment about the role of the party Whip.

Senator Stewart: We are seeing great innovations. That is what is going on.

Senator Murray: "I was in my office," he said, "at 5:30, three hours after the bells started to ring. The bells stopped, so I rushed right down here." Who ever heard of such foolishness? This is foolishness!

Senator Stewart: No, senator, I did not say that.

Senator Murray: Well, I am sorry, senator, I heard it from the other Senator Steuart and I am sure I heard it from you.

Senator Stewart: No, no, no.

Senator Murray: What was your story?

Senator Stewart: Let me repeat what I have already said; namely, that I was in my office in the Victoria Building. It was approximately 13 minutes after 5:00 when I got a call. The call was from Senator Grafstein—this is all on the record; it is no great new revelation—and he said, "There is a rumour that the Speaker is going to stop the bells and put the question at 5:30. You had better come over."

I think that earlier I used the word "scrambled"; that is pretty accurate. I scrambled and got over here. By the time I got here, the door was locked.

I looked at my watch and I said to myself, "Well, I guess the battery finally has given out. I should have replaced it months ago." That is what I said to myself. Now I discover from the Official Record of the Senate that my watch was accurate.

That is what happened in my case. I cannot accept responsibility for what happened in somebody else's case. I raised this point regarding my privileges and I recount the facts as I know them.

Senator Murray: I accept that, but what was my friend doing in his office two hours and 45 minutes after the bells had started to ring?

Senator Hastings: That's none of your business!

Senator Murray: I know what he was doing in his office.

Senator Hastings: Are you the policeman?

Senator Murray: I know what they were all doing in their offices. A decision had been made that they were not coming back.

Senator Haidasz: That is not true!

Senator Murray: Come on, now.

Senator Frith: I told the press that we might come back in the afternoon, that we might come back at night and that we had not decided. We had not decided.

Senator Murray: Look, since we are retailing personal conversations around here these days, reference was made to Senator Pitfield. Senator Pitfield said to one of my Conservative colleagues—

Senator Buckwold: Oh, this will be good.

Senator Murray: —at 20 minutes to 3:00, ten minutes after the vote was called, "The Liberals are gone and they are not coming back."

That was the perception throughout this building among Liberal senators who were taking off.

Senator Frith: Not so! That is wrong.

Senator Haidasz: He was only guessing.

Senator Murray: Honourable senators, I just want to talk about our friend, Senator Petten, the whip. Senator MacEachen described yesterday this loyal adherent of the party. Indeed, that is the expression Senator MacEachen used to describe whips, and of course he is, and they are.

As 5:30 approached, there was our friend Senator Petten, accompanied, by the way, by Senator Hébert, among others, standing outside in full view of the nation's media and in full view of those of us who were in here, shooing Liberal senators away from the vote.

Senator Petten: Could I have a word?

Senator Simard: You can't take it! You can't take the heat! You have had a week to speak up.

Senator Petten: If you will be still for a moment, senator, I will speak.

Senator Hastings: Shut up, Senator Simard.

Senator Simard: I will be still.

Senator Petten: Thank you very much.

Honourable senators, much has been said about the letter—the famous letter or the infamous letter, whichever you please.

I was out there, Senator Murray.

Senator Murray: Oh, yes, I know.

Senator Petten: And I did tell my colleagues, "We are not going—"

Senator Murray: Yes, and—

Senator Petten: Do you want me to tell you what happened? Then listen: I told them, "We are not going in now", all right? Just hold on one second, if you don't mind.

As to the letter so much has been made of, do you know what time I got it? I received it at 5:20 out here. Had I got that letter at 4:30, 4:00 or even 5:00—

Senator Murray: Would you have had all the troops in to vote?

Senator Petten: No, I would not have got them all in. I certainly would have taken longer than 20 minutes or half an hour to get them in.

This has happened to your whip over there, and it has happened on this side. Just one second, if you don't mind, senator. Your whip on one occasion took three and one half hours to get people in. On another occasion I took two hours to get people in. This is the way it has always been and the two whips have always come in together.

If the rules were to be changed, if anybody had had the decency to say, "Look, we are going on under a new set of rules," I might not have agreed with it, but at least it would have given me a chance to do something about it.

Senator Murray: Your deputy leader and I—

Senator Petten: Do we understand each other now? Do you know how it was now? I had ten minutes.

Senator Murray: We understand each other perfectly. You were shooing Liberal senators away from the vote.

Senator Frith: Of course he would not do that.

Senator Murray: And you were doing it in full view of the nation's media.

Senator Petten: There was no way I was about to have eight or ten people come in here. We were not coming in until we could get all of our people in.

You can laugh if you want to, but had you given me time—sure, smirk if you want to; smirk and laugh.

Senator Murray: Honourable senators—

Senator Petten: After this I will sit down. I will just say one more thing. Could I have your attention for one more minute?

Senator Murray: Yes.

Senator Petten: You knew that we were in caucus. My colleague and your Whip, Senator Phillips, came down and said, "When are you coming back?" I said, "I am not quite sure. Senator Frith will be making an announcement shortly when he comes out."

If at that time somebody had said, "We are going to change the rules and have a vote," I don't think we would have had much argument. But now I think we do. Thank you very much.

Senator Frith: Good for you.

• (1300)

Senator Murray: The Honourable Senator Frith was in caucus, indeed.

Senator Frith: No I was not!

Senator Murray: One wonders where all these people were.

Senator Frith: No I was not in caucus. Why don't you get the facts straight?

Senator Murray: I heard one story after another here last week until I got the impression that no one was at the caucus; they were all sitting in their offices—

Senator Olson: You do not know where the people were!

Senator Frith: You are right; we were not in caucus!

Senator Murray: —up to three hours after the vote was called. They were coming nowhere near the Senate chamber. What were they waiting for? Some of them headed out for Toronto and other places.

An Hon. Senator: Standing up for our rights!

Senator Lefebvre: That is a straight flim-flam!

Senator Stollery: We had the right not to!

Senator Murray: What were they waiting for?

Senator Frith: Let him flim-flam!

Senator Simard: They were trying to reach Senator MacEachen.

Senator Frith: It is an indefensible case!

Senator Buckwold: Keep thinking!

Senator Murray: Honourable senators, I have quoted this rule before.

Senator Hastings: You will never learn!

Senator Stollery: He does not understand because he has never actually—

Senator Frith: Let him speak.

Senator Stollery: —been a parliamentarian.

Senator Murray: Rule 15 states that the Speaker shall preserve order and decorum. I believe that that rule provides a duty which the Speaker cannot evade.

How it contributes to "order and decorum" in this place for the bells to ring for four or five days as they did the week before—

Senator Stollery: They did not!

Senator Frith: Do not listen! Leave him alone.

An Hon. Senator: We listened to you for twenty hours!

Senator Olson: They did not!

[Senator Petten.]

Senator Murray: —and for three hours—

Senator Stollery: That is nonsense!

Senator Lefebvre: It is a flim-flam! They did not ring that long!

Senator Frith: Let him finish. He does not care about what you say.

Senator Murray: —on an adjournment motion. It is hard to see how that contributes to order and decorum.

Honourable Senators, this is, as the Leader of the Opposition has said, a finally balanced house. No party has a majority. We are 54 Conservatives, 51 Liberals, and 6 Independents.

Senator Frith: And eight doubtfuls!

Senator Murray: The liberal party has lost its majority for the first time in almost 50 years. So they are lashing out.

Senator Simard: They are bleeding!

Senator Murray: They are lashing out at the Speaker, the Governor General, and the Queen. What are we to do?

Senator Stollery: We have heard this before!

Senator Olson: Lashing out at Senator Murray!

Senator Murray: My only interest is to get on with the business of Parliament and of the country.

Some Hon. Senators: Hear, Hear!

Senator Murray: We had an agreement on Friday night.

Senator Simard: Yes, tell us about that agreement.

Senator Murray: When I say "we", I mean all of us who were here.

At five o'clock I was asked by Senator Frith whether I would meet him.

Senator Frith: Well, Senator Doody asked you, yes.

Senator Murray: Of course I said yes. Senator Doody and I met with Senator Frith. As I indicated, I did not ask for the meeting. Senator Frith asked for the meeting after an impromptu caucus with some of his members on that side.

Senator Doody and I went to that meeting and discussed the situation. I put forward what I thought was a reasonable bottom line as far as the Government was concerned. Senator Frith then went off to consult his caucus. Therefore, when he returned and said to me and to us here, "Yes, we have a deal," I was justified in believing that the agreement was one to which all of his colleagues and all of mine are parties.

I need not, I think, go through the details of the agreement with you—although I could. We stood in front of Senator Frith's desk and we both wrote it out on our sheets of paper. It was that we would begin on Friday with the debate on the report of the Standing Senate Committee on Banking, Trade and Commerce.

Senator Frith: Strictly speaking, Thursday, actually.

Senator Murray: —that was Senator Buckwold.

Senator Frith: It is still Thursday.

Senator Murray: Yes. It was an extension of Thursday's sitting. Senator Buckwold would move the adoption of that report, say a few words and adjourn the debate. On Tuesday we would go to the top of the order paper and debate Bill C-28. That would be a short debate.

There was also a reference to Bill C-21, the next item on the order paper; and a reference to Bill C-39, which Senator Frith correctly said was not controversial and was ready for third reading and would no doubt pass.

There was also a reference to Bill S-8, Senator Marsden's bill, in respect of which Senator Frith might want to say a few words. We were then to resume the debate that Senator Buckwold had started on the report of his committee on Bill C-62.

I want all honourable senators to know this—and I want everyone who is interested to know this: At no time in the ten or twelve minute discussion that was held in Senator Frith's office—at no time when we sat there making a resume of what we agreed upon, was any condition put forward on that agreement. There were no conditions on the agreement. At no time in the discussion that was held before Senator Frith went to meet his caucus was there any discussion or any mention of the Speaker, or the status of the Speaker, or anything of the kind.

What Senator Frith said is on the record. He committed himself and his colleagues to begin on Tuesday with Bill C-28 to work—

Senator Frith: No—

Senator Murray: —their way down the order paper.

Senator Frith: —I said "Start with a fresh sitting." Those were the words I used.

Senator Murray: Yes; to work their way down the order paper to the report of the Standing Committee on Banking, Trade and Commerce.

The fact of the matter is that it is still Tuesday, in parliamentary terms, and Tuesday's sitting can indeed go on, and on, and on.

Senator Hastings: Right to December 31!

Senator Murray: But at this stage, I think honourable senators opposite can understand my surprise that they have not so far honoured the agreement that they made on Friday evening.

So, Honourable Senators, I conclude now for the present by asking the honourable senators opposite—as I think we are entitled to ask—23 hours after this sitting began, when we are still not started on the orders of the day—

Senator Frith: But we are still in a fresh sitting.

Senator Murray: —when we made an unconditional agreement to get on with the business of the House—what their intentions are. Do you intend to honour the agreement or not?

Senator Frith: Yes, and we are honouring it.

Senator Murray: If so, when?

Senator Frith: We are.

Senator Stewart: Honourable Senators, I was the senator who at the beginning of this sitting raised a question of privilege. I had heard the agreement that was made here at the end of the last sitting. My understanding of that agreement was that at the beginning of Tuesday's sitting the ordinary rules would prevail, namely, we would go through routine proceedings and then move on to the Orders of the Day.

Honourable senators may have noticed that I did not participate in the discussion of privilege that took place at last Thursday's sitting. I did not know what had gone on with regard to the timing of the vote. It was only when I received the official report yesterday that I saw clearly what had transpired here. A letter had gone out from Senator Charbonneau saying:

> I will be stopping the division bell and will proceed to put the question now before the Senate at 5:30 p.m. this day.

The official report said:

> The Senate resumed at 5:25 p.m.
>
> **The Hon. the Speaker:** Let the doors to the chamber be locked. That is the basis of the question of privilege that I raised. The question of privilege that I raised at the beginning of this sitting is founded upon the official record, which became available to me only yesterday—that is, Tuesday morning. If you look at what I said, you will see how I focus on the question of the timing of the vote. About that I had suspicions, but they were based on my own watch and I was not prepared to rely on them. I suspected that that vote had been taken prematurely. When I received the official record, I knew that it had been taken early. I received that official record only yesterday.

Senator Murray: If you had been around, you would have been shooed away by your whip.

Senator Cools: That is not fair!

Senator Stewart: Senator Murray, you concluded your speech seriously and I am responding to it seriously.

Senator Simard: You did not answer the question!

Senator Stewart: We all know that if a question of privilege is to be raised, it has to be raised at the first possible moment. Also, because privilege is so important to our parliamentary lives, it comes first.

I believe that Senator Frith had no idea that I would have a point of privilege. Nevertheless, the truth of the matter is that we all know that privilege comes first. We all know that.

I would not have been on my feet at this sitting on this particular point of privilege if the evidence—that is, the official record—had not provided a sound foundation for my claim that my privileges had been broken. That is the fact, Senator Murray. I know that you are disappointed. I under-

stand your disappointment, but we should have an understanding on the facts.

We better have an understanding on the facts, otherwise our mutual disappointment and frustration will be perpetuated. Those are the facts. That is what happened. That is how we are where we now are.

• (1315)

Some Hon. Senators: Hear, hear!

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, Senator Murray essentially described the discussions we had as to how they took place geographically and what it was we tried to settle on last week.

I do not think I need be very long because I think it is quite clear on the record that what we are doing now is perfectly consistent with the agreement, and I will tell you why. It is because it was made very clear in our discussion—and I used the expression several times and I believe Senators Doody and Murray will accept that—that we were starting with a "fresh sitting" at the top of the Order Paper. There is a difference between the Order Paper and the Orders of the Day. As you know, Orders of the Day come later on the Order Paper. It was quite clear that we were talking about the top of the Order Paper.

Senator Murray: You moved quickly to Orders of the Day, however.

Senator Frith: Yes, that was because we wanted to talk about the fact that Order No. 5 would drop back to position No. 5.

I would remind honourable senators of what was said at the time and what was accepted which, I thought, reflected our understanding. I said:

> On Tuesday we will be starting with a fresh sitting and at the top of the Order Paper.

Then I moved on to talk about what was on the Orders of the Day.

Senator Murray: And said . . . ?

Senator Frith: I went through them and, as you can see, it is on the record. I am not denying anything that is on the record. There does not seem to be any problem between us at all except there seems to be some implication that because we are now dealing with a point of privilege—

Senator Murray: For 23 hours.

Senator Frith: Yes, for whatever length of time. There was no discussion and no conditions were put on. Senator Murray did not say, "But, of course, if, when you come to the top of the Order Paper someone raises a point of privilege, we will have to have a condition that it can only go on for so many hours." He himself said that no conditions were to be put on. Did we try to finesse something? No. Neither of us gave away any position. There was nothing to prevent a member opposite standing.

As we all know, points of privilege, unless they occur during the debate, are raised at the top of the Order Paper. It has always been done that way. Neither Senator Murray nor Senator Doody gave away any rights with regard to two points of privilege. I could not have sold such an idea, and I am sure he could not have sold such an idea to his caucus. He is right: There were no conditions. Neither of us gave that away. Did we try to finesse that? No, because—and I quote, ". . . of the way things were left on the record after the points of privilege that were raised, everyone's position will remain the same." That was the deal and that is where we are.

Some Hon. Senators: Hear, hear!

Hon. Allan J. MacEachen (Leader of the Opposition in the Senate): Honourable senators, I will not attempt to rehearse the arguments I made yesterday about the function of the Whips in a parliamentary democracy founded upon the party system. That is, the way to discover how the Whips operate and the way they operate is reflected in the rules. I believe that Senator Murray has a very incomplete understanding of the function of a Whip. I attempted to outline it yesterday and I think I am on solid ground, but I will not go into the arguments again.

Senator Murray has illustrated how complete the breakdown of communication has been between the government and the opposition in the Senate of Canada. What he has said has again underlined the weak foundation the government had in going first to the Governor General and then to the Queen, securing the appointments of additional senators in order to break an alleged deadlock. Senator Murray said that everybody knew that these three bills were getting nowhere. How did they know? If Senator Murray had asked me—which he never did—"What is your intention with respect to Bill C-28?—which is the clawback bill—he would have been told, as I believe Senator Doody had been told, that that bill would pass relatively quickly and relatively easily.

When I led the government in the other place, I did so on three separate occasions and my incessant occupation was asking the opposition, "What is your intention with respect to Bill so-and-so?" I did that on a weekly basis and sometimes several times a week.

To this day the Leader of the Government has never asked me what the intention was with respect to Bill C-28, and if he had asked, he would have been told. If the Governor General had asked he would have been told that the Liberal opposition had made amendments to that bill which were rejected in the House of Commons, and that it was our intention, agreed to by the chairman of the Standing Committee on Banking, Trade and Commerce and by a member of the steering committee, Senator Kirby, that that bill would clear without further difficulty although there might be some debate.

Senator Simard: What about Senator Poitras? Of course, you can forget about him.

Senator MacEachen: He may have asked Senator Poitras what his interests were, but the Prime Minister built the case to the Canadian people and then to the Governor General on Bill C-28 which, if a simple inquiry had been made first by the

government and then particularly by the Governor General, the facts would have been revealed.

Senator Murray: You had nine months.

Senator Frith: Don't forget, you also had nine months.

Senator MacEachen: I do not think the length of time is the factor. The time has nothing to do with whether a deadlock exists. I could mention bills that the government has allowed to languish for ten or twelve months. I could give lots of examples where they have allowed bills to languish for endless months, but with that bill there was no deadlock because we had a clear intention of passing it.

Senator Simard: What about Bill C-21?

Senator MacEachen: Let us go to Bill C-21. That is another bill that we amended and sent to the House of Commons. It was sent back. We insisted on our amendments. We thought the government would call a conference, which it did not.

We asked for a conference and we put a motion asking for a conference. We believe that we ought to employ a frequently-used parliamentary device to settle our grievances on Bill C-21. That motion was never allowed to go to a vote; it was adjourned in the name of Senator Ottenheimer.

New senators, please listen. That motion was adjourned in the middle of May by Senator Ottenheimer and it is now October 9. The reason for the adjournment was that an approach was made to our side saying, "We are adjourning in the interests of having negotiations with the opposition with a view to reconciling our differences."

We began the negotiations. I had two conversations with the minister and then a very long conversation in June with the Deputy Minister of Manpower and Immigration in which I made proposals as to how we could resolve our differences, and we clarified what had been misunderstandings about the bill. I told him that the bill could be cleared before the end of June if we entered into serious negotiations. Well, the fact of the matter is that I never heard back from the Deputy Minister of Manpower and Immigration.

Then, in August, I had my office write him a letter recounting the facts which he had commonly agreed upon and repeated what I had said: That in my belief if we had worked we could have cleared the bill before the end of June and that possibility still existed. This is what I was telling the government in the middle of August. Then, in reply to that we heard from the Deputy Minister who said, "Well, I can't carry this any further. It has gone to the government."

Then the Minister of Small Business wrote me about a problem in Elliot Lake saying, "We need that bill." I wrote to him and said, "Yes, we want to pass that bill and we are ready to negotiate and the sooner the better. I think we can clear that bill." Honourable Senators, that is the situation on this side of the house.

Senator Murray: It has been here for 11 months.

Senator MacEachen: We never said that we intended to defeat the bill. It was my firm conviction that we could have cleared the bill and passed it before the end of June. However, negotiations were still open and never concluded by the government. The government never said, "Your proposals are unacceptable. We have new ones." They just closed the book and it has remained closed to this day.

I believe that that is a series of facts the Governor General ought to have known about before he took this action. I think, if it were appropriate for the Governor General to seek advice within the government and to go to outsiders for advice, he might have asked the Leader of the Opposition in the Senate—after all, I have been a privy counsellor much longer than he has been—he might have asked me, "What is the situation with respect to Bill C-28? What is the situation with respect to Bill C-21?"

Senator Murray: No, No.

Senator MacEachen: But he did not even find out the facts, so how can anyone say a deadlock existed?

• (1330)

Senator Frith: Now you have them!

Senator MacEachen: No deadlock existed on these bills, and those are the facts. I find this incomprehensible. How in the name of God could a judge find that a foundation existed for a deadlock respecting those bills. Senator Murray has said that everyone knew these bills were not going anywhere.

Senator Murray: Look at the record, 11 months, nine months and five months.

Senator MacEachen: I must say that the time factor has little bearing on this because bills languish for a long time.

Senator Murray must read my mind, because he said: "We know what you were going to do. We know, but we will not even ask you. We won't step across the gangway and ask what your plans are."

Senator Murray: Did you see Senator Buckwold's letter to Mr. Wilson of September 12 regarding Bill C-28?

Senator MacEachen: Yes, I read it, as well as the reply from Mr. Wilson. That correspondence was assessed, and after a conversation with Senator Buckwold, we said we would not carry on a further dispute or debate with the Minister of Finance; that we were prepared to pass the bill. I recall that conversation with Senator Buckwold.

Senator Simard: Then he did not tell us.

Senator Frith: I told Senator Doody about it.

Senator MacEachen: Surely, honourable senators, before one takes the extraordinary measure of going to the Queen to appoint eight new senators, one should find out the facts on the ground. That is why I have insisted that there was a fact-finding role here for the Governor General, not that he should accept my advice as to what he ought to do. That would be quite out of the question. I am not seeking ministerial status, but I believe that when there is a dispute as to the state of a piece of legislation, it is the duty of the Governor General to find out the facts from all of the parties.

Some Hon. Senators: Hear, hear.

Senator MacEachen: Those are the facts that I would have given him on those two bills.

Honourable senators, I intend to have much more to say on this when we debate Bill C-21. I intend to table the correspondence to prove that we were in a negotiating mode, that it had never been broken off by the opposition and that our proposals had never been replied to by the government.

Senator Murray: Explain your amendment at the same time you do that.

Senator MacEachen: I would be delighted to explain the amendment. I promise to do that.

I have been personally perplexed that the facts were not put on the table for everybody as to the state of those two bills.

There were three bills mentioned by the Prime Minister in his press conference announcing the eight new senators. I have dealt with two of them. The third is the one we are waiting to debate. It is now on the order paper. I could talk more about that, but I am giving honourable senators the facts now so that I can say to Senator Murray that everybody knew where those bills were going, but Senator Murray did not, because he did not ask.

Senator Grafstein: Why did he not ask?

Senator MacEachen: As I said, that is the normal function of a leader of a government. The Leader of the Government in the Commons is always on the doorstep of the opposition saying, "What are your intentions? Tell me."

Senator Murray: That is what Senator Doody does all the time.

Senator Frith: I told him.

Senator Murray: You said that you would axe the tax; defeat the GST.

Senator MacEachen: I rose to ask the Leader of the Government in the Senate why he did not put Hibernia on the list, because the other inclusions are as dubious, in my mind—at least the first two are—as Hibernia would be, because that arrived on the order paper yesterday.

The Leader of the Government could have said that everybody knows Hibernia will not get anywhere. Well, we would like to deal with Hibernia.

Senator Murray: Good.

Senator MacEachen: The Leader of the Government should ask us what our intentions are. The government has said that it wants to get on with the business. Why does the Leader of the Government in the Senate not do something about expunging from the annals of the Senate the ruling that we find so objectionable. That will stick in our craw. He must find some way to get that out of the way.

Some Hon. Senators: Hear, hear.

Senator MacEachen: Senator Murray should find some way to get that out of our craw.

[Senator MacEachen.]

Senator Murray: The Leader of the Opposition knows how to do that.

Senator MacEachen: The honourable senator will have to work on that and talk to his colleagues in order to find out how that can be done, but that has to be done. Then we would like to go on and deal with, for example, Hibernia. Why can we not deal with Hibernia tomorrow and Friday and adjourn, if honourable senators opposite wish, until Tuesday? In the meantime senators opposite can consider proposals by which that objectionable ruling can be expunged from the annals of this place, or put in cold storage or sterilized or something that would atrophy its presence, then we can come back to the top of the list on Monday or Tuesday.

That is my proposal, if you want to take it seriously.

Hon. George van Roggen: Honourable senators, speaking to this question of privilege, I rise with some sadness, because, having been here for some 20 years now—many of the faces I see on the other side do not see me that well. I was appointed in 1968, but those who do know me will probably have found me very involved in my committee work and not a very partisan member of this chamber. In fact, it is only two years ago that, after 14 years as chairman of the Standing Committee on Foreign Affairs, I had to resign because of my stand on the free trade, which was in opposition to my party. I had to vote against my party.

I enjoyed the work as chairman of that committee for many, many years. I think I am not stretching the point if I were to say that many members of that committee would confirm that I was a fair and impartial chairman.

I trust that most senators who sat on that committee would not have objected to my manner of chairing the meetings.

The Leader of the Government said a little while ago, "Where were you? I have not seen you around here."

I was here last week and I have been here this week. I was supposed to be in Vancouver this week for medical tests, but I put them off because I wanted to be here to speak to this matter. I am going to confine myself, as much as I possibly can, to this question of privilege involving the Speaker's activities last Thursday. I do not think it is of any help now to go into a lot of irrelevant actions, such as the court actions and whether they should have been brought or not brought; the courts will decide that. I do not think there is any advantage in responding to the extensive time the Leader of the Government in the Senate took on the subject of our being spoil sports because we do not have a majority any more. That does not bother me in the slightest. They have the majority and they can overrule the Speaker if they do not like a ruling the Speaker makes, just as we used to do many times over the past 20 years.

Senator Murray: We do not have a majority.

Senator van Roggen: You have an effective majority. Take one or two or three of the independents and add them to your numbers and you will have a majority. Don't try to tell me you have not. In any event, you can always test it.

I am not here to whine about our being in a minority position; I am here to speak to a question of privilege because my privileges were abused because of your activities with Speaker Charbonneau last Thursday evening. I will try to confine myself to that and nothing else.

I still cannot believe what happened last Thursday. There are rules in this place. Over the years we voted when the whips came in. Sometimes when a vote was called there would be a long bell because some senators had left for Toronto or Montreal and had to get back, and we would be informed that the whips would stay out for several hours.

Senator Murray asked what a senator was doing in his office when the bells stopped last Thursday. What is one supposed to do when the bells are ringing for three hours, stand outside on one leg waiting for the bells to stop?

Senator Frith: Apparently.

Senator van Roggen: Senators go to their offices when there are long bells. They are advised by the whip when the bells will stop. That has been the practice as long as I have been here which, as I said, is 20 years.

We are in a difficult situation insofar as the GST bill is concerned. Both sides, I am sure, have been holding extensive caucuses as to what to do to get on with the business of the Senate. I am not going to disclose any confidences of caucus, but I can certainly say for myself that pending an expeditious settlement, or at least getting an idea of whether the courts can deal expeditiously with the question of the appointment of eight new senators, our caucus should have been prepared—and I know many of my confrères were because I spoke to them outside of caucus—to work towards some proposals that could be put to the government in an attempt to get on with the business on the order paper, possibly putting the GST aside, not for months, because we know the deadlines involved, but at least for one or two weeks until the courts decide, and see if they see any merit in pursuing further the actions that have been taken.

It takes time to get 50 partisan people in a caucus to come together, and in such circumstances to ring the bells for a day or two or even five days while those meetings take place is no big deal. If the bells were ringing for five weeks, the Speaker or someone would have to move, and of course, the people would start to move. They would get on our backs, not yours, if we permitted that to happen.

The bells have rung for three or four days and over the weekends before. Incidentally, they were stopped by the Speaker, I assume, and I wondered whether that was to indicate a vote was to take place, but it was not. All he did was stop them of his own volition, and then started them, I suppose.

You know that you have made a mistake. If you had used a little patience and allowed the process to go on for a few days you would have found that public pressure would have produced some proposals, although you might not have agreed with them, but we could have put the Senate back to work again.

• (1345)

I make no apologies for getting on a plane last Thursday night. I thought that between Thanksgiving and the weekend it would be difficult to get enough people organized with cogent thoughts about what might be proposed in our caucus before that caucus would meet again on Tuesday. As I say, I went to Vancouver for medical reasons and I intended to be there all this week on that account.

I come to why we on this side, myself included, find this situation so unbelievable and intolerable. It is not that the Speaker made a ruling we did not like or that we do not have the votes to overrule the Speaker, as you do. That is not the problem. The problem is that the Speaker, to use the quotation from the *Winnipeg Free Press*, made this great new departure. How did he make this great new departure? He made it in about 20 or 30 minutes in collusion with you people on that side of the house. My objection is that I was not in on the fix. If you are going to be in on the fix, then we all ought to be in on the fix.

The evidence is obvious. Fifty-four senators voted on that motion. If I exclude the two independents, Senators Molson and Everett, Speaker Charbonneau, and Senator John M. Macdonald, who was paired, it means that every single Tory—not 99 per cent but 100 per cent—were in their place for that vote. That is amazing. With the bells ringing and in a situation where under normal circumstances we would probably not be back until the next day—and any politician who has been around knows that that is the type of situation we were in—not one single soul was out having dinner somewhere, not one single soul had gone back to his hotel room, not one single soul was in his apartment, and not one single soul had gone to the airport. You knew. You were advised. You knew the fix was in and what was going to happen.

Senator Frith: And made sure that we did not.

Senator van Roggen: And made sure that we did not. Then what does the Speaker do to make this great new departure? He writes a quick letter. I should not say it was quick because it could have been drafted weeks earlier. I heard rumours that the original was seen in Senator Murray's file, but I have no personal knowledge of that. He wrote this letter and sent copies to the independent senators, the two whips and the leaders sometime between 5:10 and 5:20 for a vote at 5:30. The bells were ringing. People were in their offices. It is immaterial that I was on an airplane. You all marched in here. Instead of shooing them out, my confrères would have come in to object, but the vote goes ahead for the first time in the history of Parliament of Canada without the two whips coming in. There has never been a precedent of this nature in either house. This was all cooked up in 20 minutes. Even then, not satisfied with what you cooked up, you locked the doors five minutes early to make 100 per cent sure that the game worked.

I am simply saying—and I say this with great regret—that this was a sleazy trick. If you were convinced—and maybe you had every right to be convinced—that we were going to be totally obstructionist during this fall session, you have the

power to bring in proposals. First you could make a case to the public that the Liberals are holding up the business of the Senate and that the Speaker should act, which would give him public support and credibility. You could do that in four or five days. Second, you could bring in changes to the rules to put a time limit on debate and use your majority legitimately. Using the Speaker illegitimately is what we are complaining about. It is not using your majority that we are complaining about. You have a majority; use it. Do not subvert the Speaker of this chamber and poison this chamber, as you have done.

This great new departure, which you are so proud of having cajoled the Speaker into taking, could have been done over a one- or two-week period with a change in the rules. What are you going to do next time, have them call a vote again and use this as a precedent where the rules no longer apply or are you going to amend the rules to suit yourselves? There is nothing wrong with amending the rules. They have been amended before. Have the guts to amend them.

Look at the hullabaloo the Tories put up in the House of Commons in the pipeline debate 20 or 30 years ago over the use of closure once. Now you use closure on a regular basis; and I, as a parliamentarian, think that is correct. Closure, used as a limitation of debate, has gone on in Westminster for decades, if not forever. It is a perfectly legitimate way to expedite the business of Parliament. I do not believe that Parliament should be held up forever. I do believe in the rules and the rule of law, but I do not like it when someone runs roughshod over the rules, particularly when it is the Speaker in connivance with the government. That is my objection. That is the only point of privilege I raise. It has nothing to do with your majority, being a spoilsport or having my nose out of joint because we are not the government and we do not have the majority in this place any more.

In my remarks I have stressed my belief and dedication to the rule of law, whether it is the rule of law I was brought up to understand as a lawyer, whether it is the rule of law of Parliament, or whether it is the civil, gentlemanly act of playing by the rules, be it on the golf course or in this chamber. When people do not play by the rules and abuse the rule of law I get very upset. It only happens every 20 years or so. Fortunately this type of abuse does not happen often.

I had thought that in my remarks today I might edify some of those opposite with some extensive quotations from a book on the Parliamentary Government of Canada, which is a critical assessment on suggestions for change. It was published 11 years ago. Unfortunately, most of the changes recommended have not taken place, and we continue to be in a situation that could lead to the type of disruption we have experienced here. I have decided not to read these for the moment because I thought I might first establish my own credentials as someone who believes in the rule of law and who understands what it means to play by the rules.

I made a speech in this chamber on June 27, 1973 on the federal disallowance of provincial statutes. This was a case, as you will learn, in which the government of the Province of British Columbia had used its majority in the Llegislature of British Columbia to abolish the property rights of certain individuals. It was my judgment that the federal government should use its power of disallowance in those circumstances. I did not have a lot of hope that they would do so. Senator Hatfield, who was a provincial premier, probably would not like to countenance the federal use of the power of disallowance: but this was something I thought, because of the nature of the acts of the then socialist government of British Columbia, should at least have been suggested.

The speech had some effect. After I made my speech I spoke to Prime Minister Trudeau in his office. He asked me if I really expected him to do what I said, and I replied, "No, sir, but I hoped you would". However, it made headlines in the Vancouver papers. Senator Lawson picked it up and said, "If you can break any rule of law, I don't have to have my men obey their collective agreements any more." The offending section of the statute in question was never proclaimed. You will find this interesting.

Hon. George van Roggen rose pursuant to notice:

That he will call the attention of the Senate to an urgent Constitutional matter.

He said: Honourable senators, last week I gave notice that I would today bring to the attention of the Senate an urgent constitutional matter. I do that now by drawing the attention of honourable senators to Bill 103 introduced by the provincial government in the last session of the British Columbia Legislature. The bill was given third reading on April 18, 1973. In particular I draw to the attention of honourable senators clause 14 of the bill.

I might say that this bill relates to the Pacific National Exhibition, which is the Vancouver equivalent of the Canadian National Exhibition held in Toronto. The bill deals with the appointment of the directors and the operation of the Pacific National Exhibition. On third reading of this bill, however, at the last moment—

Not unlike here

—clause 14 was brought in by the government as an amendment, reading as follows:

Any lease or other agreement entered into under or pursuant to the Act repealed by this Act is, unless it expires before the thirty-first day of December, 1975, void and unenforceable unless and until the lease or agreement is approved and ratified, or any amendments thereto are approved and ratified, by the board.

This simply says that by statute any lease entered into by the board of the Vancouver Exhibition would be null and void on a certain day. It just so happened that the owners or the lessees of the racetrack had just spent $10 million on a new grandstand with a 20-year lease. That was to disappear in one year. That was the most extraordinary theft of property one can possibly imagine—threat and theft—unless renegotiated. What sort of a gun do you need to renegotiate a lease? I considered this to be straight confiscation, and that is why I brought this matter to the attention of the Senate and the government.

● (1400)

Honourable senators will excuse me for a moment. This volume of Senate Hansard is somewhat heavy.

> In effect, the clause simply voids all contracts and agreements entered into legally by the previous board operating under the previous act, without any recourse or compensation of any nature to the parties to those contracts or leases.
>
> Senator Lawson, who is not present in the chamber today, spoke in Vancouver recently and was quoted in the Vancouver *Province* of June 11, 1973. You can see the extent of the front page of the newspaper, where it says: "Teamsters Threaten to Void Contracts," with a picture of Senator Lawson. I will read excerpts from this article:
>
> > Senator Ed Lawson, B.C. president of the Teamsters Union, threatened Saturday that his union may declare its collective agreements void in mid-term since the same principle is contained in the provincial government's new Pacific National Exhibition Act.
> >
> > Lawson said the new PNE Act, a clause of which says contracts with the PNE lasting past December 31, 1975, will have to be renegotiated, destroys the sanctity of contract in B.C.
> >
> > If the clause is proclaimed by the government, making it law, he will recommend the Teamsters either withdraw all support from the government or "adopt the (same) philosophy," he said.
> >
> > If the Teamsters were to adopt the philosophy, he said, they could declare a three-year contract void in the second year and demand greater benefits. The only justification he has heard from the government for the PNE Act is to the same end, he said—"more revenue."

The article continues;

> The Teamsters rejected in 1965 calls by organized labour for a general strike, and still will have no part in wildcat strikes, because the union believes in the sanctity of contract, he said.
>
> "But how in the name of heaven can you say to the men 'You must go back to work' when they can say we have a policy in this province of voiding contracts for more revenue," he said. ". . . I don't think the government or the minister are aware of the seriousness of what they're doing."

Later, the article goes on:

> In the panel discussion, King—

The Minister of Labour in British Columbia.

> —told Lawson to look back on some of the expropriation deals the former Social Credit government made, such as the B.C. Electric take-over, which he said also violated sanctity of contract.
>
> Lawson responded in the interview that the new government is "no less despicable" for doing what amounts to the same thing.

Of course, precedents of previous abuses of the rule of law or the rules of this place do not carry any weight with me, for the same reason.

Reading on:

> I might say, honourable senators, that that news item was followed by a very complimentary editorial in the Vancouver *Sun* on June 12, 1973, headed "Mr. Lawson said it all and said it well." I shall not take the time to read the editorial. It was followed by a further editorial in the Vancouver *Province*.
>
> The purpose of my remarks today is to develop my reasoning as to why it is not only the legal right, but also the solemn duty, of the federal government to disallow legislation such as this pursuant to the provisions of sections 55, 56, 57 and 90 of the British North America Act. If I may summarize the pertinent provisions of the BNA Act and—
>
> **Hon. Mr. Martin:** Just so that I can follow, what is the date of the act?
>
> **Hon. Mr. van Roggen:** The provincial act I refer to passed third reading on April 18, 1973. I might say that this act has not yet been presented to the Lieutenant-Governor of British Columbia for royal assent.
>
> **Hon. Mr. Martin:** Then it is not law now. Is that what we are to understand?
>
> **Hon. Mr. van Roggen:** One of the provisions of the BNA Act is that the Governor in Council may instruct the Lieutenant-Governor of a province to withhold his assent on the bill being presented for royal assent. I hope you would not argue that I must wait until the horse has left the barn before I raise the matter.
>
> **Hon. Mr. Martin:** I wish to understand clearly what the senator is proposing. Is he asking that the government should disallow the measure?
>
> **Hon. Mr. van Roggen:** Yes.
>
> **Hon. Mr. Martin:** He is not suggesting what the government should recommend to the Lieutenant-Governor?
>
> **Hon. Mr. Asselin:** The law is not yet in force.
>
> **Hon. Mr. van Roggen:** I am advocating today that the federal government, through the medium of the Governor in Council, which is the federal Cabinet, disallow this provincial legislation. Three mechanisms exist which might be used for this. The Lieutenant-Governor can withhold assent, which is uncommon, or he could reserve assent for the Governor General, following which ensues one year's period during which final decision can be made by the federal government. In fact, I was about to read from a resumé which describes how this procedure works.

If any honourable senators are finding this dull, Senator Forsey spoke after me and perhaps they will find that much more entertaining. The resumé reads as follows:

> Under the powers conferred upon him by Section 90 of the B.N.A. Act, a Lieutenant-Governor may do one

of three things with a bill which has passed through all its stages in the legislature and is presented to him for royal assent: he may signify that he assents to the bill in the Queen's name whereupon it becomes an Act of the legislature; he may withhold his assent; or he may reserve the bill so that it may be considered by the Governor General. The first of these three courses is the normal one, and requires no comment. The second is a simple veto; the bill is dead and can be revived only by introducing it again into the legislature, passing it through all its stages, and presenting it again for assent at a subsequent session of the legislature. The third is not a withholding of an assent (that is, there is no veto), but the decision as to whether assent will be given or withheld is passed back to the Governor General, acting on the advice of his ministers in Ottawa.

In such a case the reserved bill has no force unless and until, within one year from the day it was presented to the Lieutenant-Governor for the royal assent, it receives the assent of the Governor General in Council.

It should be noted that the Governor in Council is not obliged to do anything at all. If no action is taken during the year then the bill has been effectively vetoed.

In addition to this power the Governor in Council may disallow any provincial Act within one year after its receipt at Ottawa.

Some seventy bills have been reserved by Lieutenant-Governors since Confederation, of which thirteen have been assented to by the Governor General.

Of course, the majority of those bills were reserved prior to the turn of the century, but a number of them have been dealt with since then.

I do not wish to take the time of honourable senators with a long and technical legal discussion as to whether or not this power exists. Suffice it to say that at the time of the disallowance of the Alberta legislation of Premier Aberhart, including the Press Gag Law, in 1937, the federal government referred the whole matter to the Supreme Court of Canada by way of reference. I give just one or two excerpts of remarks made by Supreme Court justices at that time as to the power of the federal government in the BNA Act, and as to whether or not that power exists today. Mr. Justice Kerwin concludes:

—these words are so clear that comment or elaboration would appear to be superfluous.

In the opinion of Mr. Justice Cannon section 7 of the Statute of Westminster "gives new force, if necessary, to the existing provisions of the British North America Act and preserves them."

It was also recalled that the power of disallowance by the Governor General has been recognized in at least two judgments of the Privy Council.

Is there any restriction on this power? Here again I quote from a former Chief Justice of Canada:

[Senator Roggen.]

There is nothing in the British North America Act controlling this discretion; nor is there any other statute having any relevancy to the matter.

The power of reservation is subject to no limitation or restriction, except in so far as his discretion in exercising it may be controlled or regulated by the Instructions of the Governor General—

There is one remaining thing and that is, while reference is made to the "Governor General" it is settled law that it is the Governor General in Council—that is, the Cabinet—that has this power. Mr. Justice Taschereau affirmed that:

—power of veto is given to the Governor General in Council, not to the Governor General himself.

I should now like to make a few general observations. The first is that in a majority of instances of disallowance to date, the question was as to whether or not a province had exceeded its jurisdiction. That was the simple question at issue, namely, a question of *ultra vires*. On the other hand only a minority of instances of disallowance involved legislation which was within the power of the provinces under section 92 of the BNA Act but which was reserved by the federal government because it was oppressive, against natural justice, or otherwise against public policy. While cases in this category are in the minority, they still do exist. Senator Forsey, who is probably Canada's greatest authority on this subject—

This is 20 years ago and he is still regarded in the same way.

—with the possible except of Senator Goldenberg—will correct me if I am wrong in that.

Some say that this power of disallowance should be used by the federal government only when a province has clearly attempted to legislate in an area which is not within its power and that the power should not be used in an area clearly within provincial jurisdiction such as property and civil rights.

I hold entirely the opposite view. In my view, the federal government does not need to rely upon this power of disallowance where a province legislates in matters beyond its jurisdiction, because the Supreme Court of Canada is quite competent to rule on such legislation, and has full power to strike it down if it is *ultra vires* the province.

It is my view rather that the federal government should use this power of disallowance where a province acting within its jurisdiction passes legislation that is not *ultra vires*, but which nevertheless denies to the individual citizen natural justice and due process.

I hope to persuade honourable senators this afternoon that if the federal government refuses to discharge this clear duty imposed upon it by the BNA Act, as this and previous governments have so refused in recent years, we now live in Canada not under the rule of law but under the rule of men. For it is my judgment, honourable senators, that the Fathers of Confederation looked upon

this provision for disallowance as providing that safeguard for the rights of the individual which is to be found in the due process clause of the American Constitution and which is inherent in Magna Carta, the Bill of Rights, Habeas Corpus, and the Act of Settlement under which the citizen of England finds his protection.

Wouldn't it be nice if the Speaker had read some of this?

If Canadian federal governments will not exercise their duty in this respect, then an intolerable void will have been created in the Canadian Constitution, and immediate action should be taken to enshrine a "due process" provision in the Canadian Constitution. And I stress again that until such action is taken it is incumbent upon the federal government to perform its duty in this area.

Our present Prime Minister, I believe, takes the same position, for he suggests considering the abolition of the power of reservation and disallowance only after having introduced a Bill of Rights into the Canadian Constitution. In *Federalism and the French Canadians* at page 48, sub-paragraph (b), he states:

> The protection of basic rights having thus been insured (by the introduction of a Bill of Rights) there would be no danger in reducing the Central Government's predominance in certain areas (for example by abolishing the right of reservation and disallowance)—

But he pointed out that this should only be done after there has been enshrined in our Constitution a due process clause.

Hon. Mr. Goldenberg: Would the honourable senator allow a question?

Hon. Mr. van Roggen: Yes.

Hon. Mr. Goldenberg: The senator made reference to a "due process clause" in the Bill of Rights, corresponding to that in the Constitution of the United States. If he will allow me to correct him—I had something to do with drafting that document—there was nothing like the due process clause in the United States Constitution in the proposed Bill of Rights.

Hon. Mr. van Roggen: Honourable senators, I will withdraw the reference to a "due process clause" and rely on the Bill of Rights. The expression "Bill of Rights" refers to the present Canadian Bill of Rights which applies to federal matters only. I shall be dealing with that in a few minutes when I read section 1, which is the type of protection I seek for all Canadians, not only those falling under federal jurisdiction. In fact, I notice in turning my notes that the Canadian Bill of Rights is the next item on my agenda.

Part I, section 1 of the Canadian Bill of Rights, with which all senators will be familiar, is:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,
>
> (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;
>
> (b) the right of the individual to equality before the law and the protection of the law;
>
> (c) freedom of religion;
>
> (d) freedom of speech;
>
> (e) freedom of assembly and association; and
>
> (f) freedom of the press.

● (1415)

This Bill of Rights is not binding on the provinces, and I say that until such a bill of rights is embedded in our Constitution so that it governs the actions of the provinces, we must not only retain the powers of disallowance, but those powers must be exercised by the federal government or it is failing in its duty and thereby deliberately withdrawing from Canadian citizens the right of due process to which they are entitled.

Honourable senators, I shall now read some excerpts from a paper on this subject prepared in 1968, which I obtained from the Research Branch of the Library of Parliament. I have endeavoured not to take any of these out of context, but rather have selected some items from this very lengthy paper which many honourable senators may find to be of interest when considering this subject:

> It should be remembered that the powers of disallowance and reservation have been considered as an essential part of the scheme of Confederation. As reported by G. V. Laforest, who is quoted in the first page of this study, these powers were a compromise between the Fathers who supported a legislative union of the provinces and others who had favoured a federal constitution. Thus the powers of disallowance and of reservation are at the root of our system of government . . . To put it another way, if someone is prepared to recommend the abolition of these powers, he must be prepared to accept some fundamental changes in our constitution. When the question of the abolition of these powers is examined, we must bear in mind that it implies a different conception of Canadian federalism.
>
> Are the "abolitionists" prepared for such radical reform?

The paper goes on to an area entitled: "The Defence of Minorities." I would commend to the consideration of honourable senators that a proper definition of democracy—

And some of you on the other side might just pay heed to this particular sentence.

> —should include not only the right of the majority to rule, but equally the right of minorities to their rights. A citizen, in thinking whether or not he might belong to the

majority or minority group, should keep in mind that every single citizen is a minority of one, and if legislation can be promulgated taking away one's rights without due compensation—

And I might add, process.

—then I put it to honourable senators that we are living in a land where a definition of democracy has to be somewhat circumscribed to apply to it.

Professor W.P.M. Kennedy says:

—the power of disallowance was inserted in the British North America Act to cover, in general terms, unjust, confiscatory, or ex post facto legislation, against which there are express safeguards in the constitution of the United States.

A priori, there is a certain amount of support for this contention. It is well known that the constitution of the United States was carefully studied by those who laid the foundations and organized the framework of Canadian federation. It is not unreasonable to suppose that they had in mind in the "disallowance sections" a means of dealing with provincial legislation which might be judged unsound in principle. Cartier, as we shall see, explicitly said that this was the intention. As a matter of fact, from federation to 1893, the weight of evidence, both from the bench and from the federal cabinet, is in favour of this point of view.

The paper comments:

When provincial legislation discriminates against certain persons and, at the same time, deprives these persons of their right to appeal to the courts against the exercise of arbitrary power, the exercise of the power of disallowance is the only remedy. This is particularly true for two categories of persons affected by arbitrary provincial legislation: those who are in a minority and those who are not living in the province. The remedy given to them in a democratic country at the ballot box is of no assistance.

This opinion is that of Professor Frank R. Scott, who wrote in his book "The Canadian Constitution and Human Rights": "Hence the federal government can keep a watchful eye on provincial behaviour, and has the legal power to stop a provincial government from adopting laws which unjustly restrict or attack minority rights or human rights. Many provincial laws have in fact been disallowed in the past, the latest examples being some of the Social Credit laws in Alberta in 1941. The Fathers of Confederation undoubtedly intended that this power should be used to protect minorities: for example, when Georges Etienne Cartier was asked during the Confederation debates in 1865 what would happen if the French majority in Quebec tried to blot out the English speaking minority from any representation in the Quebec legislature, he replied that the law could be vetoed. "I would recommend it myself in case of injustice," he said.

[Senator Roggen.]

Hon. Mr. Martin: It is up to the honourable senator to decide what he wishes to do with the document put out by the research group. I notice that he has made some selections, which is his right. But, in order to give honourable senators the fullest opportunity of reviewing this matter, perhaps he might wish to have the information incorporated in some other way, perhaps as an appendix to today's proceedings—

Hon. Mr. van Roggen: I am entirely in the hands of the Senate. I merely telephoned the Research Branch of the Library, and asked for any material on this subject. They sent this information to me, which is a paper prepared in 1968. It may be too voluminous to be appended to the *Debates of the Senate* of today as it comprises some 60 pages. Certainly any honourable senator can obtain a copy by simply telephoning the Research Branch.

● (1430)

Honourable senators, I turn now to another matter. Do we have the same protection as the English under common law? Every school boy is familiar with the over simplified principle that Parliament is all powerful. As the saying goes, "Parliament can make a man a woman." In England, however, with its famous "unwritten Constitution", the courts on numerous occasions have come to the aid of the citizen against arbitrary parliamentary enactments, relying on Magna Carta, the Bill of Rights, Habeas Corpus, the Act of Settlement, et cetera; but in Canada, where we have a quasi-Constitution in the BNA Act, this power of the courts is not so clear.

Admittedly, the preamble to the BNA Act makes reference to a "Constitution similar in Principle to that of the United Kingdom", but unfortunately the true meaning of these words has not received much attention by our courts, and they are after all only part of the preamble to the BNA Act.

Tarnopolsky, in his book on the Canadian Bill of Rights (1966) states at page 19:

It is difficult to ascertain why there was no discussion of civil liberties at the time of Confederation. Possibly this was a result of the reaction to the American experience with the civil war rising out of the controversy over states rights and the rights of certain inhabitants of the United States. It was more probably the result of the belief of the Fathers of Confederation that the new country they were creating was a successor to the heritage of English constitutional Law, the Magna Carta, the Bill of Rights, the Act of Settlement, among others, and the English Common Law, with its emphasis on the rights of free men which could not be taken away—

Mr. Justice Abbott of the Supreme Court of Canada touched upon this in *Switzman vs. Elbling*, (1957) Supreme Court Reports, page 328, where he said, in reference to legislation to suppress communistic propaganda and hence public debate and public discussion:

> Although it is not necessary, of course, to determine this question for the purpose of the present appeal, the Canadian Constitution being declared to be similar in principle to that of the United Kingdom, I am also of the opinion that as our Constitution Act now stands, Parliament itself could not abrogate this right of discussion and debate.
>
> In other words, honourable senators, there may be a power in our Constitution over and above the power of Parliament where matters of fundamental liberties are concerned, but England is not a federal state with statutory powers given to the provinces, and so long as this theory, hanging as it does on a few words in the preamble to our Constitution, remains unclear and undeveloped, the federal government must perform its duty on the power of disallowance.

Honourable senators, let us look at some examples of provincial premiers. I don't see any in the house now, but I wish to recite some rather serious infringements by individual provincial governments across Canada over the years—and I might say I was careful to select examples of governments of all parties—against the rights of Canadian citizens.

> Let us look at some examples of provincial acts or proposed provincial acts, which infringe on the basic and fundamental human rights of Canadians. Before doing so, I might be permitted to observe that it is a very non-partisan list. Between the federal governments that have refused to act under the power of disallowance when, in my opinion, they should have, and the provincial governments enacting the legislation, we have had Conservatives, Liberals, Social Creditors, NDPers, and the Union Nationale, all with their hands in the cookie jar.
>
> The following is by no means an exhaustive list and is only meant to constitute a representative random sample of legislation abrogating basic human rights, passed or attempted by provincial governments during the past number of years when federal governments have, generally speaking, discontinued exercising the power of disallowance.
>
> Let us first look at the infamous Quebec "padlock law" to which I referred a moment ago. As honourable senators will recall, this was an attempt to curb communism or bolshevism. Those two words, "communism" and "bolshevism," were used, but nowhere were they defined. That law made it illegal for an occupant of a house to allow any person to use that house to propagate communism or bolshevism, the penalty for such an offence being that the house would be padlocked for a period of one year and the tenant dispossessed, with no redress whatsoever for the tenant.
>
> I suggest, honourable senators, that that law should have been disallowed by the federal Government. The federal Government was petitioned, I believe by Senator Forsey, to disallow it, but refused to do so. Some 15 or 20 years later, it was declared unconstitutional by the Supreme Court of Canada. However, that certainly was no reason for it not to be disallowed in the first instance. The federal government, of course, now has the right to make a reference to the Supreme Court of Canada any time it wishes to do so.

Again, that is something it might do to remove the cloud from these eight senators and move this whole process forward more rapidly, rather than forcing us to start off in provincial courts saying, "We want the case heard *in camera*," and then asking for adjournments because they are not ready. However, that is an aside.

Reading on:

> Next, let us look at Premier Smallwood's legislation permitting labour unions to be outlawed at the whim of the premier. This was a 1959 provincial statute which provided, inter alia, that the Cabinet could dissolve any trade union where it appeared to the Cabinet that superior officers of the union or any affiliate had been convicted of a crime. It did not matter that they served their full sentence and paid their debt to society. The Cabinet did not even have to have proof; it just had to appear so.
>
> There are other examples outside my own province of British Columbia, but let us now go to British Columbia, where most people would expect me to seize upon the takeover of B.C. Electric by Premier Bennett, when he arbitrarily set the price to be paid for the shares. Unlike Mr. Barrett, at least he was going to pay something for them. But then, when the shareholders had the temerity to go to court, he had the legislature pass a second statute saying that no court should entertain any action relative to the first statute.

So much for the tyranny of majorities in Parliament.

> To its great credit, the Supreme Court of British Columbia simply ignored the second monstrosity.
>
> I am not going to use the *B.C. Electric* case as an example. Rather, I am going to refer to an instance of common theft by threatened legislation, known as the Parkford Estate. The facts are very simple: In August, 1956 land was quite properly expropriated by the provincial government for a freeway near the Dease Island Tunnel south of Vancouver, at which time compensation . . . in the amount of $280,000 was offered by the provincial Crown, which offer was not acceptable to the several owners of the land in question. That was perfectly proper.
>
> After some four years of inaction by the government, the owners eventually succeeded in bringing the matter to arbitration, as provided for in the provincial statute, and on October 28, 1960, a duly constituted board of arbitration awarded the owners $442,000, together with interest at 5 per cent per annum from the date of expropriation, for a total award of approximately $550,000.

About twice the previous offer of the Government.

> This award of the arbitration board was subsequently made into an order of the Supreme Court of British Columbia.
>
> However, this award was not to the liking of the Government. I do not quarrel with that, but what I do quarrel with is that the government then did not pay the amount of the award and did not avail itself of the right of appeal to the courts which was open to it, and as the former owners of the land could not issue execution against the Crown, they sat with their judgment and no money, and without any appeal on the part of the Crown.

Honourable senators, this is where governments go haywire, steal half a million dollars from some private citizens and sit back and just glare at them. You may think this is not entirely relevant, but it is very relevant to my deep feeling about the use of rules of law in this country. Honourable senators may not believe what followed, even after the activities here in the last week or two.

> In 1961, at the spring session of the legislature, Mr. Bennet introduced Bill 77, which simply decreed that the payment for the taking of this land would be settled in full on payment of the sum of $350,000, that being $200,000 less than the award plus interest. This bill was brought into the Legislature by stealth,

a word I hope I used in my opening remarks in the matter before us:

> —without notice to any of the parties concerned, on the last day of the session. It made no reference to the award of the arbitration board, but it did purport to erase any judgment or other action by any court relative to the land in question. The bill was disguised to look like a munificent settlement for the former owners of the land. This happened in Canada, honourable senators.

It is hard to believe. Reading on:

> That bill never became law as an all-night negotiation session in Victoria—with the then Attorney General as, I would suspect, a rather chagrined intermediary between the owners and the premier—resulted in the provincial government increasing the amount it was willing to pay by some $80,000. The amount for which the parties settled was only $120,000 less rather than $200,000 less than the amount which the arbitration board awarded. So this common theft was reduced from the intended purloining of $200,000 down to only $120,000.

When members of the public and others hear us in Parliament and elsewhere having long, acrimonious debates about parliamentary rules and the rule of law, and they dismiss it all as some minor technicality, they would do well to stop and consdier just how important it is that we don't operate our nation under the bludgeon of the despicable type of legislation I am referring to in these remarks, imposed by a provincial or federal legislature with a majority, which has been all too sad a history in our country. One of these people involved in the Parkford Estate, one of the beneficiaries of the estate, was an American, a Californian.

[Senator Roggen.]

• (1445)

My firm received instructions from the Royal Trust Company on his behalf. His lawyer simply said to us on the phone, "But that's no problem. It is unconstitutional. They can't do that, so why worry about it?" So we had to explain, to our chagrin, that unfortunately a legislature in Canada could do just that, unless guided by some principle such as those handed down to us from England.

To continue:

> You might ask why the owners settled. Well, this whole event occurred on the last day and night of the sitting of the British Columbia Legislature for that session, and consequently the lawyer advising the owners hardly had time to weigh all of the factors involved in seeking redress at the federal level, particularly as such redress had not been forthcoming for a number of years.
>
> I can only make the comment that I can see no distinction between this type of action by a provincial government and that of common bank robbers, the only difference being that the bank robbers go to jail.
>
> Now, honourable senators, I will deal with my last example, that being the bill of the present Government of British Columbia to which I referred earlier. I speak for myself, and, I know, for many other British Columbians, when I say that while I do not agree with the economic philosophy of the NDP in so far as it advocates a socialist state, I, at least, looked forward, following their election to the Government of British Columbia last October, to a much higher level of morality in government than we experienced under the Bennett regime. If there is one thing the NDP never tire of, it is asserting their superior virtue. It therefore came as a shock to me and, I know, to Senator Lawson, as well as to many other people in British Columbia, to have the new government not only prove itself no better than its predecessor but actually prove itself worse. While its predecessor liked to pay only what it unilaterally considered to be fair compensation for expropriated property, the new government goes a step further and asserts that there will no compensation whatsoever.
>
> Honourable senators, if I did not point this out earlier, I should mention that clause 14 of Bill 103, which declares these contracts void, was brought in by the British Columbia government as an amendment on third reading, without notice, which is undoubtedly the reason it passed the legislature without an outcry at that time.

That is another example of stealth such as we had here last Thursday. The bill before the legislature passed first reading, passed second reading and went to committee. The government, on the last day of the session, brought in a one paragraph amendment and tacked it on to the end of the bill just before the session adjourned.

> These few examples I have given, of provincial legislation unchallenged by the federal authority in spite of its clear duty and right to do so, clearly place the Canadian citizen

at the level of a citizen of some banana republic, without those protections which are embedded in the American Constitution, on the one hand, not to be overthrown by any politician and which, on the other hand, either through usage or the common law, are available to the citizens of England.

I might comment here on what is commonly referred to as the double standard of political morality which we have in Canada, where the public and the press, and media generally, clearly expect a higher level of public morality at the federal level than they do at the provincial level. This applies to both the conduct of public officials and legislation.

Mind you, I am saying this 20 years ago.

Apart from this double standard, you might ask why there are not examples at the federal level of legislation infringing on human rights such as those examples I have given as being perpetrated by various provincial governments. I say to you, honourable senators, one very good reason is that no federal government in its right mind would submit legislation such as I have given examples of to Parliament, because, even if with a majority government it could ram it through the other place, it would never get it past the Senate. So we probably justify our existence in the area of civil liberties by just being here.

I guess if we are going to continue to fulfil that role, we will have to preserve and protect our own rules above all else.

Reading on:

Let me quote Section 29 of Magna Carta.

No free man shall be taken, or imprisoned or be diseised of his free hold, or liberties, or free customs, or be outlawed, or exiled, or any otherwise destroyed; nor will we not pass upon him, nor condemn him, but by lawful judgment of his peers, or by law of the land. We will sell to no man, we will not deny or defer to any man either justice or right.

Senator Austin: Honourable Senator van Roggen, would you permit me a question?

Senator van Roggen: Yes.

Senator Austin: I found the review of affairs in the Province of British Columbia very interesting and restorative of memory. I wonder if you could assist us with the reasons why the Province of British Columbia, the Province of Alberta, and other western provinces were unwilling to place the property rights of citizens in the Charter of Rights during the process from 1980 to 1982. As you know, there were many demands from various parts of Canada to protect the rights of individuals, property rights, and rights against expropriation from provincial governments which had indulged in practices of the kind you have now outlined to us. Could you tell us why we were not able to achieve those property rights in our Constitution?

Senator van Roggen: That is a very good question, Senator Austin. As you can well imagine, having given this type of speech in 1972, I was desperately anxious to see property rights included in 1982. While it seemed to be a common perception, at least by certain people in the business establishment and elsewhere, that this was something to do with Trudeau and, of course, that socialists would not have property rights. It was quite the opposite. Prime Minister Trudeau wanted property rights. I believe I am right, Senator Austin. You were there. They were in the early draft stages. It was Premier Lyon who was outspoken against them, as I recall, but I believe you are right that other western provincial premiers would not go along with property rights in the Constitution.

Senator Austin: Premier Lougheed was also adamantly opposed to the introduction of property rights.

Senator Hatfield: Premier Bennett was for property rights, and the Legislature of British Columbia introduced the resolution, which has now gone by after three years of no action.

Senator Austin: Senator Hatfield, I wonder whether you could add something to the discussions, since you were very much a part of them as Premier of New Brunswick.

Senator Hatfield: Yes, and one who supported very strongly property rights. I think the main reason that we did not get property rights in 1981 and 1982 was, in part, due to the objection from Alberta and Manitoba. But it was also due, in part, to a great deal of concern coming from Ontario in that the several drafts that we looked at were extremely controversial and might have had the opposite effect. Plus, at that time there started to emerge a very strong lobby from active women's groups opposed to personal property rights that might interfere with the Marital Property Act or might take away some of the rights that women believed they had.

I would say that today the strongest opponents of property rights are in Ontario, and among the women's lobby.

Senator Frith: The women's lobby across the country?

Senator Hatfield: Yes.

Senator van Roggen: I think Senator Hatfield's summation is not unfair, from my understanding of what transpired. I wish those rather minor considerations had been set to one side while the great principle of property rights had been enshrined. Certainly, it was the provinces that were responsible for them not being included.

Mr. Garde Gardom was Minister of Intergovernmental Relations in the Government of British Columbia. I have a file containing some correspondence with him on this very subject. He was not opposed to property rights, but he did have concerns about the wording and how it would be done, to such an extent that they were unable to come to grips with it at that time.

After quoting Magna Carta, I went on to say:

It is important to keep in mind that at the time of Magna Carta the reference to the law of the land was not designed to encompass an oppressive act passed by some satrap with majority control over a provincial legislature.

While on the subject of Magna Carta, I might quote Coke, who emphasized that it was the liberty of the

subject and not the authority of government which was unbounded.

As Mr. Justice O'Halloran of the Supreme Court of British Columbia sets forth in an article on inherent human rights:

> Few succeeding kings failed to try in some way to place themselves above the law. Complacent Parliaments not infrequently encouraged them to do so.

I will not be so unkind as to try and draw any analogies today.

He again quotes Coke who said:

> Magna Carta is such a fellow that he will have "no sovereign."

Or, to put it another way:

> The divine rights of kings was not ejected in order to put in its place a doctrine of the divine right of Parliament denied by the ancient law affirmed time and again over six centuries.
>
> The American colonists fought a war for these principles, and the ablest men in England such as Coke, Pitt and Blackstone, upheld them.
>
> Are we to believe that the Canadian Fathers of Confederation considered these rights forfeited to Canadians? Not on you life. But we are in danger, through repeated federal government inaction, of falling between two stools and having neither the protection of the due process provisions of the American constitution nor the common law protection of England, for this will be the result if we try to live by the British North America Act without employing one of its fundamental tools, namely, the right of disallowance.
>
> Even the continental system, which developed quite differently from the English Common Law, recognizes fundamental rights of individuals and that famous document of France, *The Rights of Man and of Citizens* of 1789, specifically included the right to property with liberty, security, and the right to resist oppression. In particular, the 17th and last article of that famous declaration of "the natural inalienable and sacred rights of man" reads:
>
> As the right of property is sacred and inviolable no man may be deprived of it save by evident public necessity lawfully determined and on condition that a just indemnity be paid.

So 200 years ago in France, at least in that declaration, they managed to do what we were unable to do almost 200 years later.

> The provinces have proven themselves wanting time and again. They cannot be relied upon to maintain the rights of the citizen. Time and again they have been thieves of property, liberty and due process. Democracy and the rule of law are surely strong flowers growing in the garden, but, like any other flower, they must be nurtured and not trampled under foot, and it is the duty of administration worthy of the name in a democracy to leave the garden with these flowers stronger than before; not weaker than before. They are strong enough to withstand the depredations of minor potentates, but they are not strong enough to withstand a calculated and planned program of neglect by the federal authority in Canada.

[Senator van Roggen.]

• (1500)

Honourable senators, I might say that the analogy of tender flowers being nurtured and left stronger when you leave than when you come, should also apply to this chamber and the manner in which its business is conducted and its rules applied.

Reading on:

> Honourable senators, I say it is imperative that the federal government disallow oppressive legislation of these predator premiers such as Smallwood, Duplessis, Bennett, and now Barrett, and the failure of recent federal governments to do so is no precedent to be relied upon for now failing to exercise this clear duty. If the federal government will not do so, then no Canadian citizen lies safe in his bed at night secure in his person and his property.

Then the Honourable Senator Manning interjected. At this point I would like to yield to Senator Bosa.

Senator Bosa: Honourable senators, I would like to draw your attention to the presence in the south gallery of an Auxiliary Bishop from the province of Udine, in northern Italy, who is visiting Canada for the first time. May I express our best wishes for a pleasant stay in Canada on behalf of the Senate of Canada to His Excellency Pietro Brollo.

Senator van Roggen: I will continue reading:

> **Hon. Ernest C. Manning:** Honourable senators, may I be permitted to make a few comments on the important, and certainly serious, issue that Senator van Roggen has brought to our attention. I am not acquainted with the particular piece of legislation in British Columbia to which he has referred, but if its impact and effect is as Senator van Roggen has described it, I probably would feel just as strongly as he that it is bad legislation, not the type of legislation that should be on the statute books of any province, and I would agree there are probably valid and strong arguments that can be advanced for its disallowance.
>
> The first point I would draw to your attention, honourable senators, is that in considering an issue of this kind we need to weigh very seriously the negative as well as the positive consequences of federal disallowance of provincial legislation. I can speak as one with some personal experience because, as was pointed out, some legislation of the Government of Alberta, of which I was a member at the time, was disallowed, and also there was the withholding of royal assent in another instance. I draw this to your attention without arguing the merits of the case, but I do point out that in issues of this kind the argument is never wholly one-sided.
>
> No government, provincial or federal, introduces legislation without some reason which, rightly or wrongly, it

considers a valid reason for so doing. If there is a question of jurisdiction involved, the situation is very different from those cases where it is a matter of an alleged infringement of the rights of individuals or of some minority group, even though the power to act was within the competence of the legislature.

In the case of the legislation that was disallowed in Alberta, the jurisdictional issue was the key point. That was a long time ago.

Hon. Mr. Martin: In 1943, was it not?

Hon. Mr. Manning: However, I very well recall the intense resentment, even to the extent of what could be correctly described as public bitterness, at the federal government's interfering in an issue that was held to be within the competence of the provincial legislature. In that case there was the argument that the judgment that it was in their competence was wrong, and it was later held to be wrong by the Supreme Court. But if there is no jurisdictional issue involved, public resentment at federal interference would be much stronger than where it can be established in the courts that the matter is outside the competence of the legislature.

In other words, if the federal government intervenes in situations of this kind, there is no way to avoid the public placing on that interference the interpretation that it is political interference on the part of the federal government with the actions of a duly elected provincial government. It is that aspect of the matter that gives a great depth of seriousness to this whole issue.

Federal-provincial jurisdiction is a very sensitive matter in Canada today. We all can name scores of cases where the provinces have felt there was federal interference in the field of provincial jurisdiction. In fairness I should say that there have been other cases where certain actions by provincial legislatures have caused concern in Ottawa, because of overlapping or interference in the Government of Canada's field of jurisdiction. I simply draw attention to the well-known fact that the whole question of federal-provincial jurisdiction is extremely sensitive in Canada today. We are all aware that one of the greatest threats to our national union is what is frequently referred to as a "growing regional alienation."

Honourable senators, I can think of few things that would cause greater regional alienation under present circumstances than for the Government of Canada to disallow the legislation of any province, not on constitutional grounds but on the ground that they are more concerned with the rights of individuals than the duly elected government of that province.

I simply disagree here with Senator Manning. I think that paramount consideration must be the rights of individuals and not the rights of the elective.

To continue:

We are all aware that the more local a government is the closer it is to its people. The municipal governments are undoubtedly in closer touch with their electors than is the case with any other level of government. The provincial governments are next, and the federal government is the most remote. If you think for one moment that you are going to get the people of British Columbia, for example, to accept the proposition that the federal government is more knowledgeable of, and more sensitive to, the rights of the citizens of British Columbia, than the provincial government they themselves have elected, you are mistaken. I say that, much as I disagree with their government and its philosophy.

In my judgment, if we are really concerned about the sensitive areas that bear directly on the question of the future of Confederation, we ought to think very seriously before we recommend that the federal government should interfere in provincial jurisdictions by actions of disallowance, unless it is a case so extreme that it would be obvious to the great majority of people that there should be such interference. Otherwise, I very much fear that the resentment and the adverse reaction would do infinite harm to the fabric of Confederation, which is already under severe strains today, not only in Central Canada but in Western Canada as well.

I have never held for one minute that upholding the rights of the individual to property or otherwise threatens Confederation.

The Hon. Eugene Forsey's intervention is not too long, honourable senators, and if you will bear with me I will read it. After all, he is a leading authority on this subject, and certainly was back at the time this debate took place. Senator Forsey said:

Honourable senators, I rise first of all to say how glad I am that this matter has been raised, because I think that in a good deal of recent discussion, such as there has been—and it has been rather skimpy on the whole—in a good deal of recent discussion of the power of the Government of Canada to interfere with provincial legislation under the provisions of the British North America Act, the matter has not been dealt with with anything like the thoroughness and the logic, let alone the reference to history, that it might have been and, in my judgement, should have been.

There has been, in my view, too easy an assumption that the provincial governments and legislatures are always right, unless they can be proven to have been flagrantly wrong, beyond contestation by their most ardent supporters and defenders. I think this is perhaps a somewhat oversimplified view.

I am one of those who feel that the dominion power of disallowance of provincial acts, and even the dominion power to instruct Lieutenant-Governors to reserve provincial bills, may yet have considerable value, and more particularly in cases where fundamental human rights are involved. If we could get a bill of rights embedded in the Canadian Constitution, entrenched in the Constitution, so

that certain rights would be beyond the power either of the Parliament of Canada or of the legislatures of the provinces to interfere with them, then I dare say you could make out a fairly strong case for the abolition of the power of disallowance of provincial acts and the reservation of provincial bills.

Of course, all that has transpired with the exception of the property rights we were discussing a few moments ago.

Senator Forsey continued:

I say it is rather thin, because the number of times in which the dominion has intervened to protect basic civil liberties is lamentably small. It has intervened much more often, though even then not very often, to protect the rights of property. I am not prepared, myself, to regard the rights of property as resting on the same solid foundation as the rights of the human person. I do not suppose any honourable senators will recall what I said on this subject in discussing the report of the Joint Parliamentary Committee on the Constitution, but I did there, when I discussed that in this house, associate myself with the caveat of the NDP members of the committee that the rights of property were probably not seriously in need of protection in an entrenched bill of rights in the Constitution; that on the whole they could be left to the courts to deal with; that we had no reason to suppose that our courts would be insufficiently tender of the rights of property.

However, very few general propositions in such matters can be laid down absolutely and without qualification, and I should be inclined to say that you could even make an argument—I should not be prepared to go to the stake for it—you could make an argument for saying that even with a bill of rights entrenched in the Constitution and protecting the rights of the person, if you did not include something covering the rights of property, you would perhaps find it worthwhile to retain the power of disallowance in cases where there could be shown to be flagrant abuse of the rights of property.

Having said that, I want to turn more particularly to the subject matter of this inquiry. Senator van Roggen was kind enough to place me in a rather high rank of people knowledgeable in this subject, and I think he rather overdid it. He was kind enough to suggest that perhaps I took second place only to Senator Goldenberg. I am sorry, by the way, to see that Senator Goldenberg has left, as I should have liked him to hear the deferential remarks I am now about to make about him. I should think it highly probable that Senator Goldenberg knows a great deal more about this subject than I do. I should think it is absolutely certain that the present Associate Deputy Minister of Justice, Dr. La Forest, knows more than either of us about the subject. I think he is probably the premier authority on this subject in the whole country. Nevertheless I have a certain degree of knowledge—perhaps, somewhat above the average, shall I say—of this subject, because in the course of my somewhat tempestuous past career, I have had occasion to take part in the movement for disallowance of provincial acts in four cases.

[Senator Manning.]

Senator van Roggen attributed to me alone the petition for the disallowance of the Quebec padlock act. Well, honourable senators, I drew up that petition, but I did it on behalf of a group of people in Montreal, organized as a civil liberties union. I did not have the temerity, myself, personally, individually to draw up such a petition. But I did it in association with a number of other people who felt as I did on the subject of that particular legislation.

● (1515)

Then, later on, I drew up, when I was at the Canadian Congress of Labour, a petition on behalf of that Congress, the Trades and Labour Congress of Canada, and the Dominion Joint Legislative Committee of the Railway Transportation Brotherhoods, for the disallowance of the Prince Edward Island Trade Union Act of 1948, which would have placed all unions in that province, except those confined to the province alone, in a most perilous position, to put it mildly.

Then I helped to draw up for the Canadian Labour Congress the two petitions presented for the disallowance of the Newfoundland labour legislation in 1959. I might add that on that occasion the congress tried first of all to get the Government of Canada to instruct the Lieutenant-Governor to reserve those bills for the signification of the Governor General's pleasure. Our view was that by the time the process of disallowance had ground out its result—and it usually is a very slow process, although not always—a great deal of almost irreparable, perhaps quite irreparable, damage would have been done. We felt that there was room here for the exercise of the power of reservation in somewhat the same way as an interim injunction may be used in proper cases—and there are improper cases—in ordinary legal proceedings.

Anyway, honourable senators, I must say that in all those four cases in which I was active in trying to obtain disallowance, I was as unsuccessful as I was in my attempts to be elected either to the Montreal City Council, the Legislature of Ontario, or the other place. The government in every case declined to disallow. I am inclined to think that possibly in the Prince Edward Island case, the government may have dropped a strong hint to the Government of Prince Edward Island about the situation, because, in the next year, the legislature removed nearly all, if not all, of the obnoxious sections of the act of 1948.

Incidentally, this is an interesting feature of the history of disallowance, that in a great many cases the Government of Canada secured changes in, or the repeal of, obnoxious provincial legislation—obnoxious for a variety of reasons—by saying, shortly before the period for disallowance ran out, by wire to the Lieutenant-Governor of the province concerned, 'Unless your advisers are prepared to recommend repeal or amendment of the legisla-

tion,' as the case might be, 'before the period of disallowance runs out, and it runs out tomorrow, we shall be obliged to recommend disallowance.' And that in a great many cases appears to have done the trick. So that the actual number of disallowances is not altogether representative of the effect that this power may have on provincial legislation.

It may be worthwhile, honourable senators, as I have just mentioned the actual number of disallowances, to amplify a little, and perhaps correct in minor ways, the figures that Senator van Roggen gave on the withholding of assent, the reservation of assent and the disallowance of provincial acts.

Honourable senators, I am going to close by appealing to members on the other side to reflect on the fact that I do rise in my place—not as some Johnny-come-lately—on this point of privilege at this abuse of our rules and the rights of individuals in this country. If you are going to change the rules and the law, do it properly. Do not do it by stealth. Do not sneak it in here in 20 minutes in the extraordinary fashion that you did last Thursday night.

I would hope you would think about Senator MacEachen's admonition. Something should be done to regularize this extraordinary event that you perpetrated on Thursday, otherwise the atmosphere of this chamber will remain poisoned for a very long time.

Hon. Keith Davey: Honourable senators, I should like to begin by looking at what is happening in Canada today. I should like to draw to your attention three articles on the front page of the October 10, 1990 "Report on Business" in the *Globe and Mail*. The first article is entitled, "Air Canada cuts 2,900 workers—Takes other measures to slash costs". The article says:

> Air Canada is laying off about 2,900 employees in an across-the-board cost-cutting measure that will affect everyone from ramp handlers to customer service agents and pilots, an airline union executive said yesterday after a briefing with the company.
>
> As disclosed in The Globe and Mail Saturday, the Montreal-based airline is cutting some of its money-losing international routes, including those to Athens, Lisbon and Madrid originating in Toronto, and the London-Bombay-Singapore run.

The major jobs being cut include:

> —1,400 workers represented by the International Association of Machinists, including 990 customer service agents and baggage handlers, 350 maintenance workers and 50 in the finance department.
>
> —425 passenger and reservation agents and sales staff represented by the Canadian Auto Workers.
>
> —440 flight attendants represented by the Canadian Union of Public Employees, which is currently bargaining for a new contract.
>
> —225 pilots represented by the Canadian Air Line Pilots Association.
>
> —265 management-clerical jobs.
>
> —100 jobs at U.S. and international branch offices of Air Canada.

Michel Cyr, an executive with the union representing 9,000 Air Canada ground workers, said the 'layoffs are a savage reflection of Conservative government policy, which privatized this airline, turned air transportation in Canada into a mess through boneheaded deregulation and has promoted a recession.'

He said Air Canada also is selling its share of Place Air Canada, its current headquarters, and moving to Dorval Airport. The move should be completed by mid-1992. Air Canada currently occupies 10 floors in Place Air Canada, a 26-story building.

Mr. Cyr also said the company will centralize all pilot training in Toronto. Most of the training is now done in Toronto. He said centralizing the training will take place 'in the short term.'

Mr. Cyr said he feared the cuts to his union would affect service to passengers. 'Sure, we're the guys who work with our arms and maybe don't think too much, but we put the baggage on the planes.'

Air Canada began briefing its unions about the layoffs yesterday afternoon. After stock markets closed, the carrier also met with industry analysts in Toronto and Montreal.

Later this week, the carrier will meet with its unions to discuss easing the layoffs by folding some of them into early retirement and attrition.

Air Canada's layoffs come in the midst of an economic slump and, more recently, a crisis in the Middle East that has increased fuel prices by 100 per cent, an Air Canada spokesman said.

For the six months ended June 30, profit tumbled to $6-million compared with $21-million a year earlier. Revenue for the latest period was $1.9-billion, compared with $1.8-billion.

In the House of Commons yesterday, Liberal transportation critic Sergio Marchi said he was concerned that the proposed layoffs would affect Air Canada's competitive position while it negotiates an open skies agreement with the United States.

Federal Transportation Minister Douglas Lewis said last week that the two countries will begin negotiating an open air accord next year that would give almost unlimited access to each country's airlines on both sides of the border.

Some job-cutting became imminent this summer when Air Canada grounded its eight Lockheed L1011s, known in the industry as gas guzzlers, and put them up for sale. It takes between 70 and 90 workers to put just one L1011

in the air—hence just grounding the eight involves several hundred jobs.

The carrier had hoped to counter some of the increased fuel costs through the purchase of 34 Airbus A-320s. The A-320 burns about 40 per cent less fuel than the Boeing 727, which it will replace. In addition, it uses two pilots instead of three, another cost saving.

In terms of its routes, analysts pointed out that the only European money-making routes Air Canada has are London, Zurich, Paris and Geneva. Even the London-Bombay-Singapore route is losing money, thanks to competition from British Airways PLC.

The British carrier attracted many of Air Canada's passengers by using a 400-seat Boeing 747-400 on a direct London-Singapore flight, without a Bombay stopover.

Like Canadian Airlines International Ltd. of Calgary, Air Canada has also been taking a harder look at its domestic routes with a view to cutting out the unprofitable ones and reducing an excess of capacity in the marketplace.

This year, Canadian Airlines took about 5 per cent of passenger capacity on its planes off the market and found that even this was insufficient. At the end of this month, it will finalize its cost-cutting options for the domestic market.

The only thing certain about the Canadian Airlines plan is that it will do less flying in the domestic market, spokesman Mike Dukelow said.

Air Canada actually increased its capacity by 7 per cent between 1988 and 1989, from 21,778 available seat miles to 23,348. The figure is calculated by multiplying the total number of seats available for paying passengers by the miles flown.

The second article I should like to refer to is also on the front page of the October 10, 1990 "Report on Business" in the *Globe and Mail*. It is entitled: "Housing starts at six-year low." It says:

Housing starts across Canada have slumped to the lowest level in six years, pummelled by high interest rates and recession jitters.

Last month, footings were poured for 12,019 new homes, down 12 per cent from August, according to figures from Canada Mortgage and Housing Corp.

On a seasonally-adjusted annual basis, which provides a clearer month-over-month picture of activity, housing starts slid 16 per cent in September to 137,000 homes. In other words, that many homes would be built in Canada by the end of this year at last month's level of construction activity.

• (1530)

"The market is slowing, there's no doubt about that. Housing is just one more indication of what's going on in the economy," said Mark Burchinshaw, chief economist at CMHC.

Housing starts have been tumbling since the beginning of the year, as expensive mortgages and rocky economic times chased would-be buyers from the market.

But the slide, which has hit every corner of the country, has worsened in the past few months after the three-month lag between falling sales and a pullback on the construction of unwanted housing.

"These starts figures today are beginning to show what has already been the case with housing sales figures," said Peter Andersen, president of Andersen Economic Research Ltd., a Toronto-based economic forecasting company. "The collapse in sales still hasn't been reflected in housing starts."

Home sales dropped sharply when interest rates surged above 14 per cent in April. Between the first and second quarters, starts dropped by 9 per cent, but toppled 23 per cent in the third quarter, with activity in each month getting progressively slower, the CMHC figures show.

Construction of houses plummeted in July, but only recently has the slowdown dampened the pace of building of condominiums and apartment buildings. In the first three quarters of this year, construction began on 63,143 detached houses, about 18 per cent fewer than in the same period a year earlier. At the same time, apartment and condominium unit starts have dipped only 2 per cent, to 60,027.

"Up to now, one of the reasons housing starts haven't dropped more is that multiple units have stayed high, because they were reflecting unit sales made a year ago," Mr. Anderson said.

Honourable senators, I have just received a note asking me to yield the floor to Senator Balfour to recognize some distinguished visitors in the gallery. I am happy to do so.

[*Editor's Note: For continuation of proceedings see Issue No. 97C.*]

THE SENATE

Tuesday, October 9, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 97B.*]

DISTINGUISHED VISITOR IN GALLERY

Hon. James Balfour: Honourable senators, I wish to draw your attention to the presence in our gallery of Baroness Hooper, Under Secretary of State for Health in the Government of the United Kingdom.

Hon. Senators: Hear, hear.

THE SENATE

STOPPING OF DIVISION BELL—SPEAKER'S LETTER—QUESTION OF PRIVILEGE CONTINUED

Hon. Keith Davey: Allow me to continue with my news article on housing:

> "It takes that long for units sold last year to get started."
>
> Last month's decline was widely spread across Canada and particularly harsh in Quebec, which until recently was only mildly shaken by the slump. Starts dropped 24 per cent in the province last month, to a seasonally adjusted annual rate of 25,000 homes. A slight rise in building activity in Newfoundland last month was considered anomalous.
>
> Home builders already strapped for business can expect a second blow from the goods and services tax, which will be implemented at the start of next year if passed by Parliament. A year ago, it was thought that the levy, which tacks a 4.5 per cent surcharge on a new home sold for more than $350,000, would hurry the pace of housing construction before the Jan. 1 deadline.
>
> But it has not worked out that way. "I think home buyers were too pressured financially," said Mr. Andersen, who expects the builder will foot the bill in the end.
>
> The rest of this year and the first half of 1991 will be even more dismal for home builders, Mr. Burchinshaw warned. While not as desperate as the heart of the last recession in 1982, when construction dipped to 125,000 houses started, the market, he predicted, will take on 174,000 new homes built this year, and 165,000 next year.
>
> A more pessimistic Mr. Andersen forecasts that starts could drop to as few as 140,000 homes next year.
>
> Mr. Burchinshaw is expecting a recovery in the second half of next year, after falling interest rates and restored confidence about the economy lure home buyers back into the market.
>
> Because the usual demand for new housing in Canada runs at about 200,000 units a year, the oversupply of unaffordable housing now flooding most Canadian cities will be bought up in the next few years when construction slides below the level of demand, he said.

Honourable senators, the third piece of bad news in the business section of today's *Globe and Mail* has the heading "Financial markets hit with barrage of losses", and the subheading "U.S. budget, oil prices, Holy City killings spread gloom." It is a short story, but it is one that is worth drawing to your attention. It reads:

> World financial markets tumbled for more big losses yesterday, hurt by disappointment over the new U.S. budget package, worries over the Middle East and a litany of other woes.
>
> The Dow Jones average of widely watched U.S. industrial stocks sagged 78.22 points or 3.1 per cent to close at 2445.54, the biggest loss since August's sell-off following Iraq's invasion of Kuwait. Canadian stocks, insulated somewhat by firmness in energy prices, fared a little better, but the Toronto composite index still fell 27.36, or nearly 1 per cent, to 3139.50.
>
> It was a session in which almost everything that could go wrong for investors seemed to happen.
>
> Crude oil surged to its highest level on record, peaking at $40.95 (U.S.) a barrel in the aftermath of the killing by Israeli police of 19 Arabs at Jerusalem's Temple Mount, one of Islam's holiest shrines. The violence once again put the conflict between Palestinians and Israelis before world financial markets.
>
> Iraqi President Saddam Hussein reacted quickly to the killings with threatening talk of a new missile with a range of hundreds of kilometres.
>
> In other financial markets, the U.S. dollar slipped to yet another record low against the German mark . . .

Honourable senators, this is the legacy of Reaganism, Mulroneyism and, with respect, of Thatcherism. It is the legacy of private greed and public squalor, and it makes it possible for us to look back in anger.

When we look back in anger, we look first at the Free Trade Agreement. The Free Trade Agreement, which has all but completed the Americanization of Canada, has been a disaster for an overwhelming majority of Canadian small businessmen.

After free trade, it is almost impossible not to say a word on Meech Lake. I spoke on that topic the other day and I do not want to repeat myself, but I refer once again to the rolling of the dice, to Elijah Harper, who proved what one person in this kind of institution can do, and I come to this, the hated GST. It is so hated that a survey I saw the other day showed that 90

per cent of Canadians do not want it. It is being aided and abetted by eight embarrassed, illegitimate royal senators and, I am sorry to say, a hopelessly flawed Speaker.

I spoke about the Americanization of Canada. I would like to quote from an article that appears in *The Toronto Star* of today entitled "Foreign takeovers increase to record." It reads:

> Foreign control of the Canadian economy grew rapidly last year with a record number of domestic companies taken over by foreign investors.
>
> And Investment Canada, the federal agency that monitors foreign investment, says the country needs even more to compete globally.
>
> Offshore investors acquired some 735 Canadian-based firms employing 105,973 in the year ended March 31, Investment Canada reports.
>
> Non-Canadians also established 229 new businesses employing more than 7,000 people, the federal agency says in its 1989-90 annual report.
>
> But the value of new investment pales in comparison with acquisitions.
>
> Foreigners spent $17.1 billion to take over existing companies, but only $2.2 billion on new businesses.
>
> The United States was by far the largest source of investment, accounting for 52 per cent of the total, while the European Community represented 27 per cent and Japan 6.4 per cent.
>
> Critics worry about the increasing foreign control of the Canadian economy and criticize the federal agency for never having rejected a foreign takeover in its five years of operation.
>
> In the past year, the agency has approved deals that have seen foreign acquisitions of companies such as Connaught BioSciences, R.L. Crain, Lumonics Inc. and PCL Industries, which owns Sklar-Peplar Furniture Inc.
>
> But Investment Canada does not share the critic's concern about the magnitude of foreign ownership in Canada.
>
> "In recent years, Canada has attracted record inflows of foreign direct investment—investment that is helping Canada to provide jobs for its citizens and to become competitive in today's global economy" said Paul Labbe, the agency's president.
>
> Indeed, the agency not only monitors foreign investment, but also promotes the sale of Canadian assets to foreign buyers.
>
> "Clearly, a positive investment climate in Canada is essential, and the promotion of investment continues to have a central role in addressing the challenges faced by Canada in response to global industrial restructuring," Labbe said.
>
> Investment Canada last year created an "investment prospecting group,"which attempts to attract foreign investment in both existing and new businesses.
>
> One of the group's aims is "to convince medium-sized foreign firms in high-technology sectors poised to enter the North American market that their best entry point is through Canada."

That is a story that has been repeated over and over again, the Americanization of Canada. I do not know where it will end. It is so depressing that I thought I would complete my comments on what some may consider an unimportant aspect of the Americanization of Canada, but it is something that matters a lot to many Canadians and certainly to me.

I would like to talk about a national institution in a country—let's face it—that has fewer and fewer national institutions. I would like to talk about a national institution which may very well disappear. If it does, it will be a great loss for hundreds of thousands of Canadians. I refer, of course, to the preservation of Canadian football.

● (1545)

Senator Doody: Hear, hear!

Senator Davey: Exactly hear, hear. I think it is an appropriate subject to bring up here because football, honourable senators, is about rules. They have rules in football and they have fair play in football, and they even have umpires in football. That kind of stuff does not apply here, however.

There was a particularly interesting article in the *Globe and Mail* about Canadian football by Patrick Martin. I am sure some of you may have read it, but some of you may have missed it. It was a very significant article. Mr. Martin stated the problem and then he stated the solution. The problem, which he summed up thusly, is:

> Too few people appreciate the exciting brand of football played in Canada. While CFL ticket sales are up marginally this year, attendance in two of the league's most reliable franchises—Toronto and Hamilton—is down substantially. Torontonians have begun to whisper that the CFL isn't good enough for their "world class" city and yearn for an NFL team, the prospect of which threatens the viability of a better Canadian product.

Does it ever threaten the viability of another Canadian product! If the NFL comes in here, honourable senators, you can kiss the CFL, even in dear old Regina, goodbye. It is something we cannot allow to happen. Let me read the article:

> The best case for preserving Canada's football game was made during a recent telecast of Monday Night Football, the premier showcase of the U.S. National Football League.
>
> Down 7 - 0 to the New York Jets, the Buffalo Bills took possession of the ball deep in their own end. Eschewing the traditional huddle between offensive downs, Buffalo quarterback Jim Kelly led his team the length of the field in an exciting series of plays.
>
> When the usually immobile backfield players began deceptive crisscrossing patterns of motion prior to the snap of the ball, veteran broadcaster Frank Gifford remarked that all the razzle dazzle looked "like the Canadian Football League." Indeed. What seemed so

atypical in the NFL—the quick pace and men in motion—is commonplace in the CFL, where speed, the forward pass and tricky plays are emphasized.

Buffalo, a city of 1.2 million, will be among the leaders in attendance in the NFL this year, as it has been for the past several years, with close to 80,000 people coming out each week to watch their Bills play right through the frigid month of December. Just 150 kilometres away in Toronto, however, in a community of 3 million, an average of only 29,000 show up for each Argonaut game. In between, in Hamilton, home of the Canadian Football Hall of Fame, only half that many bother to attend Ti-Cat outings.

There is no doubt the Canadian game is exciting. With a wider field, deeper end zones and three downs instead of four, passing and mobility, rather than brute strength, become the most important aspects of the game. The Canadian game has more action that the U.S. version. There is less time allowed between plays and teams must yield the ball to the other side more frequently. (When they do so by punting, the player receiving the ball cannot avoid attempting a runback by merely raising his arm and calling for a "fair catch", a frequent copout of NFL receivers.)

Games in the CFL are high scoring. This season the eight teams have averaged 32 points each a game, while NFL teams average only 18.5 points. And most games are very competitive. One quarter of all the games played so far this season have been decided either in overtime or by three or fewer points. The game is frequently determined in the final seconds of play and often involves dramatic, come-from-behind victories.

I am sure Senator Barootes will remember this:

Last year's Grey Cup championship match, won by Saskatchewan over Hamilton, in the final two seconds of play—

Remember? The final two seconds! One of the most exciting football games I have every seen!

—was one of the most exciting football games played anywhere.

I digress to say that, for the last number of years, the Grey Cup has been far more exciting than the Super Bowl, game after game after game, year after year after year.

Despite all this, however, the game is perennially plagued by fan indifference. Low attendance caused the Montreal franchise to fold three years ago, and at one time or another has threatened the viability of almost every team in the league. Last year it was Ottawa and Calgary that had trouble making ends meet; this year it is Toronto, with the biggest market and most lucrative television sales, and Hamilton that are in trouble. And while 68 of the league's 72 regular-season games are being televised, the TV audience has declined considerably as well.

Reflecting this apathy, the league gets pitiful display in the sports pages of many Canadian newspapers, usually buried beneath more extensive coverage of the U.S. game, and the pecking order of television sportscasts often relegates CFL news to a place somewhere between golf and horse racing.

Behind this indifference lie several factors:

The mistaken assumption by non-viewers and marginal viewers that the Canadian game is inferior to the U.S. version;

The lack of hype that surrounds the league and its broadcasts;

The difficulty fans have in identifying with and following the performance of teams and players.

Points number one and two can be tackled together. The CFL must realize it can never compete with the NFL on its own terms. The monstrous U.S. media have made the game a larger-than-life extravaganza—the annual "Super Bore" to determine the NFL champion, is heralded as the second coming—and that is something Canadian television is unable to do. However, the CFL can use its marketing dollars to emphasize not its similarities to the NFL but its distinctive features.

By selling the Canadian game as "boutique football", something for "the truly discerning fan," it may make the game more fashionable and thus appeal to a wider, status-conscious audience (the kind of folk who make it impossible to obtain a ticket to the Toronto Blue Jays baseball games.) The game itself will continue to appeal to the true football aficionado.

To block out the game's identity crisis, however, requires a new formation.

The high turnover of players is one problem. Each summer, many of the previous year's participants are replaced or traded. In addition, and more damaging, many players will be replaced midseason, usually with individuals cut from the later training camps of NFL teams. As a result, the group that takes the field one week may be an entirely different bunch from the next, and the confused fan may find it impossible to get to know "his" team.

While CFL franchises must be free to choose the best squads possible at the beginning of each season, there should be a restriction on the number of players they are able to "airlift" in mid-season. CFL teams are already permitted practice rosters and reserve lists (players intended to be standbys for injured regulars) and the team should be limited to those players alone for the duration of the season. While such a practice would leave several talented football players idle after being cut by NFL teams, it might well ensure that, in the future, such players try out for the CFL squads in the first place and develop a greater loyalty to the team and to its fans.

The lack of identifiable Canadian players is another problem. CFL rules restrict each team to a roster of 37

players, of which 14 may be "imports". However, three of the other 23 players are designated as quarterbacks and may be either imported or Canadian. In practice, this has meant that U.S. players have filled the highly-visible role.

Larry Uteck, a former CFL star and coach of the fine St. Mary's University Huskies in Halifax, believes the CFL has missed a golden opportunity by not requiring each team to carry at least one Canadian quarterback. "I don't think there's any doubt that what the average fan wants to see is local talent playing the game." Mr. Uteck's own quarterback, Chris Flynn, is regarded as one of the best players at the position to emerge from the Canadian university system. Yet he is unlikely to be offered a chance to play in the CFL and develop at that position.

Legislating a Canadian quota at the quarterback position, however, may not be the answer. Frank Cosentino, another former CFL player and head of athletics at York University, argues that the league's mostly U.S.-born managers will continue to favor their American quarterbacks.

A better approach would be reduce the overall number of imports each team is allowed, perhaps to ten, with no exception for quarterbacks. Since no manager would likely want three of this number tied up in one position, he would opt for Canadian talent wherever possible.

The CFL also has penalized its own fans with its illogical "black-out" rule. In an effort to encourage attendance at the stadium, the league does not permit games to be broadcast on television in the home team's market.

That means that if Ottawa is playing the Argonauts and I am at home in Toronto, I cannot watch the game. No wonder the league is in trouble.

Instead of boosting ticket sales, the rule has distanced fans from their own teams. Removing this misguided incentive would increase fan loyalty and, most likely, boost attendance at the games as well. Television networks have made clear their attitude toward the rule. CTV has said it would like to return to broadcasting CFL games, but refuses to do so until the black-out rule is dropped.

Honourable senators, in baseball—

Senator Frith: Now we are on to it: baseball!

Senator Davey: I am a baseball fan. Let's face it, I am a Blue Jay fan!

Senator Grafstein: What about hockey?

Senator Davey: I am a hockey fan, too, but the fact is that when baseball came to Toronto, immediately it was a success and immediately every game went on television and immediately the place was sold out, so you can see virtually every Blue Jay game, home and away, in Toronto, and the place is consistently sold out. That is the message for the Argos, for heaven's sake, and the CFL. That is the point this gentleman is making, and he is right.

[Senator Davey.]

Finally, in an effort to ensure telecasts of as many games as possible, the league spreads its schedule of games too thin. Attempting to have games on as many days as possible means a team will play on a different day almost every week. While this means that games can be viewed on three or four days each week, it leaves the casual fan lost as to when he might find his team playing.

On this point, the CFL should borrow a page from the NFL's playbook. NFL games are concentrated on one day, Sunday, with a single game available on Monday night. Fans have no difficulty knowing when to watch and schedule their weekends accordingly.

The CFL should adopt a similar approach, and hold three of its four weekly games on Saturday. One network could broadcast a game played in the East starting at 1 p.m. Eastern Time, another could broadcast a game in the West, three hours later, and yet another could have the option of broadcasting a third in the evening. The fourth game could take place, and be broadcast, on Friday night. This way, almost all games could be telecast, viewers would have a wide selection to choose from, press coverage of the games would have a greater impact, and, most importantly, fans would know exactly when to watch.

None of these recommendations would affect the way football is played in Canada—there is no need to change that. They would, however, make it a lot easier for Canadian fans to enjoy the game and, in so doing, make sure that it continues to be played in this country.

Honourable senators, I only wish to add a few additional remarks. I note that at the end of the article the writer sets forward his solution. He says that, first, the CFL should eliminate mid-season replacement players.

Senator Lefebvre: Would the honourable senator permit a question?

Senator Davey: Certainly.

• (1600)

Senator Lefebvre: Senator Davey, I have listened very attentively to your remarks, especially the last part about your great love of the Canadian Football League and the Toronto Argonauts, and your belief that everything should be done to encourage Canadian players having very prominent roles in Canadian football, but yet you explain the threat of the NFL and the downward trend in attendance in almost every city which has a CFL franchise.

At the same time, you have also impressed me over the years, and I think everybody knows this, with your great love of the Toronto Blue Jays which has set attendance records this year and you do not seem to have any problem with that. To my knowledge, they are all American players, and you do not have any problem with Toronto playing in the American Baseball League, using all American players, setting all kinds of records. I think the attendance is up to 4 million, if I am not mistaken.

Senator Davey: An all-time record.

Senator Lefebvre: It is an all-time record for professional baseball. Yet you are trying to keep the CFL alive. Why do we not promote a Canadian baseball league instead?

Senator Davey: Am I ever glad to have that question.

Senator Grafstein: May I ask a supplementary question?

Senator Davey: No, one at a time. Senator Grafstein knows more about brain surgery than he does about baseball and I absolutely cannot take a question from him.

The solutions advanced in the *Globe and Mail* article are as follows:

1) Eliminate midseason importing of players.

2) Reduce the number of imports at all positions to encourage the use of Canadian quarterbacks.

3) Concentrate CFL games on a single day (Saturday) with one feature game on Friday evening.

4) Eliminate the blackout rule.

5) Actively promote the game's distinctive features.

In responding to your question, in a sense I do not have a conflict of interest, but a conflict of knowledge. As you know, I was a former Commissioner of the Canadian Football League and I wish to talk about that for a moment or two.

Senator Lefebvre: Go ahead and tell us about that.

Senator Davey: I only wish to say, when major league baseball came into Montreal with the Expos and came into Toronto with the Blue Jays it destroyed absolutely nothing. It created enormous coast-to-coast national interest in baseball. Throughout Canada there are more kids playing baseball than ever before.

I remember going to a Blue Jays game with my leader, Senator MacEachen. I remember being surprised at his knowledge of amateur baseball in the Atlantic region back when he was a kid. Anyone from western Canada knows about baseball, and even in Quebec baseball has been extremely popular. It is a sport that has been popular for more than 100 years. When major league baseball came in here it destroyed absolutely nothing.

On ther other hand, if the National Football League comes in here, it will be the end of the Canadian Football League. It will be the end of Canadian football. Ladies and Gentlemen, if the NFL comes in here, you can kiss goodbye, senator, to football in Regina, you can forget football in Hamilton, and I am afraid that you can forget football in Ottawa. There will be an NFL team in the SkyDome in Toronto. But it will be the end of the Canadian Football League and we will have American football players in Canada. It will be tragic.

Yes, we need more Canadian baseball players. As a matter of fact, the Blue Jays have a guy from Cambridge, Mr. Doucey, who had an extremely fine September and may likely start in left field at the beginning of the season. The Blue Jays and the Expos are systematically looking for Canadian players, and I think they will find some.

I will not do it, but I could write a list of the beautiful people, friends of mine and many of them friends of our friends across the way, who are absolutely slavering at the prospect of putting together the money and bringing an NFL team into Toronto. Of course, it will be productive and a lot of money will be made by a lot of people. The type of people that bring that type of money to the table are not particularly the friends I have.

Make no mistake, the move is on to destroy Canadian football. The first step will be to put a team in Toronto, the second step will be to put a team in Vancouver, and then you can kiss Canadian football goodbye. I do not think that is something we can allow to happen.

Honourable senators, I think that the Government of Canada has a role to play in making sure that it does not happen. The World Football League was prepared to come in here and Mark Lalonde passed legislation which made it impossible for the World Football League to come into Canada. This has not been done by our friends opposite. I used to ask questions in Question Period and I have stopped asking. However, I do believe the surest way of protecting Canadian football, an institution in a country which has so few national institutions, is through actual support from the government across the way. Do I expect them to act? No, I do not expect them to act. More greed, more power, more money. Those are the things that will carry the day. It is not fair.

That brings me back to why I am here and why I want to speak today. We are all concerned about fairness.

Yes, I was a Commissioner of the Canadian Football League. Yes, I resigned as a Commissioner of the Canadian Football League. Perhaps all of us should know when it is time to resign.

Senator Buckwold: Will the senator take a question?

Senator Davey: Yes.

Senator Buckwold: Some of us are casually interested in baseball and some of us are casually interested in football, but as red-blooded Canadians most of us are interested in hockey and I have not heard you talk about hockey. I would like your reaction and ideas on what is happening to our Canadian game of hockey as it is becoming Americanized. As the American influence is moving along, new teams are being planned for the U.S.A. My home city of Saskatoon has been trying for years to get a National Hockey League team. Believe me, we will pack the rink, just like our Senate gets packed.

Canadians across the country are beginning to get a little worried. I would appreciate your wisdom on what we can do to save Canadian hockey?

Senator Davey: First, hockey is difficult for me to talk about because I am a league fan. You know the old story about why will they not give Hamilton a professional hockey team and the answer is because Toronto will want one. You touch a valid point, and it is a very important point, particularly now at the very time the National Hockey League is about to expand. There are several Canadian teams anxious to be involved in the expansion, in particular Hamilton, and more particularly, as far as I am concerned, right here in Ottawa. But you can bet dollars to donuts, and I am sorry and unhappy

to say this, but Ottawa will not get a team, Hamilton will not get a team, and no Canadian city will get a team because the name of the game is marketing and money, and the marketing and money is in the big American markets. For example, there is a team in San José.

I always believed that a sport would be popular anywhere where the kids cannot play it. So when you talk about hockey in Atlanta, it was a bust. Whether it will work in San José, I do not know. The market is so big in Los Angeles that it will work there.

I am sorry, Senator Buckwold, that there is not a franchise in Saskatoon. I think there was an honest effort by a group of entrepreneurs to make it happen. One of the greatest critics of the project was a friend of mine, Harold Ballard. I am not afraid to say that Harold Ballard was a friend of mine. He was. He was a very questionable character and he had lots of things about him that were not very attractive, but there were many things that people did not know about him that were exceedingly attractive.

I well remember taking a flag to Maple Leaf Gardens that had flown on the Peace Tower on the same date as his 80th birthday. I was allowed into a board meeting where I presented the maple leaf flag to him. I told him that this maple leaf flag had flown on the Peace Tower today. Mr. Ballard broke down and cried. Indeed, at the funeral, there was this flag.

Ballard was a colourful, bombastic, difficult, oft-times impossible character, but what is wrong with this country is that we do not have enough characters, and we need a few more.

I must say, Senator Buckwold, that was I very anxious to have a team in Saskatoon and it was an honest attempt. But it will not happen, because in professional sport the name of the game is money. The big bucks are in marketing and those are in the big cities in the States. I think we are lucky to have the Canadian teams we have, and fortunately most hockey players are Canadians and it is a very successful and healthy industry for us here in Canada.

I will take Senator Grafstein's question, if he wants to ask it now.

Senator Grafstein: Senator Davey, I do know a great deal about brain surgery. But I think I probably know a touch about baseball through marriage. My late father-in-law was one of Canada's greatest baseball players. It was through his influence that I picked up some limited knowledge. I really do not want to contest the superb knowledge that you have, senator, but I rather question your patriotism and your sense of nationalism. You paid a greater allegiance to American teams than to the Canadian team, the Expos, which was established prior to the Blue Jays. Why is it that you maintained your allegiance to an American team well after a Canadian team was established, since you are known as a fervent Canadian nationalist?

Senator Davey: Senator Grafstein's reservation is, of course, right on. I was a passionate, ardent New York Yankee fan, but that was when there were no Canadian baseball teams. At the time of the World Series, I was not working for Mr. Pearson, but I casually asked him who he liked in the World Series. He asked me who I liked and I said that I liked the Yankees. He was dumbfounded, because Mr. Pearson was a National League fan and he was quite annoyed at me.

Honourable senators, I hope my friends opposite will allow this story because it is such a Liberal story. The first year I was here as the National Director of the Liberal Party, I came here in May, 1961, and in the fall there was a World Series. The party had headquarters in an old house on Cooper Street, and some of my friends will remember that. I put four television sets around the room so the staff and everybody could watch the ballgame. Needless to say the old guard, which I am now but was not then, was shocked out of their minds and immediately marched up to Pearson and said what a terrible thing this guy has done, he has put in television sets for the World Series. They were absolutely incensed. The next afternoon Mr. Pearson came down to the ballgame and sat in the office with me and we watched the second game of the World Series. That is a great story, because he was a great baseball fan.

I remember giving him a copy of what I think is the best baseball book ever written. I would recommend it to anyone here who is interested in baseball, and that includes my friends opposite. That is *The Boys of Summer* by Roger Kahn. It is a book in which Kahn deals with the Dodgers at the time he was a kid. In the second half of the book he deals with those self-same Dodgers when he was grown up. As he points out in the book, most of us are luckier than baseball players. Baseball players die twice; the rest of us only die once. When Mr. Pearson was no longer the Prime Minister, I remember taking the book to his office and telling him it was a terrific book and that he must read it. I have never forgotten. He told me, "I read the book; Marion has read the book, and God knows she is not a baseball fan".

● (1615)

I have another Pearson story to tell, and then I will stop telling them. This is a story about when he went down to one of the first Expo games after his eye operation. I remember that in those days his great friend was Mr. Stanfield, who called on Mr. Pearson regularly when they were both in their earlier and older retiring years. I remember at the particular game in question the umpires were brought over for Mr. Pearson to meet. Mr. Pearson said to the head umpire, "I am ready to play in your game now." The umpire said, "What do you mean?" Mr. Pearson replied, "I just lost my eye". That is Pearsonian humour.

I do not think that I have too much else to say except in confirming what Jerry says about his father-in-law. His father-in-law was one of the most important and significant minor league baseball promoters and players in all of Canada. There is no doubt about that. However, none of that rubbed off on Jerry.

Some Hon. Senators: Hear, hear.

Senator Dalia Wood: Honourable Senators, I too rise on a point of privilege since my rights have been eliminated in this

Canadian institution. So go the rights of the people who pay our salaries.

We may well go back for centuries of history into any other country but ours, because it always seems that it was such a long time ago and so far away. In other words, it cannot happen now or ever in our history. But, honourable senators, it does happen from time to time in our midst. We are now battling taxation without representation. Our George III is none other than our own Prime Minister who is asking for a Boston Tea Party. Eventually he may succeed, but in the meantime, he has virtually destroyed the Canadian Senate and the Canadian perception of a benevolent monarch. Eventually he may succeed, but he has in the meantime virtually destroyed the Senate—

Senator Hastings: Honourable Senator Wood, I am trying to follow you. I wonder if you could go a little slower so that I can understand you—quite a bit slower.

Senator Wood: In other words, you want to hear every word.

Senator Hastings: Because it is so very important.

Senator Wood: Canadians of my age have grown up through periods where their civil rights were compromised. But let's not keep pushing our luck. For instance, there were the Japanese on the West Coast, my own community of Italians in Montréal and elsewhere in the 1940's, Duplessis' "padlock law", Bill 101, and the crowning joy of the notwithstanding clause being applied over individual rights of Canadian citizens.

As we look around this chamber in our air-conditioned and plush comfort we see the murals above us, I would like to quote a line from Colonel McCrae:

"If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields."

Are we guarding our inherited institutions or keeping the faith by circumventing duly inscribed procedures—those procedures emanating from the Magna Carta which was proclaimed on June 15, 1215? Yes, it was at Runnymede that the legendary and the evil King John was forced to sign the Great Charter of Liberties. Many countries, including Canada, the United States and Australia owe these foundations of justice and juries to this development over 700 years ago.

We normally accept this heritage with complacency as an acquired right; one which no one can set asunder. We may ask ourselves how many countries have permanently or from time to time lost their parliaments simply because they allowed internal usurption of its integrity.

When in 1215 the Archbishop of Canterbury, with a group of citizens, confronted the evil King John, they knew with whom they were dealing. In fact, they forced the King to have the Great Seal attached to many copies of the document which they then distributed throughout the realm. There are still four copies in existence today. "Just a parchment," an anarchist may say, just as a flag is only textile.

Consequently, other than historic value, that is just what these items could become if we continue to compromise on democratically instituted rule, regulation, customs and tradition. Magna Carta then was nothing, more or less, than the assertion by the people that the monarch, too, must be under the law and must govern according to the ancient customs, rights, and liberties of the realm. In other words, it was a proclamation that England was not an absolute but a limited, or constitutional, monarchy.

The main task of Cromwell, for instance, was to overcome the general feeling in the army that neither the King nor the parliament could be trusted. When under pressure from the rank and file, General Fairfax lead the army to the Houses of Parliament in London. Cromwell still insisted that the authority of parliament must be upheld. In September, he also resisted a proposal in the House of Commons that no further addresses be made to the King.

Just over a month later, Cromwell took the chair at meetings of the General Council of the army which included representatives of private soldiers known as agitators. He assured them that he was not committed to any particular form of government, and had not had any underhanded dealings with the King. On the other hand, feeling anarchy, he opposed extremist measures such as the abolition of the monarchy. But all Cromwell's efforts to act as a mediator between army, parliament and king came to nothing when Charles I escaped from Hampton Court Palace.

Cromwell now hoped for pacification, a political settlement and social reform. He pressed through an act of oblivion, but the army became more and more disappointed with the parliament. It believed that the members were corrupt, and that a new parliament should be called.

Once again, Cromwell tried to mediate the two antagonists but his sympathies were with the soldiers. When he finally came to the conclusion that parliament must be dissolved and replaced, he called in his musketeers. On April 20, 1653, he expelled the Members from the House. He asserted that they were corrupt and unjust men and scandalous to the profession of the gospel. Two months later he set up a nominated assembly to take their place.

In his speech on July 4 Cromwell told the new members that they must be just and, ruling in the fear of God, resolve the affairs of the nation.

Cromwell seems to have regarded this little parliament as a constituent body capable of establishing a puritan republic. But just as he considered the previous parliament to be slow and self-seeking, he came to think that the Assembly of Saints, as it was called, was too hasty and too radical. He also resented the fact that it did not consult him. Later, he described his experiment as choosing saints to govern as an example of his own weakness and folly.

Do we sense a Cromwell on our present stage? Do we recognize similar saints at our stage of democratic parliamentary evolution? When Cromwell's first parliament met, he justified the establishment of the Protectorate as providing for

healing and settling the nations after the civil wars. Arguing that his government had prevented anarchy and social revolution, he was particularly critical of the levellers who, he said, wished to destroy well-tested institutions whereby England had been known for hundreds of years. He believed that they wanted to undermine the natural majesty of the nation, as well as make the tenant as liberal a fortune as the landlord.

Do we recognize any levellers on our present stage? Cromwell required all Members of Parliament, if they wished to keep their seats, to sign an engagement to be faithful to a protector and to parliament, and to promise not to alter its basic character. Except for 100 convinced republicans the members agreed to do so, but were still more concerned with rewriting the constitution than reforming the laws as desired by the Protector. As soon as he could legitimately do so, Cromwell dissolved parliament.

Does this not remind you of a possible similar situation with our allegedly legal senators sitting among us? What agreements did they make with the Protector? Will this also become a precedent in the new rules of the rump Parliament? All of this happened within the first 30 years of the Magna Carta.

As if that were not enough, Charles I had to get into the act. He was charged with high treason against the realm of England. He at once refused to recognize the legality of the court because a king can not be tried by any superior jurisdiction on earth. He therefore refused to plead, but maintained that he stood for the liberty of the people of England. The sentence of death was read in 1669. This, honourable senators, is simply to say that no one can be above men's law or God's law.

Canadian citizens have both inherited and fought to maintain their concept of rights and freedoms. Our monarch is presumed to sympathize and to defend this very right. Nowhere are these symbols more apparent than in this chamber. It is here on the Speaker's Chair that our unelected regents have addressed the Parliament of Canada. It is here that the unelected Governors General deliver the Speech form the Throne. It is here that an unelected honourable senator is named to the most responsible role as Speaker of the Senate of Canada. Honourable senators are also unelected, and I shudder at the thought that the ghost of King John is trying to avenge his unwilling signing of the Magna Carta, thereby setting democracy back 700 years.

It will take a royal, or republican, commission to unscramble the wholesale upheaval of our sacred institution, or something or other that cannot be reached by anyone. In the meantime, I feel sure that our citizens will want some light shed on the mess before either Her Majesty, the Governor General or an official Speaker be allowed to assume the seat of the Speaker of the Senate.

The Speaker, rather than acquiesce to the dubious actions of the Governor General and the Queen, should make it his business to investigate the intrigue, obtain the correspondence and report back to those honourable senators who care. Hopefully, some of the Tory senators will support me in this vital quest.

[Senator Wood.]

I would now like to refer to some notes on the function of the Senate.

> The chief function of the Senate is the consideration of all legislation placed before Parliament. Such legislation could originate in the Senate itself or be received from the House of Commons. The review of legislation passed by the House of Commons may result in its being rejected or amended by the Senate. If it is amended, the legislation is sent back to the House of Commons with a request that consideration be given to suggested changes.
>
> While members of the Senate may introduce legislation that is considered desirable in the best interest of country, they are not permitted, under the British North America Act, to introduce measures that impose any tax upon the people, or appropriate any part of the public revenue. Such legislation must be introduced in the House of Commons.
>
> The legislative procedure that is used in the Senate is the same as that employed in the House of Commons . . . In addition to formal discussion or debate on legislation, the Senate makes extensive use of committees in its work. Standing committees of the Senate conduct inquiries on important subjects such as immigration and labour, natural resources, public health and welfare, and external relations. The efforts of Senate committees are of considerable value, as they provide a thorough investigation of a given subject and pave the way for future legislative action either in the Senate or in the House of Commons.

● (1630)

> It was said by Sir John A. Macdonald, the first Prime Minister of Canada, that the Senate represented 'the sober second thought in legislation'. Over the years, the Senate has frequently exercised its right to reject or amend legislation passed by the House of Commons.[1]

The footnote reads:

> [1] Recent examples are the rejection of the bill to declare vacant the position of the Governor of the Bank of Canada, and the referral of the Customs Tariff Bill to the House of Commons for proposed amendments.

It goes on to say:

> In such cases, of course, the Senate takes into account the fact that members of the House of Commons are elected by the people. If a legislative measure was apparently conforming with the wishes of the people themselves, the Senate would undoubtedly approve it regardless of the opinions of its members.

The Rights and Responsibilities of the Citizen

> Our Canadian political system is based upon the principle that government is the servant of the people; that the individual citizen has worth, not only to himself and his family, but to the community at large. These facts have led to the recognition of certain basic rights or, as they are usually called, basic freedoms that are intended to

protect the individual from injustice and to ensure to him the greatest possible measure of liberty . . . .

Full recognition of these rights is not always achieved even in Canada. We have had occasions in our past when attempts have been made by individuals and groups to deprive others of their rights; when discrimination in such matters as employment and accommodation arising from race, colour or religion has been practised in Canada.

It becomes apparent, then, that it is the duty of every person in a democracy to defend these rights with vigour and determination, both for himself and for others regardless of race, colour or religion. Failure to do so may result in their loss for all.

There are times in the life of the nation when, for reasons of national security, the exercise of some of these rights or freedoms may be suspended or curtailed. In time of war, for example, it would obviously not be in the best interests of the country to permit unauthorized persons to move freely about military areas, or to allow newspapers or individuals to publicize the movements of troops or ships. Restricted movement and censorship may thus be imposed. Even in these extreme circumstances, the approval of the people's representatives in Parliament is necessary before the limitations may be imposed. Such curtailment or suspension of rights is, however, temporary and public pressure will be exerted, if necessary, to have such restrictions removed when the state of emergency is over.

Basic Responsibilities [of Canadians]

It is said that for every right enjoyed by the individual in a democracy there is a corresponding responsibility. While this statement is over-simplified, it is nevertheless true that persons living in a democratic state such as Canada must be prepared to accept numerous responsibilities if democracy is to thrive and flourish. Let us now examine the nature of these responsibilities.

(a) *Respect for the Rights of Others*—As we have seen, democracy lays particular emphasis upon the dignity and worth of the individual. Over the centuries, various rights have been acquired by the individual which allow him to seek the greatest possible measure of personal freedom, safety and contentment.

It becomes evident, therefore, that in the enjoyment of our own rights we must constantly have regard for the rights of others. We must remember that the responsible person exercises moderation in asserting his rights, and has every reason to assume that others will do likewise. For example, if we expect to enjoy the right to worship in the church of our own choice, and to practise our religious beliefs without fear or interference, then we must be prepared to recognize and defend the freedom of others to differ from us in their religious beliefs and practices.

If we place proper emphasis upon the dignity and worth of the individual, then we must of necessity grant to all others the same rights as we hope to enjoy ourselves—regardless of their race, colour or creed. We must be ready to protect every man from injustice if we are to have assurance that our own rights will be respected and preserved. It may be said, therefore, that respect for the rights of others is a primary responsibility of all persons living in Canada.

(b) *Respect for Law*—Society itself has, of course, taken steps to protect the individual from injustice. The strength of public opinion has led to the passage of laws that are designed to safeguard our rights and to deal with the offender. It becomes the responsibility of every person in a democracy to respect such laws and to practise their observance.

Such respect and observance of law does not mean that we must accept any law without question or argument. We may question the wisdom of any law, but we must, at the same time, abide by it. We may, for example, not agree that fifty miles per hour is an appropriate speed limit on a public highway. We may actively campaign through our elected representatives, through public meetings and by other legitimate means to have the law changed. We must, nevertheless, continue to observe the speed limit until it is changed by law or suffer the consequences of our act . . . .

I should like to quote from Professor William McKechnie:

> The chief function of the . . . (Senate) is to interpret the will of the people, not to oppose it. They claim the right to stand at times between the Electors and the Elected; to protect the voters from the actions of the servants they have appointed when these servants seem inclined to disobey instructions, or to go beyond the terms of their Commission. They claim the further right, under certain circumstances, not only to protect the people from their servants, but to protect them from themselves. They consider it their duty to delay the passing of ill-digested measures. This is practically to exercise the function of appealing from the Electors in the past to the Electors in the future, thus affording the constituencies an opportunity, under the influence of second thoughts, and perhaps of fuller information, of tempering their impetuosity by discretion. The Upper House thus throw out Bills, not because of its own estimate of their intrinsic faults, but also because of doubts as to how far the Commons have accurately interpreted the instructions received from their constituents at the last election, and if so, whether these instructions may not be modified at the forthcoming one. That such a function is at times useful hardly admits of doubt. The exact direction of its usefulness is, however, somewhat changed in recent years, in consequence of the encroachments made by the modern Cabinet on the independence of the House of Commons . . . The [Senate] is the only barrier—a frail one, mayhap—that offers resist-

ance to the framer of the Cabinet, unrestrained and uncontrolled.

But while the ... Senate of Canada, has the power to delay, by refusing its consent, the passage of Bills approved by the House of Commons, the Constitution provides means by which such power of delay should not be unreasonably exercised ...

The question now is whether the judgment of the [Senate] is not merely to modify, but to annihilate, the whole work of the House of Commons, work which has been performed with an amount of sacrifice of time, labor, convenience, and perhaps health, ... The issue which is raised between a deliberative assembly affected by the votes of ... millions of people, and a deliberative assembly occupied by many men of virtue, many men of talent, is a controversy which, once raised, must go forward to its issue. No doubt there is a higher authority ... It is 'the authority of the nation, which must in the last resort decide.'

There are three conditions under which legislation reaches the Senate—

1. Legislation arising directly out of the policy of either Party on which it was sustained at the polls.

2. Legislation submitted to Parliament in the interval between elections, on the responsibility of the Government, which was not announced on a Party platform nor discussed before the electors.

3. Private legislation submitted by a Minister or private Member.

In regard to each of these three groups, the obligations of the Senate are of unequal force. Presumably, every measure contained in the first group has the endorsation of a majority of the people, expressed through the ballot-box, and binding on both Houses of Parliament—on the Senate equally with the House of Commons. Nevertheless, it may be the duty of the Senate to withhold immediate sanction, or even to negotiate with the sober second thought of the people for a modification of the terms in which the House of Commons rendered its voice articulate; but to ignore indefinitely public opinion would be for the Senate to belie its origin as a trustee for the people, and invite anarchy, if not revolution.

Looking over the whole field of legislation since Confederation, it is remarkable how few in number were the measures approved by Parliament which had the previous sanction of the people. In this category I am unable to find more than five of first-class importance, namely, The Admission of British Columbia and Prince Edward Island into Confederation, The National Policy, Vote by Ballot, and the Construction of the Canadian Pacific Railway.

With regard to the second group, the Senate may properly take greater liberty. It fully recognizes that a Government exists by public opinion, and that it has the right to draw on that opinion, as on a bank account, till its credit is exhausted or further securities deposited. It remains, therefore, for the Senate to consider whether drafts made on the responsibility of the Government will be honored by the people, and so it takes the precaution sometimes to refuse its endorsation to a Government draft, or to reduce it in amount, so as to afford reasonable certainty that it will be met by the people at the proper time. When a Government measure is designed merely to regulate the business of administration, or to reform abuses or to redress grievances, of which the Government is likely to have fuller knowledge than any Member of the Senate, such a measure may be accepted with confidence, as the greater knowledge possessed by the Government is a substantial guarantee of its utility. No jealous fear that it would strengthen the Government politically should intervene. To allow such sentiments to prevail would be, as was said of Burke, 'to give to Party what was meant for mankind.'

It is worthy of notice that the legislation passed on the responsibility of the Ministers of the Crown is often of equal importance with that which public opinion has sanctioned in advance. In fact, the greater part of the legislation on the Statute Book has no other source, of which the following may be taken as examples: The Confirmation of the Washington Treaty in 1871, The Franchise Act in 1885, The Railway Act in 1883, Preferential Tariff in 1887, The Transcontinental Railway Act in 1903, The Admission of Alberta and Saskatchewan into the Union in 1905, The Agreement with the United States for the Reciprocal Exchange of Certain Products in 1911, and the Naval Bill in 1912-13.

The third group requires but little comment. It has no public opinion to support it, and only its merits can commend it to the Senate. Private legislation, as a rule, is very limited in its scope. It derives its importance chiefly from some private object, such as the incorporation of companies for purposes of gain, public utility being a secondary consideration. In dealing with such legislation, the Senate is practically a jury, called upon to decide according to the evidence submitted on behalf of the interests concerned.

But the question here naturally arises: Is Parliament in duty bound to wait for the call of this mysterious autocrat—Public Opinion—before it enters upon any new field of legislation, or should it act on its own initiative and direct public opinion in its aspirations toward the goal of a higher national life and achievement? To assume that the Senate and, for that matter, the House of Commons is in duty bound to watch the variations of public opinion, as a navigator watches the barometer, would be to rob both Houses of their individuality, and often to prejudice their judgment. And while both Houses are bound to keep step with all the progressive tendencies of an intelligent democracy, neither House should surrender its judgment at the dictum of the theorist or the alarmist. The claims made by Edmund Burke before the Electors of Bristol for a perfect freedom of action as a Member of Parliament

may with equal force be made by every Member of the Senate. Mr. Burke said:

> Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication, with his constituents. Their wishes ought to have great weight with him; their opinion, his high respect; their business, his unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfaction, to theirs, and above all ever, and in all cases, to prefer their interest to his own.

● (1645)

> But his unbiassed opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure, no, nor from the law and the Constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you not his industry only, but his judgment, and he betrays, instead of serving you, if he sacrifices it to your opinion . . . To deliver an opinion is the right of all men; that of all constituents is a weighty and respectable opinion, which a representative ought always to rejoice to hear, and which he ought always most seriously to consider. But authoritative instructions, "mandates" issued, which the Member is bound blindly and implicitly to obey, to vote and to agree for, though contrary to the clearest conviction of his judgment and conscience—these are things utterly unknown to all laws of this land, and which arise form a fundamental mistake of the whole order and tenor of our Constitution . . . Parliament is a "deliberative" Assembly of "one" nation, with "one" interest, that of the whole; where, not local purposes, not local prejudices, ought to guide, but the general good, resulting from the general reason of the whole. You choose a Member indeed, but when you have chosen him, he is not a member of Bristol, but he is a Member of Parliament.

To finish, I would like to quote from one of my favourite poems by Sir Walter Scott.

LOVE OF COUNTRY

Breathes there the man, with soul so dead,
Who never to himself hath said,
This is my own, my native land;
Whose heart hath ne'er within him burned,
As home his footsteps he hath turned,
From wandering on a foreign strand?

Hon. Lorna Marsden: Honourable senators, I wish to speak to the question of privilege that has been raised, but before I do I would like to say a word of appreciation to all the staff, in the Senate—the people who are reporting our words here and transcribing them downstairs, the pages, the security staff and everyone here who has been so impartial, pleasant and tolerant, given what has been going on. It is very impressive, and I think senators on both sides appreciate what they are doing.

Last week, shortly after the Speaker ruled so arbitrarily on our rights to vote, I was so angry at the betrayal by my friends opposite, people who apparently did not care and who connived in this unprecedented removal of the rights and privileges of people whom they often refer to as colleagues, that, I confess, I was scarcely coherent. Now, like so many of the honourable senators on this side who have spoken before me, I remain even more convinced, with each passing day, that what the Speaker did in taking the ruling he did was so appalling—and it is being perceived as being appalling—that it says two things: First, that we have absolutely no confidence whatsoever in Senator Charbonneau, his rulings or in his ability to be impartial and fair, and, second, that this lack of confidence only grows with every passing hour as his error is compounded by what is now going on in the chamber and on the other side.

The government seems to believe that Canadians do not understand the parliamentary principle involved here, but that is not my experience. I have received many letters over the last few days, and I would like to read into the record two handwritten letters I received from people whom I represent from Toronto-Taddle Creek. The first came on the weekend. It says:,

> I was shocked and appalled at yesterday's events in the Senate. It is hard to believe that Mulroney's Government can have such a cavalier attitude to due process and the rules of our parliamentary system. It does indeed seem that we have a dictatorship on our hands. How can even a majority government behave in such a manner without consequence? How can they simply ignore the lawsuits against them and deny the power of the Supreme Court over them?
>
> I am outraged and offended by the conduct of this government and I would like to do something about it. I plan to write to our M.P. and to phone various offices about this, hoping that I am merely part of a wave of concerned and outraged Canadian voices. It seems that not just the GST but justice and the honour of our country are also at stake here.

It goes on to say that if there is anything she can do, to let her know, and it is signed Jackie Isaac. A second letter, also from Toronto and addressed to me personally reads:

> I just wanted to write this short note to let you know I fully support your actions against the GST. How ironic for a government to scream about democracy when it used closure every step of the way to get the GST through the House of Commons.
>
> Brian Mulroney will go down as the worst Prime Minister of Canada. He has done more to damage this country than I ever imagined.
>
> Keep up the good work and best of luck in your fight against the GST.

It is from Brian Altwasser.

What has led us to this situation is an attempt on the part of members of the Banking, Trade and Commerce Committee, in reporting to this house, to reflect the views heard from coast to coast in opposition to the goods and services tax. I would like to read some of the letters that have arrived in the past few days and hours from people across the country. Here is a letter from Edmonton, Alberta, which says:

> You might be interested to know that in an hour-long, province-wide CBC phone-in program, *Wild Rose Forum,* on Friday, September 28, there was not even one caller who supported Mr. Mulroney's bid to swamp the Senate. The program guest, Conservative M.P. Jim Hawkes elicited a sense of exasperation, anger and even a rage in some ccallers by his asinine attempts at defending Mulroney's political manoeuvring.
>
> Many thanks for your attempts in killing this tax to date. We wish you complete success in your quest.

It is signed Ray Lapatka. Here is another letter, also from Alberta, from Dr. Ross Harris M.P. It reads:

> Dear Senator:
>
> I wish to address the issue regarding passage of the Goods and Services tax. It is clear that the people of Canada have spoken eloquently against this tax and I wish to add my voice to the populace in hopes that democracy will reign and the Senate will vote against passage of this bill.
>
> With the latest Gallup poll indicating that only 15 per cent of the people support the Conservative government, which has tried to shove this tax down our throats, I think this is the time to show Canadians that the Senate does have an important role to play in the workings of government. I only wish that the mechanisms were in place that would allow the Senate to have a vote of confidence and remove this undemocratic governing party from power.
>
> As a former Conservative, now Reform Party member, I applaud the Liberal Senators who have stood their ground, and listened to the people of Canada. I congratulate the Senate for performing an integral rol in preserving democracy in Canada.

Another letter is from Ms. Maxine Gardiner in Tilbury, Ontario, who writes:

> Dear Senator:
>
> As a loyal citizen of this blessed nation I have watched and had to stand by while it literally self-destructs without having any recourse to prevent it. I am concerned and indeed very angry at recent developments.
>
> The present bill before members at this time, in my opinion, will not serve the majority of the citizens of this nation. The GST is a horrific headache for a great number of ordinary working people and will be a hardship for families. A lot of ordinary Canadians, including children, that I talk to, are dismayed and worried about what is occurring in their country and are at a loss as to how to proceed.

[Senator Marsden.]

> The Conservative Party, itself, is treading a very thin line, the anger of the Canadian public is very close to the surface. The present government has used subterfuge under the guise of leadership which is unforgivable. The present government's promise received in September of a tax credit or rebate in December 90 and April 91 smacks of a pay off to citizens and is an insult to our intelligence.
>
> As a citizen, I therefore encourage and support the actions and stand taken by members of the Senate. *Please continue your stand in regard to the GST.* DO NOT ALLOW IT TO PASS THE SENATE AND BECOME LAW OF THE LAND.
>
> I know this places you in a very difficult position, but I do encourage you to hold your ground and uphold the integrity and dignity of the Senate.
>
> The Free Trade Agreement was and is a disaster, and the GST would add insult to injury.
>
> Good Luck and Long Live the Senate.

Here is another one from Alberta.

> Dear Senator:
>
> The people of Canada have at times been characterized as a docile group willing to accept the decisions of others in high places to decide their fate. It is with pride that I have observed our country rally against the proposed GST bill. While my own knowledge of the economy is limited, the evidence is irrefutable that the people have spoken. They do not want passage of this bill. If one good thing can be said about the GST bill, it is that it has heightened the awareness of Canadians. In fact so much that the latest Gallup Poll indicates that only 15 per cent support our present government.
>
> This is supposedly a democratic country and the people have spoken. Let their voices be heard in the Upper House. Show the Canadian people that they can be heard, and that the Senate has an important part in the democratic process.

That letter is from Miss Nadine Harris. Some honourable senators will have received different letters, but I received today a particularly imaginative letter with a small package. It has a picture of the Prime Minister on the front with one of those cancellation signs over the GST. It is in a Tory blue box. When you open it you find that there is an eraser, a pink pearl eraser with a caricature of the Prime Minister on it. The letter reads:

> Dear Fellow Canadian:
>
> It is indeed with great pleasure that we enclose, for your edification, a wonderful new therapeutic device designed to relief the symptoms of an over-taxed pysche.
>
> With the needs of the common man in mind . . .

I am sure the author meant the common person.

> . . . we have developed this magnificent new product so that, in times of anger and distress, he can vent his spleen.
>
> Governments have, for too long, been over-taxing our patience as well as our pocket books and a universal rage

> is emerging. The proposed new Goods and Services Tax (GST) is the last straw for many upstanding citizens.
>
> Now we offer the opportunity to focus that frustration and act vigorously to exorcise it. The GST eraser offers the ability to harmlessly eradicate, mutilate and humiliate the perpetrators of yet another level of taxing bureaucracy.
>
> The eraser also highlights an urgent need to be recognized by government and that is to "Earn Respect and Save Extra Revenue." We are asking our elected politicians to please heed the warning—squander this extra money and they too will be erased.
>
> Sincerely,
>
> A Frustrated & Concerned Taxpayer.

It is good to know that Canadian citizens are innovative even in times of distress, rage and frustration.

We heard in committee a great many people from the province I represent, and they have very serious economic concerns. When finally we get to the debate on this bill I intend to put on the record in more detail evidence of what the people of my province had to say. However, I wish to bring to your attention its impact on one very important industry in the province of Ontario, and that is the horse industry. One of the great protesters against the GST has been the Honourable Frank Drea, a former Cabinet Minister in the previous Conservative Government of Ontario who, as I am sure every Conservative member and Conservative senator knows, is dead set against that tax because of what it will do to this very important industry. He has written to me several times. At a later date, as I say, I will put his views, which are forceful and detailed, on the record. This afternoon I would simply quote from Joe Burke of the Ontario Harness Horsemen's Association, who wrote:

● (1700)

> The proposed GST, if applied to race horses and horses bred for racing, will deal a devastating and crippling blow to an agriculture-based industry which is already plagued by economic and other problems. Consequently, it is vitally important that, for the racing industry to continually grow, as it has done under the exceptional leadership of Mr. Frank Drea and others, the selling and claiming of race horses must be exempt from the proposed GST, as are all other livestock animals.

And he goes on. Well, Mr. Burke, like virtually every other witness who came from a particular industry or sector, wanted an exemption or a zero rating or an amendment, which, in most cases, seemed entirely justified. Of course, if all those exemptions were granted, there would be no tax proposal left.

One of the very important issues, which I hope the government is pondering, is what are the better alternatives to this tax, which, if implemented, will do so much incalculable damage to the economy of the country, to working people, and to people on fixed incomes in particular. There are several good, workable, reasonable alternatives. Many of them are described in the Report of the Banking Trade and Commerce Committee which we have yet to debate.

I would like to bring to the attention of honourable senators this afternoon an executive summary of a much longer and more detailed document prepared by Professor Jack Mintz, Professor Thomas Wilson and Professor Peter Dungan of the University of Toronto, who are not against a consumption tax but who have a splendid econometric model which the tax department knows all about and uses from time to time. They have worked out an alternative which their evidence indicates would save the $200 million which, if this tax passes, would be taken out of the economy in administrative costs, and yet generate the revenues the government needs.

Honourable senators, I am not saying that I think this is necessarily the best form of taxation. What I am saying is that it is a less damaging form of the government's proposal. In other words, this is the most reasonable sort of approach and I would like to describe it to you. Professors Dungan, Mintz and Wilson say:

> The . . . GST is arguably the most important tax reform measure to be adopted in Canada since the early 1970's. Many tax practitioners have widely supported the Goods and Services Tax as a significant improvement over the federal Manufacturers' Sales Tax . . . which is subject to a number of difficult problems.
>
> As noted by others before us, the most important advantages of sales tax reform largely flow from the abolition of the MST. The advantages associated with the abolition of the MST include:
>
> 1. The elimination of most of the federal sales tax burden from capital goods and exported goods. The existing federal sales tax system applies to many business inputs and to certain capital goods.
>
> 2. Equivalent treatment of imports of goods and domestically produced goods. The MST base typically includes marketing costs of domestically produced goods but not imports.
>
> 3. The reduction in the variability of effective consumer tax rates on most products induced by the MST.
>
> The replacement of the MST by a direct tax on consumption would realize all the above potential gains. However, the proposed GST, which is an indirect tax on consumption, is sufficiently flawed that many of the potential gains arising from the abolition of the MST are lost by adopting the current proposal for sales tax reform. These flaws arise from the design of the GST which fails to tax all goods and services purchased by consumers at the same rate. In particular, these flaws include:
>
> The GST is complex. Although the government attempted to have a broad-based GST, it provided for the special treatment of certain goods and services for political reasons: food and housing.

I might add, honourable senators, that many Conservative senators at those hearings indicated that they agreed with the

witnesses that additional special treatment should be given, and very reasonably so.

> This requires consumers and businesses to identify goods and services that are tax-free, exempt, partly taxable and wholly taxable. In addition, serious difficulties arise with the taxation of shipping, tourism, financial intermediation and services provided by competing private and public sectors. Experience in other countries would lead us to believe that future governments may introduce more rather than fewer categories of exempt goods and services or even introduce multiple rates of tax. The GST may eventually come to mimic the complex VAT systems adopted in Europe and many developing economies with high costs of compliance.

These professors are particularly concerned about compliance rates.

> The GST is not Compatible with Provincial Sales Tax Systems. The co-existence of two broad-based, non-harmonized commodity systems in Canada at the federal and provincial levels creates additional administrative problems. Brazil, for example, is a federal state with two existing VATs operating at both federal and state levels. With the lack of coordination arising from the existing of two systems, Brazil has experienced extreme administrative difficulties in collecting its commodity taxes.

Those senators who have had the benefit of the excellent brief from Professor Robin Boadway of Queen's University on interprovincial tax problems in this country will know that the situation will be worse in this country than in Brazil. The brief goes on:

> Even if the provinces adopt the GST as a substitute for their retail sales taxes, the private sector will face considerable compliance costs if the provinces do not fully adopt the federal base. If provincial and federal sales tax bases are harmonized in this manner, provinces would have to give up independent sales tax policy, something they could be very reluctant to do.

I stress again that anyone interested should read the longer brief.

> Equity and the GST. With the planned sales tax credits and tax-free treatment of food and medical services, the GST will be progressive across the lower income ranges. However, for families earning more than $30,000, the GST is not progressive—indeed, it is regressive for the higher-income groups whose expenditure on goods and services as a proportion of before tax income is less than lower income groups.

They illustrate this in a chart to show their point, and the point is made very clearly. The total effective marginal tax rate, including both income taxes, GST and sales taxes paid by a person earning additional income is fairly constant at incomes above $30,000. The tax rates are also quite high, above 50 per cent once the GST and other indirect taxes are taken into account.

[Senator Marsden.]

Their next point concerns the problems of harmonization with the United States, and they say something we have heard from many people:

> Much concern has been expressed with respect to tax harmonization of the income tax system with the United States. Yet there is little concern about similar harmonization of the commodity tax system. The introduction of the GST will maintain considerable disparity of U.S. and Canadian commodity tax rates, in that U.S. sales tax rates are typically about one-third of current Canadian rates. With the Free Trade Agreement, continued differentiation in commodity tax rates will make cross-border shopping more attractive for Canadians.

Honourable senators, anybody who was listening to the Hamilton and Niagara radio stations this past weekend will have heard that the lineups to get across the border were 3, 4, and 5 hours long. Canadians are already going south of the border to shop. What will it be like if that tax comes into effect? This is a very serious problem in all the areas close to the border where, of course, the majority of Canadian citizens live. Canadians are not dumb shoppers. They are going to go where they can get lower prices. They stop, they pay the duty, and, even with all of that, they say they are experiencing a bargain. So this problem of harmonization is serious, not only for tourism, where it is really quite awful, but also for day-to-day life.

Their next problem concerns inflation and the GST.

> The most optimistic forecast is that the GST and abolition of the MST will increase prices by only 1 1/4 percentage points. These forecasts, however, do not take into account the degree of non-competitiveness in some industries and the fact that some sectors are regulated. It may also take time for some companies to adjust prices for the abolition of the MST that is indirectly added to the costs of buying goods and services from other industries. Even a 1 1/4% price shock at the time of high interest rates and a slowdown in the economy is not welcome. This is particularly true with the apparent unwillingness of labour to accept the initial cut in real wages induced by the GST.

I draw to your attention, honourable senators, to the mild and academic language in which this is written. This is no group of protesters. These are scholarly economists with a great deal of experience and many years of studying the Canadian economy. They are very worried about these effects and are trying to come to grips with the alternatives. The brief goes on:

● (1715)

> A common reaction to the above criticisms of the GST is to acknowledge some problems but argue that the GST is better than any other alternative available to the government.

The authors of this brief disagree. They propose an alternative that, in their view, would be better than the GST. Their proposal for sales tax reform is formulated with the idea of

achieving many of the efficiency gains, and then some, but avoiding administrative costs and complexities of the GST. This alternative includes:

> Abolish the MST.
>
> Raise federal personal income tax rates by increasing the federal surtax, effectively increasing typical marginal tax rates by 3 to 5 percentage points at each bracket.
>
> Increase savings incentives in the personal income tax by instituting an investment income deduction of $1000, and increasing RRSP limits by 10% over and above planned reforms.
>
> Increase corporate tax revenues by reducing the manufacturing and processing deduction, and increasing the rate and broadening the base of the large corporations tax.
>
> The proposed system eliminates the indirect federal sales tax burden on all capital goods and exported goods and avoids differential effective tax rates on consumer products. It also achieves a more equitable distribution of tax burdens, makes our commodity tax system more harmonized with the U.S., avoids the complexity of running a new tax system . . .

They do not embroider here on the financial, psychological, and stress savings that that would have for virtually every small business and many larger ones.

> . . . and replaces the adverse price shock induced by the GST with general price reductions.
>
> The virtue of this proposal is that it does not increase the tax rate on savings since it moves the income tax system closer to one based on expenditures (income net of savings).

Their fifth point is a comparison of the macroeconomic effects of this alternative with the 7 per cent GST and they provide in their brief charts giving visual documentation of the macro economic effect of their alternative. They state:

> . . . the alternative proposal would reduce consumer prices by a significant amount, whereas the 7% GST would increase them. Because of the adverse price shock, the GST has a dampening effect on real output. Clearly the favourable long term effects of sales tax reform would involve the serious transition costs.
>
> By contrast, the economy adjusts more smoothly under the alternative proposal and favourable real output effects are realized earlier.

Their next point is: The favourable price shock from the abolition of federal sales tax would provide some room to manoeuvre for the Bank of Canada.

> The achievement of the lower rate of inflation would entail less real output loss in the near term if sales are reduced, rather than increased.
>
> If the GST is implemented, it's adverse macroeconomic effects could be eliminated if the rate is set at 5% rather than 7%.
>
> In addition, a lower rate would permit some simplification of the tax and would facilitate future federal/provincial cooperation on a national sales tax.

Now, honourable senators, that is the mildest of all possible briefs one could have.

When the witnesses were asked in committee about reducing the tax or adjusting it, or what would be the best thing for the Senate to do, they said, "Kill it."

Some weeks have gone by since they appeared, but I have kept in touch with these witnesses, whose brains are among the best in the country. I checked with them very recently and they still say, "Kill it". Increasingly heartily they say to kill this tax. They say conditions are worse than one can imagine.

Honourable senators, far from being able to kill it, we have not been able to get to the debate of the report. First, because the senators opposite filibustered so that the report could not be tabled and, secondly, because of two actions which have outraged those of us on this side of the chamber, the first being the section 26 senators, a highly dubious manoeuvre now before the courts, about which others have spoken, and the second being the unbelieveable, arbitrary, tyrannical ruling from the Chair on our right to vote.

These two actions indicate to many of us that this tax must be much, much worse than anyone thinks it is, if the government is so desperate to get it through without debate and at the cost of parliamentary rules and traditions so that no one will know what it is all about. That, of course, is why we are here debating privilege today.

Many people have talked about the nature of democratic politics. In my view, one of the best Canadian discussions comes in the dissenting statement of Albert Breton to the Macdonald Royal Commission on Canada's economic prospects which, as everyone knows, was tabled in 1984, long before these events.

I would like honourable senators, especially those opposite, to hear what Albert Breton, a distinguished economist, thinker, and contributor to the nature of Canadian society and to discourse in it had to say. He talks about the situation that now faces us. He disagreed with many of the recommendations of the royal commission and has added a supplementary review. He says:

> I hold with considerable conviction to the notion that the mechanisms which discipline and constrain democratic politics, especially democratic politics in federal states, operate with as much force as those which discipline and constrain economic life. That is not a widely shared view, though it is one that is gaining ground. The traditional and more conventional view is that economic mechanisms are so constraining as to be essentially deterministic, while politics, being the exercise of power, can be set in motion or stopped, as it were, at will. In that view, politics is always capricious and beyond rational explanation.
>
> To my knowledge, Commissioners . . .

He is referring to the other commissioners on the royal commission..

> . . . never held to the traditional view of politics, but it is fair to say, I believe, that neither did most of us accept the notion that political mechanisms are as constraining as economic ones. Over the last two and a half years, our views of politics, and especially of democratic politics in federal systems, have moved quite far away from the traditional concept . . . However, in my opinion, the movement has not been sufficiently great. In a way, that is understandable because breaking away from traditional modes of thought, even in the face of dire necessity, is never easy.

Here, honourable senators, he puts forward a clarification and an extension of the theory of democratic politics in federal states, a theory which he calls the "theory of competitive federalism". He provides a brief but more extensive analysis of the mechanisms of competitive federalism, indicates some reforms that are necessary if we wish these mechanisms to more efficient, and draws a few implications of the theory for key issues. He says:

> I insist that there is still much research to be done in this area and many problems to be resolved. However, I believe that what can be defended seriously at this moment should be present in the debates which the Commission's Report no doubt engender.

Honourable senators, I am not going to give you the benefit of all of his views. I hope and trust that honourable senators will have read all three volumes of the royal commission report. This appears in Volume III.

I do believe it is important, on this question of privilege, to draw to everyone's attention this view of what the nature of democracy is about. As you will recall, Albert Breton had a lot to say about Senate reform, which is very useful. He says:

> It has been and, to a large extent, remains conventional wisdom that the two pillars which define Canada's political institutions—parliamentary government and federalism—lack congruence. That view springs from an *a priori* abstract and formal definition of what constitutes parliamentarism to which is added a no less abstract and formal notion of federalism. The presumed lack of congruence has had enormous influence, not only on the way Canadians think about politics, but also on the way they have conditioned the evolution of their political institutions. It is true that for almost a century and a quarter Canadian parliamentarism and federalism have co-existed in more or less harmonious fashion, but the general tendency . . . to set parliamentary institutions and federalism in opposition or, if not, to view them as separate and unrelated to one another, is at the root of many of our difficulties.
>
> From the beginning of their history as a country to the present, Canadians have reflected on their political institutions with one eye on the United Kingdom and the other on the United States. England was and remains a unitary-parliamentary system, while the U.S. was and is a federal-congressional structure. Hence the following questions: Could a federal-parliamentary system work? Should priority be given to parliamentarism or to federalism? With which one of these two pillars is democracy more closely associated?

[Senator Marsden.]

● (1730)

Honourable Senators, I depart from Professor Breton's statement in the hope that someone will draw this document to the attention of the new Senator Twinn, whose remarks as reported in the press today indicate that he might appreciate some help sorting out his thoughts on the nature of the history of Canadian political institutions, as well those in the United States. In fact, I will send him a copy myself, as he is not here with us today in the chamber.

Breton goes on:

> I wish to argue that parliamentarianism and federalism are congruent; that the issue of having to give priority to either in opting for democracy is a false one; and that it is possible to reform our national federal institutions in ways that increase their effectiveness, while remaining true to their fundamental genius. A clarification of these issues is necessarily an intellectual exercise, one which requires the selection of a particular language. Being an economist by training and by preference, I feel more at ease formulating and discussing issues, even those outside the traditional frontiers of economics (problems of politics and of society, the traditional domains of political science and of the other social sciences), in the language of that discipline. At the same time, such a strategy makes it easier to draw on the powerful methodology of economics. There is, finally, a third bonus that comes from stating the issues of politics in the language of economics: it makes it easier to go from political to economic real life questions and issues and makes it easier to formulate a theory of politics that is "compatible" with economic theory.

Honourable senators will have read, I am sure, the quite penetrating analysis of Canadian Society that Albert Breton and his brother Raymond gave in a series of lectures at the University of British Columbia a number of years ago which is the forerunner of the document to which I am referring. It has had a great influence on the way in which Canadian social scientists at least, as well as American social scientists, think about their country. I discussed Breton's argument recently with a professor of law at Yale University.

Breton goes on:

> Parliamentary (that is, responsible or party) government was not designed. It evolved in response to pressures and influences applied first to monarchs by powerful interests and then, throughout history, to those in office by new emerging centres of power. The dynamics of parliamentarianism are appropriately, if somewhat summarily, encapsulated by the expression "elite accommodation".
>
> There is not much competition (or not many "checks and balances": the kinds of behaviours associated with

> political competition within governments, as distinguished from competition between governments) in such a system.

That is a comment which applies exactly to our situation here this afternoon.

> There are, of course, the checks and balances that come from powerful interests, whether economic (like business and labour, though these are not usually of equal strength), religious (churches), intellectual, (academics and research organizations), and so on. There are also checks and balances that come from Question Period in the House of Commons, from the log-rolling that takes place in caucus and from public opinion. Finally, and very importantly, there is the competition that originates in the requirement of popular support elicited in contested elections at more or less regular intervals.
>
> All in all, however, competition is quite weak, especially when Cabinet is supported by a good parliamentary majority. The weakness of the checks and balances that come from the lack of separation between the executive and legislative branches is aggravated by the "independence" of the judiciary, an independence which is reflected in the doctrine of "parliamentary supremacy", as contrasted to the doctrine of "judicial review"...
>
> A necessary implication of the foregoing is that the preferences, aspirations and opinions of the public, unless they are adopted by the power elites, are not likely to be represented as vividly as they would be in a system in which competition was more vibrant. This overly schematic description of parliamentarianism would be even more incomplete if I did not immediately add that the system is susceptible to improvements. The system is capable, as history documents, of absorbing further checks and balances, while at the same time remaining faithful to its own virtues and genius.

I would suggest that over the last two weeks we have seen a new vibrancy within the existing potential of checks and balances.

> The Report contains recommendations which go in the direction of improving competition, such as those aimed at removing budget secrecy and at reforming the Senate, recommendations that I support, although I will have more to say on Senate reform below. But one could go further. I would suggest that in addition *serious consideration should be given to finding ways of reducing party discipline in the House of Commons and, to the extent that it exists, in Parliamentary Committees as well, for all matters, except budgetary ones.* If that was done—slowly, but deliberately—the power of elected representatives would be increased, their ability to voice the opinions of their constituents would be enhanced, and the capacity of constituents to influence governments would be augmented.

Honourable Senators, what could be more desirable in today's situation in which constituents from coast to coast are asking to be heard by their government. I have said this earlier. It has been written to us in letters. We have received petitions and phone calls. What would be more desirable than to enhance the capacity of constituents to influence governments? What could be more desirable for the government, in fact, if it would only listen?

Breton goes on:

> "Responsible or party government in unitary states, however fine-tuned to better reflect the preferences of citizens, remains a weak mechanism in the performance of the task I have just noted. But when responsible government is married to federalism, that job is done much more effectively. I must hasten to add that some marriages are more successful than others and that some federal structures are better designed than others. I will explore these issues in the pages that follow and indicate what I believe are the ingredients of a good federalism and of a good marriage of federalism with party government. However, the central proposition holds: parliamentary government combined with federalism give the citizens of a country a more effective set of institutions for reflecting their will, preferences and aspirations. Responsible government is democratic government; but responsible government plus federalism is extended democracy simply because there is more competition.
>
> I must, therefore, address two preliminary questions: How does federalism introduce more competition in any system of government, more particularly, in a system of responsible government? Is competition a "good" thing, that is, something we should want in our political institutions? These questions are answered."

These questions are answered. On the question of competition, Professor Breton goes on to discuss economic theory. He looks at models of optimal competition, as well as at the theories of Adam Smith, price competition and enterpreneurial competition, also called Austrian or Schumpeterian competition, which he discusses and which I hope if you are interested you will read. However, I am sure that you all understand it.

He goes on to state:

> It is not an accident that the extension of the analytical tools of economics to politics was initiated by Schumpeter (although Machiavelli and John Stuart Mill, among others, had anticipated the possibility): it was a natural outgrowth of his work on enterpreneurial competition. Politicians, in that view, are enterpreneurs who compete for resources by introducing new politics, by developing new forms or organization, by heralding new unifying symbols, by structuring a new social consensus, et cetera. Recent writers have characterized enterpreneurial competition as "alertness to opportunities". If that is a good definition of enterpreneurship, it cannot be limited to the realm of economics, but extends naturally to politics and to other areas of life. To be sure, the "*modus operandi* of competition" will vary between business and political enterpreneurs, but their behaviour will have enough in common to be called competitive.

> Having said that, it must be recognized that not much is known about competitive processes. Earlier, in referring to intra-governmental competition—the competition between political parties, between the executive, legislative and judicial branches of government, between the various departments and bureaus that constitute the bureaucracy of a particular governmental unit, such as that of Quebec or Saskatchewan—I used the American expression "checks and balances". These words correspond to more or less specific and precise behaviour and are useful in characterizing that kind of competition. In his study of *American Capitalism*, Galbraith used the evocative term "countervailing power" in an effort to describe a particular process of competition, and others have gone on to say that . . . To illustrate, if the federal government chose to subsidize post-secondary education by giving money directly to students instead of giving it to provincial governments, these latter could "complement" by targeting their spending on education more closely to their own priorities, or "countervail" by taking the money away from students.
>
> This area of study is in its infancy. I cannot therefore associate particular competitive processes with the various kinds of enterpreneurial competition that I will discuss below.

He used the term "checks and balances from intra-governmental competition" and the word "competition", having in mind enterpreneurial competition for politics but no particular behavioural process. He then goes on to discuss federalism. He is particularly "cogent and scathing in his discussion of what is commonly referred to as cooperative federalism.

● (1745)

He makes a point about the real world complications:

> . . . a federal state can be formally defined as a type of political organization in which there are at least two levels of jurisdiction . . . between which the entire set of constitutional powers is divided. The assignment of these powers between the governmental levels is not made by one level alone. That distinguishes federalism from confederalism, a system in which the assignment of powers is made by the provinces alone, and from unitary states, structures in which powers are assigned by senior governments acting in isolation. According to that definition—

and it is useful to clarify what he means,

> —Canada is and has been a federation and never a confederation.

He goes on to say:

> The Canadian provinces, on the other hand, in their relationship with their municipalities, are unitary states.

That distinction is important when discussing the subjects of taxation and how Parliament operates.

> The division of powers and the mode through which it is effected define federalism well, albeit in a way that is too formal to be very useful in understanding how such a system actually works. From that point of view, what is much more important are the implications of any division of powers for the operations of, and relationships between, the governments of the federation, all of which are responsible governments. The central and most important implication is that in the search for popular support—something that is as needed for the effectiveness of governing parties as revenue is essential for the effectiveness of business firms—the governments of a federation will find themselves competing with each other. Federalism thus adds more competition to that already present in responsible or party government.
>
> . . . Political competition is not something that politicians choose or want, whatever their commitment to federalism and, more broadly, to liberty and to democracy. In that respect, they are exactly like business entrepreneurs who do not want competition either. Competition arises from the necessity to respond to the actions of others; it is 'forced' on people by the environment. One does not even have to be aware that one is competing to be competitive. A business firm that adopts a new technology to reduce its costs is acting competitively; . . . someone who supports a particular social movement or a particular lobby is competing; as is the politician who seeks harmony with provincial governments by removing the contentious questions from the agenda of federal-provincial encounters.
>
> There is so much mystification about this that I must dwell on two corollary points, at the risk of seeming to insist on the obvious for those who have seen their way clear on the subject. First, there is the whole bag of issues that are best summarized by the words 'co-operative federalism'. What is co-operative federalism and how is it to be distinguished from other types of federalisms? To my knowledge, the expression has never been formally defined. That may not be a lacuna because all we have, from practical experience and observation, a good intuitive idea of what is meant by these two words. Two or more persons working together to lift a heavy object; two or more persons engaged in a search for something lost; two or more persons removing snow from a road; these are examples of the kind of behaviour we have in mind when we think of co-operation. In other words, someone helping someone else achieve a certain goal or objective.
>
> Co-operative federalism by analogy would exist if all the politicians of a federation worked together to achieve some collective end. Instead of working on their own for their citizens, governments would work together for the betterment of all 'the people'. Before examining what is meant by co-operative federalism in more detail, I would like the reader to ask him or herself why it is that we do not, as societies, organize the search for justice on a co-operative basis, but instead set defence against prosecuting attorneys in courts of law? Why do we not organize the working of party politics on a cooperative basis,

> but instead pit political parties against each other in grand electoral contests?

Or, indeed, in contests elsewhere?

> Why do we not organize the search for truth on a co-operative basis, but instead require scholars and scientists to compete for research funds and for limited space in research publications? And, finally . . . why do we not organize the production of goods and services on a co-operative basis, but instead implement laws that make co-operation an offence?
>
> These examples underline the fact that in some areas, co-operation is *not* an efficient principle of social organization and that it is less efficient than competition, essentially because co-operation can easily degenerate into collusion, conspiracy and connivance and that this not necessarily good!

We all have reason to know about collusion, conspiracy and connivings in this chamber, and we know it is not good.

> In the case of federalism, would co-operation be a better principle of social organization than competition? . . . To answer the question, it must be recognized that co-operative federalism is aimed at removing the competition which is a natural by-product of federal organization. Consequently, to be able to answer the question, it is necessary to know whether competition is a 'good' feature of political organizations.

Before describing whether, in the view of Breton, co-operation is a good feature—and I will anticipate his words by telling you that he believes cooperation is not good and competition is better—let us hear what he has to say about the question, because he stresses that the notion of cooperative federalism is part and parcel of a politics of elite accommodation which plays such an important role in the dynamics of party governments.

> Indeed, in practice, co-operative federalism is nothing but executive federalism. This has been defined by Smiley 'as the relations between elected and appointed officials of the two orders of government in federal-provincial interactions and among the executives of the provinces in interprovincial interactions'.

In this country we know that executive federalism has been discredited after what we went through on the Meech Lake debate.

> The executive federalism contemplated by co-operative federalists, however, effectively extends to all the areas of federal-provincial contact. I transfers to executive and bureaucratic bargaining and negotiation what properly belongs to the realm of the political.
>
> Co-operative federalism does not necessarily eliminate federalist competition, but by moving it into executive and bureaucratic offices and corridors, it mutes its public manifestations and its effectiveness. The heart of co-operative federalism is secret deals, not the stuff on which a lively democracy thrives! There are other implications of the doctrine of co-operative federalism;

He mentions two:

> A first is a by-product of drumming into the psyche of Canadians the belief that federalism is or should be co-operative.

Honourable senators, a great many Canadians objected to what went on in this chamber last week because, as Breton tells us, for generations it has been drummed into our psyche that we must be nice and cooperative. Well, honourable senators, this testimony from the Macdonald Commission is made abundantly clear, and I hope it is understood by all Canadians that what was being engaged in was competition, competition that allowed the views of Canadians that are not really heard under the elite accommodation.

Breton argues that we have had drummed into our psyches the beliefs that federalism is or should be cooperative.

> Once that is achieved, it provides a fruitful background for the arguments of those, sometimes in one province, sometimes in another, who wish to promote and foster separatism. Indeed, a process that is inherently competitive, even if it is called co-operative, is bound to throw up incidents which separatists—themselves competitive individuals—will use to argue that 'the system does not work', because on a particular matter the politicians of a province have been rebuffed or have simply lost in the competitive game. It would be relatively easy to document that the rhetoric of Canadian separatists is often based on the notion that federalism is not as co-operative as one had been led to believe it should be. I cannot undertake that documentation task here. I simply note that if Canadians had been helped to understand that federalist politics, like all politics, is inherently competitive, the propaganda of separatism would have fallen on more barren ground.
>
> A second implication of the doctrine of co-operative federalism relates to the condemnation, by those who adhere to it, of unilateralism, that is, of independent action by any one government of the federation. Unilateral action by one government is, of course, a derogation from co-operation, since when one is acting alone one is not co-operating. Consequently, those who espouse co-operative federalism decry unilateral action on the part of any government in the federation. Although in principle, the condemnation applies to all, in practice it strikes much harder at the federal government, simply because the provinces, if they want to act in unison, have to come to an agreement—something that is not easy to do for essentially competitive entities. To put it differently, in the normal course of affairs, the central government is likely to act unilaterally more often than the provinces, to the extent that these wish to act as one, because the costs of co-ordination are positive. A condemnation of unilateralism, if enforced, would therefore affect the central government more than the provinces.
>
> Co-operative federalism, because it proscribes unilateral action, is therefore a disguised ploy to shackle the

federal government, to prevent it from addressing the problems it alone can resolve and is constitutionally responsible for resolving. Indeed, condemning federal unilateralism is condemning the federal government for acting constitutionally. This is so true that if one takes the trouble to go behind the language of cooperative federalism, to the reality of the arguments which it seeks to convey, one discovers either confederalism or conservative view which seeks to reduce the role of the federal government and, indeed, of all governments in society.

● (1800)

In concluding this argument, I note that the condemnation of unilateralism is also a denial that the division of powers between orders of government is essential to federalism. That indeed is the crux of the matter. Cooperative federalism, if it came to pass, would deny federalism itself. Those who seek cooperative federalism and labour for its realization, seek and labour for a unitary state, disguised in the trappings of federalism, but from which competition would have been reduced to a minimum or even eliminated.

The second corollary point related to the mystification surrounding the notion of political competition pertains to the language of competition and of federalism. Competition in the marketplace . . . wherever it takes place is sometimes smooth, so smooth that one can be led into believing that it is not there.

Indeed, honourable senators, I suggest that the competition in this chamber has been so smooth over the past few years that Canadian citizens may believe that it does not exist. It does exist. Coming back to Breton:

But at other times, it is rough, so rough that outsiders are often at a loss in trying to understand why so much energy and effort are displayed, why opponents are characterized in such vile fashion, why the parties become uncouth and impolite in the process of competing. In describing this second circumstance, it is not uncommon for the outsiders, who would have no problem with "well behaved", to describe the situation in terms of conflict, rancour, combat, suspicion, disharmony, and so on, and to attach to these expressions a negative connotation. The stage is then set for appeals to cooperation and for a rhetoric that praises the virtues of cooperative federalism.

Words have emotional content. For that reason, debates and disagreements are sometimes resolved by using a different language. It is important, however, that the change in vocabulary be only that, not the occasion for unnecessary changes in institutions. When competition is acrimonious one may wish to reduce its acrimoniousness; that can be a legitimate objective. But it is not because we choose to relabel a competitive process by some other name, such as conflict, disharmony, or rivalry, that we will have improved things. Indeed, if relabelling leads to the search for unwarranted institutional changes, we may have worsened this situation. Prosecuting and defence attorneys may be uncouth and antagonistic to each other; things could possibly be better if such behaviour did not exist, but surely justice would not be well served, if, to remove such behaviour, courtroom procedures were transformed from competitive into cooperative ones!

[Senator Marsden.]

Honourable senators, that is the situation in this chamber. Breton says:

Many a time I have been struck by the fact that those who resist the notion of competition and its reality in fact take offence at the language of competition. The question of how a language can be made more genteel and gracious is an interesting and difficult one. It may be possible to have a genteel and graceful competitive federalism, but whether it is or not has little bearing on whether competitive federalism is desirable or not.

Later Breton says:

The "proof" that co-operation in federations is beneficial has traditionally been based on sentimentalism and romanticism. Many people do not mind this, but scholars have generally sought to extract themselves from such clutches; consequently they have searched for a rigorous theory of federalism that would provide them with the desired proof. One of the theories used by these scholars derives from an application tofederalism of the theory of games, specifically an application of the theory of the non-cooperative game known as "prisoner's dilemma".

Professor Breton goes on to describe the prisoner's dilemma game. Perhaps, if all of you are not familiar with that game, I could briefly refresh your memory. Breton said:

Two suspects are taken into custody and separated. *This district attorney is certain that they are guilty of a specific crime, but he does not have adequate evidence to convict them at a trial. He points out to each prisoner that each has two alternatives: to confess to the crime the police are sure they have done, or not to confess. If they both do not confess, then the district attorney states he will book them on some very minor trumped-up charge such as petty larceny and illegal possession of a weapon, and they will both receive minor punishment; if they both confess they will be prosecuted, but he will recommend less than the most severe sentence; but if one confesses and the other does not, then the confessor will receive lenient treatment for turning state's evidence whereas the latter will get "the book" slapped at him.*

If they could cooperate, the two suspects would decide not to confess. But being separated and held incommunicado, they will both confess, each to "receive lenient treatment" but both will get "the book. This serves to show that non-co-operative behaviour is inefficient.

The question is whether the prisoner's dilemma game is an appropriate model to think about and to analyse federalism. In other words, will the cooperative behaviour which would lead to efficient results in the prisoners's dilemma game also lead to efficient results in the case of

> federalism? The answer must be an resounding no. The prisoner's dilemma game is simply not an appropriate model for federalism. Why? For two reasons.
>
> The first and the most obvious is that the governments of federal states are not kept incommunicado. In Canada, with close to one thousand federal-provincial meetings per year, it is hard to assume that the parties are separated.
>
> The second reason for the inapplicability of the prisoners's dilemma model to federalism is more basic . . . there are no gains from competition in prisoner's dilemma model: there are only gains from co-operation. To understand the full burden of this point, assume that the parties in the game are not criminal suspects, but ordinary oligopolists. Would we also conclude that they should cooperate (collude?) to improve their position? The logic of the prisoner's dilemma model would seem to push us in that direction. In this "oligopolist's dilemma" game, it is our instinct as economists . . . which keeps us in check; we know that the logic of cooperation appears correct only because consumers are left out of the game. Once their presence is acknowledged, it is easy to understand that competition is for their benefit. We must conclude that cooperation benefits the oligopolist, while competition serves consumers. That is why the prisoner's dilemma model cannot be used to analyse oligopolies.
>
> It is essentially for the same reason that the prisoner's dilemma game cannot be used to analyse federalism. In this case, citizens are left out of the picture. They are the ones who benefit from competition.

That is a crucial point in understanding why it is that the senators on this side of the house are so determined to pursue this question of privilege. So why is it, asks Breton, that thoughtful scholars are:

> . . . led to adopt a completely inappropriate model to analyse federalism? The answer must be that underlying the use of the prisoner's dilemma model is the (tacit) assumption that provincial governments perfectly embody the interests of the people of their respective provinces. There is no role for competition because each provincial government is assumed to be serving its people perfectly! All models of cooperative federalism in fact make the same assumption.
>
> We are therefore back to competition and to competitive federalism. But competitive behaviour is not unconstrained or anarchical behaviour; indeed competition would not survive, still less be efficient, if such behaviour was the rule. In fact competitive behaviour is restrained and disciplined behaviour.

I draw that point to the attention of Senator Charbonneau. Professor Breton goes on to discuss the questions of property rights. Then he came to the question of checks and balances. He said:

> Are checks and balances a "good" thing? There are at least two different ways of answering this question. One which is more formal, in that it focuses on structural features of political institutions, and a second one which is more behavioral in that it concentrates on the mechanisms and responses which characterize institutions marked by checks and balances, compared to those which are not.

Such as, for example, this chamber. Professor Breton goes on:

> As the words checks and balances indicate, a system in which they play an important role is one in which more barriers have to be opened, more hoops jumped, more obstacles circumvented and more impediments negotiated in an effort to obtain the passage and implementation of a piece of legislation, than would be the case in a system in which they played a lesser role. From a static short-run point of view, checks and balances reduce the legislative and executive efficiency—defined as the ratio of laws passed and implemented to the time and effort put in passing them—of political institutions.

● (1815)

> Looked at from another point of view, the reduced efficiency of law-making bodies is nothing but the greater popular control over the exercise of political power which is automatically achieved by the fact that checks and balances exist. In terms of this formal way of looking at the problem, one's view about the costs and benefits of checks and balances—and about whether they are "good"—centres one's conception of the role and importance of political power for the conduct of public affairs on the one hand, and on the extent to which that power should be controlled for the greater blossoming of individual and collective liberty on the other.
>
> The virtues of efficiency versus control are not easily described . . . Indeed, in some instances, liberty is guaranteed by a swift and unequivocal exercise of political power. For this reason, constitutions which recognize that there is a genuine trade-off between political power and liberty nonetheless acknowledge that that trade-off is not always "well-behaved"—that in other words, it is sometimes subject to exceptions—by vesting in constitutions clauses which permit the rapid employment of power in emergency situations, such as that pertaining to "peace, order and good government" in the Canadian Constitution.
>
> From a structural point of view, parliamentary systems, such as the Canadian system, are characterized by far fewer checks and balances than are congressional systems such as the American. Thus from a short-run static or formal point of view, the Canadian political system, if we disregard its federal dimension, would seem to be more efficient at "making laws" than the American system, again neglecting the federal dimension. Or to put the point differently, political power is more controlled in the American political system than in the Canadian system.
>
> However, the effective differences in the law-making efficiency of the two systems are not as great as one

would have to conclude from an analysis of their structural characteristics . . .

This . . . pertains to the dynamics of checks and balances. A system which places barriers and other impediments to the passage of legislation at the same time and in the very fact of forcing people to deal with the barriers and with the other impediments, stimulates discussion and debate on the matters to be legislated. It is as if the items remained longer on the agenda and consequently attracted the interest—voiced approval or disapproval—of a larger number of persons.

The people who develop an interest in discussing and debating matters kept on the agenda by the checks and balances are not only those who have a professional . . . concern for the matter . . . politicians, bureaucrats, lobbyists and others like them . . . but members of the general public . . .

All sorts of people.

The greater involvement in public affairs which checks and balances generate will, in general, not be limited to haphazard intervention, but will stimulate the publication of magazines and other periodicals intensely concerned with the evolution of policy. It will, in other words, stimulate organized interest in public affairs.

That is happening now.

Strong checks and balances will also mean that those citizens who get involved in public discussions and debates will want to engage in meaningful participation and consequently will seek to acquire more information on public affairs than professionals would of themselves freely choose to make available.

Such as, for example, information on how the goods and services tax is going to affect the lives of the citizens of the country.

The pressures for more information imply that over the longer term, the presence of more checks and balances leads to less secretive political institutions.

As a consequence, checks and balances, by raising the level of political involvement on the part of citizens, increase the legitimacy of the political process. Checks and balances still act to control the exercise of political power, but because, from a dynamic point of view, they raise the legitimacy of that political power, they make its exercise more efficient. The dynamic longer-term effects of checks and balances partially or even completely reverse the static shorter-term effects.

. . . the foregoing argument about dynamic effects reversing the static ones does *not* mean that law-making will be more rapid in systems with more checks and balances compared to those with fewer. The efficiency of checks and balances must be sought elsewhere.

This is a very important fact that Breton made years ago when he wrote this, and very relevant to what we are here for. He says:

[Senator Marsden.]

In a system with more checks and balances there should be fewer policy reversals over time. That is, changes in governments as a result of elections should produce fewer returns to the *status quo ante*. It is possible to argue, for example, that the cycle of nationalization and de-nationalization of certain industries which has taken place in Britain would not have happened if the British parliamentary system had had more checks and balances. This is a blatant case; the reader can surely provide some possibly less blatant but still spectacular cases in Canada.

And I say to you, honourable senators, that the GST is perhaps exactly such an example. Many of us believe that more debate, more understanding and more participation by Canadians through our system of checks and balances that we are now exercising would lead to better tax policy, fairer tax policy, tax policy that will not be reversed by the next government, an expensive operation that one does not want to encourage. That is why we believe that what we are doing here is important.

A second area of increased efficiency of checks and balances due to the long-term effects over-turning the short-term one pertains to social consensus. More social consensus means that the difference between majorities and minorities have less saliency. As a consequence, other things being equal, it is easier to enforce laws.

That, in the case of tax, is vital. We all know that tax is a voluntary filing system, and if that breaks down—and many of us believe that it will break down if this hated tax is implemented—would not only weaken civil society, but we do not need to do that. We can build consensus on tax reform. Breton continues:

The dominance of long-term over short-term effects is important. It provides part of the basis for the recommendation . . . for a reduction of party discipline in the House of Commons and in Parliamentary Committees . . . The reduction of party discipline would slow down the passage of legislation—

which would be a very welcome benefit to Western members of the Conservative Caucus at the present time, I might add,

—but, in the longer run, the benefits of this slow-down will be a more politically involved citizenry and policies and programs that are more broadly accepted by citizens. It is for this reason that I support . . . eliminating the secrecy surrounding the budgetary process. I also support, for the same reason, the establishment of a permanent Economic Policy Committee of the House of Commons, which would hold annual pre-budget hearings and whose proceedings would be televised.

Both of these recommendations would increase checks and balances. He also notes that:

. . . any reform which increased the legitimacy of the Senate would automatically increase its ability to check and balance. Again, that would sometimes slow down the passage of legislation, but in the long run, through the process described above, it would increase the involvement

and the participation of Canadians in public affairs. That must be deemed a net benefit. Checks and balances within our national institutions, as long as they are designed with care and prudence, are therefore of overall benefit.

Breton then goes on to discuss the checks and balances that come from the division of powers in our federal system, and it is an extremely interesting discussion. His very cogent remarks on executive federalism are very relevant for us. He points to the interdependence that exists in the federal system, interdependence with two prime sources: the preferences of citizens and the characteristics of "production and implementation" processes. Breton asks the question as to whether that interdependence calls for federal-provincial cooperation and coordination.

> The question is easy to answer. To the extent that interdependence originates in the properties of the preferences . . . of citizens, there is no need for formal institutionalized coordination. Indeed, one should rely on vertical competition between governments at different levels to deal with the coordination problem . . .
>
> When we turn to the interdependence on the production and implementation side, there is a strong case for formal federal-provincial coordination. That is the limited case for Executive Federalism . . .
>
> There is a real temptation, reinforced by the internal logic of parliamentary government, to extend executive federalism beyond production—

transport or trade, the free movement of people and goods,

> —to the elaboration, formulation and design of policies. If the temptation is not resisted . . . Executive Federalism serves to reduce the beneficial effects of competition.

For that reason, Breton says:

> . . . it is important that *federal-provincial consultation on virtually all matters follows, not precedes, debates in the House of Commons and in provincial parliaments. Parliamentary debates should extend to a specification of the areas that could be reasonable coordinated and those which should not be.* This kind of sorting is currently undertaken at the Cabinet level. Bringing these matters before Parliament would increase checks and balances and hence democracy. It should be favoured on that ground. Furthermore, *it is essential that such matters be debated publicly if a reformed Senate is to perform its "monitoring" role efficiently.* To those who argue that this will slow down the decision-making process, I reply with the argument developed earlier, that such a procedure will increase public involvement in public affairs and, over the longer term, will make for a more politically mature citizenry.
>
> But a more intense involvement of parliament in the policy design of federal-provincial matters and a restriction of executive federalism to "production" and implementation of policies are not sufficient for efficient competition. *Efficient competition also requires that more information be available to the public*, not only on the federal-provincial and provincial-provincial policies that are co-ordinated, but on the nature and form of the co-ordination. At present, in the *Access to Information Act*, federal-provincial communications are accorded a status equal to that of national security. That is ludicrous and should be changed.

Now, honourable senators, this debate goes on, in terms of the territorial basis of interests, and these points are very important. They deal with the question of race, language, culture, horizontal competition and what the tasks of governments are, such as nation building and province building. But I am anxious to get to the question which Professor Breton has developed about the role of the Senate, because all of this theory of competitive federalism has been building up towards one of the major reforms which I am sure everyone here hopes will be undertaken, and that is the reform of this chamber. The question that is stated by Professor Breton is, "Who monitors the monitor?". He quotes from political and economic history on this question. He states:

● (1830)

> . . . when the Fathers of the Canadian federation met in Quebec City and Charlottetown in 1864 and 1867, as well as when the Constitutional Convention met in Philadelphia in 1787, the debates on the division of power in both cases took very little time. Agreement was reached almost immediately on the conviction that the proposals envisaged were reasonable, and that in any case, marginal changes in the division of powers could be achieved subsequently either formally, informally, or by judicial interpretation. The wisdom of both groups of Fathers has been vindicated by history.
>
> What required much time and debate and was the source of intense bargaining in both cases was the Senate. To my knowledge, why things happened that way has not been considered, nor has an explanation been provided of why the structure of the Senate mattered so much to these wise men. The explanation, I wish to suggest, rests on the fact that senates play an absolutely central role in "monitoring" the vertical competition that exists in federations—the competition between the federal and provincial (state) governments. Because of that central role, it is desirable that senates be designed so as to guarantee that competition is as fair and as unbiased as possible. In my view, the Americans understood this, whereas the Canadians did not; they were too British in their outlook to understand federalism and the role of a senate in that form of political organization.
>
> The Senate acts as a "monitor" of vertical competition by injecting a provincial dimension in the central government. In a well-functioning federation, although it would always be an integral part of the central government, a senate would in some important sense be related to both orders of government. The Supreme Court was therefore right, and revealed a profound understanding of federalism, when it recently argued that the federal government

could not alone, that is, without the provinces, change the basic structure of the Canadian Senate.

It is interesting to note, in passing, that the New Democratic Party as well as its predecessor, the Canadian Commonwealth Federation, have consistently favoured, not the reform of the Canadian Senate, but its abolition. One must also acknowledge that these parties . . . have often been luke-warm *vis-à-vis* federalism as a way of organizing politics. I find great logic in that position, and, to me at least, it confirms that in a federation, a senate has an important "monitoring" role to play. To the extent that federalism becomes absorbed in the interstices of NDP thought, I would expect that party to move from abolition to reform of the Senate.

Although I think you would agree that you are seeing that process even today.

A senate can only play a "monitoring" role if it has legitimacy, and, in our time, *that can be achieved only if it is popularly elected.* Comparisons with the House of Lords in the United Kingdom are beside the point. The United Kingdom is not a federation and therefore whether the House of Lords has legitimacy or not cannot be an impediment to a role of "monitor" of vertical competition.

However, legitimacy is not enough. If a senate is to inject a provincial dimension in the federal government and thus become capable of "monitoring" vertical competition efficiently, *the basis of representation must be provincial*, not regional, as is current practice. The persistent confusion between provinces and regions that one encounters in the literature and in public debates is a close cousin, I believe, to the notion that interests are communal. The size of provinces and the location of their frontiers are not "rational" in any real sense of that term, but they are there and they determine the jurisdictions of provincial governments.

There is a growing recognition in Canada that the basis of representation in the Senate should be provincial, but there seems to be no rationale underlying this developing awareness.

The Acting Speaker: According to the rules, I will now leave the Chair until 8 o'clock.

The Senate adjourned until 8 p.m.

At 8:00 p.m. the sitting of the Senate was resumed.

Hon. Stanley Haidasz: Honourable Senators, I rise to speak on the question of privilege before this house and say that freedom shrieked on October 4, 1990, at 5:25 p.m., when Senator Charbonneau ordered the doors to this chamber to be closed, preventing Liberal and some independent senators from exercising their basic right to vote.

Freedom was dealt a severe blow here in Canada, whose men and women in World Wars I and II made the supreme sacrifice in defence of democracy. Their supreme sacrifice was desecrated by the Progressive Conservative government here in Ottawa, the Leader of the Government in the Senate, and their tool, Senate Speaker Charbonneau. This despicable act by Speaker Charbonneau and his masters is outrageous. It is intolerant and intolerable. It is subversive. Indeed, it borders on the treasonous, because the institution of Canadian Parliament has been undermined. Parliament has been subordinated for the partisan goal of ramming through the Senate an unfair, retrogressive, immoral taxation—namely, the GST-which 85 percent of the Canadian people oppose. But the Prime Minister, who has a lot of power, but lusts for supreme power in this country, wants his way, no matter what hardship it will bring upon hard-working Canadians and overburdened taxpayers; no matter what the damage to small business; no matter its deleterious effect on inflation; no matter the damage to the Canadian economy; no matter the ruin of our country.

Honourable Senators, reasonable, concerned, patriotic Canadians must not allow this ruin to happen. That is why Liberal senators of Her Majesty's Loyal Opposition will fight this iniquitous, unjust and immoral tax.

We have seen how democratic institutions were toppled by Lenin, Stalin, Hitler and other dictators, who wanted their way, who wanted more power, no matter the cost. Since 1980 in Poland, followed by other eastern European countries, people began to revolt against tyranny, dictatorship and autocratic governments. In Eastern Europe they succeeded in 1989, beginning with the victory of Solidarity in Poland, in getting rid of communist régimes. Only last week the two Germanies united to deal the final blow to dictatorship and oppression commenced by Adolf Hitler.

Now we in Canada have a federal Prime Minister who is acting like a dictator, wielding his majority as a threat to oppose the will of the people, even by curtailing the freedom of Liberal and some independent senators,—preventing them from voting in the Senate.

In the *Winnipeg Free Press* on September 26 of this year a distinguished Manitoban journalist, Frances Russell wrote that the standoff between the Mulroney government and the liberal senators reflects a paradox in modern Canadian parliamentary democracy. In her article she stated that because the nation's highest democratic institution, the House of Commons, has itself ceased to be democratic, it falls, by default, to an appointed chamber to express the popular will and attempt to hold the government accountable to the people.

She also stated that the Senate is only fulfilling that role now, because of partisanship, and may cease to do so if the Mulroney government swamps it with even more senators as vacancies occur, Tory senators here in the Senate have prevented the democratic process from occurring. Put simply, there are no longer any sustainable constitutional checks on a majority government. It is a four-year, maybe five-year, dictatorship in Canada. Not even the prospect of defeat in the next election is a deterrent to Prime Minister Mulroney. He says, "I am going to have it my way and I don't care how the people vote two or three years hence".

Honourable senators, reform of the Senate is a red herring. The real issue before Canadians is reform of the House of Commons. The journalist, Ms. Russell, concluded her column with comments attributed to our former colleague Senator Eugene Forsey. He stated to her that the government imposes closure routinely, so it is now quite reasonable to make the argument that the Senate is the only protection the public has against the majority government bent on imposing a major new issue, the GST, against the will of the people.

I would like to add that this abuse of power was very clearly spelled out in the *Toronto Star* on October 6 last. The editorial stated that without rules there is chaos. It went on to state:

> "By throwing away the Senate rulebook and all sense of fair play, Senate Speaker Guy Charbonneau has plunged the upper house into a state of anarchy and done it further damage.
>
> By rule and tradition, the Senate does not hold recorded votes until both parties agree.
>
> So it was unacceptable late Thursday last for the Speaker to order a procedural vote and then hold it 25 minutes later without the Opposition Liberals in their seats.

The article went on to state that:

> . . . this was a partisan move by Senator Charbonneau to establish a precedent for the ultimate vote in the Senate on a 7 per cent GST.
>
> But by shattering parliamentary rules and practices, the Speaker has run roughshod over the rights of all senators—not just Liberals. With this tactic, Prime Minister Brian Mulroney is, in effect, trying to impose the GST by dictatorial decree.

The editorial went on to state that:

> If Parliament is to be the cornerstone of our democracy, its rules and procedures must be honoured by all members of both houses.
>
> That's why, last June, the Manitoba Legislature permitted Elijah Harper, an eagle's feather in hand, to raise the lone voice that stopped the Meech Lake Accord. To have trampled Harper's rights would have made a sham of democracy.

It goes on to state in the editorial that perhaps Canadians

> . . . should not be surprised by this latest turn of events in the Senate. Conservative Senate leader, Lowell Murray had expressed dismay when the Manitoba house insisted that its rules had to be obeyed and Harper's rights respected.

The editorial goes on to state:

> The parliamentary rulebook allows ample room for skilful manoeuvers by all members. They can be frustrating at times. But take away the rules, and laws will have no moral authority at all.

I should like also to draw the attention of honourable senators to another editorial, which appeared in the *Edmonton Journal* on October 9 last. It stated:

> Guy Charbonneau, Speaker of the Senate, throws out the parliamentary rule book, locks the doors of the Senate and calls the vote despite the absence of all Liberals and their allies.

The editorial continued:

> Bud Olson, an Alberta senator, called the speaker "a little Hitler". . . Senator Ray Perrault compared the showdown to politics in Nazi Germany while colleagues shouted "tyranny, tyranny". Senator Jacques Hébert denounced a "*coup d'état*". Acting Liberal Senate leader Royce Frith condemned a "straight dictatorship".

We read further in that editorial:

> The Conservative senators, and their masters in the Prime Minister's office, have no claim to the high ground in this fight.
>
> On the contrary, Tory Senate leader Lowell Murray mocked Parliament with equal enthusiasm. He pretended Charbonneau's unprecedented decision was acceptable, which it is not. He accused the Liberals of being sore losers as if the legality of a vote in the upper chamber were just a petty technicality, which it is not.
>
> The rules of decorum in Parliament, as in the Canadian courts, do not exist.
>
> Those rules reflect Canadian society's respect for itself. We do not allow lawyers to scream obscenities at judges because such behaviour would bring the criminal justice system into disrepute.

● (2015)

I would like to add to that. It is the Speaker and his masters who have brought disrepute to a parliamentary democratic chamber. The *Edmonton Journal* editorial continues:

> The Speaker of the Senate has lost the confidence and respect of his colleagues to the degree that the upper house can no longer function. He should resign, and his ruling on the vote should be referred to a higher authority.
>
> As it stands, Prime Minister Brian Mulroney has stuffed the Senate with enough marionettes to do the government's bidding on the goods and services tax. He'd be wiser to reconsider the legislation than to win the skirmish with such despicable tactics.
>
> Canada's political institutions will emerge from this fight in dismal condition. A democratic government can't function properly when citizens and elected leaders hold its institutions in contempt. Is the GST really worth this heavy price?

Yesterday I received in the mail a letter dated October 2, 1990 from a senior counsel in Toronto who is learned in the law. It is addressed to the Prime Minister and it reads:

> Dear Mr. Mulroney:
>
> In your battle with the Senate of Canada, which you describe as being anti-democratic, it is time for you to stop hiding behind the will of the accountable House of Commons.

If we look at your track record on the GST, it is apparent that you have little patience for either real democracy or the House of Commons. You applied closure in the Commons to stifle any debate and you kicked out of Caucus members of your own party. These members honestly represented their electors' overwhelming voice of opposition to the GST.

Although you know that 85% of Canadians want no part of the GST, for so many reasons, all of which have received eloquent expression, you are not prepared to listen to them. To you democracy means a five-year dictatorship with the views of Canadians being irrelevant except when an election writ is issued.

Supplementing this arrogance, you have added cynicism by stacking the Senate with political cronies, some famous and some infamous, whose significant purpose will be to do your bidding. In the 1984 election, akin to dressing yourself in the raiment of a virgin, you lectured the then Prime Minister, John Turner, with the words: 'You could have said "no"'. Unfortunately, he didn't know, and neither did Canadians, that you were to become the biggest political pork purveyor in our history.

To arrogance and cynicism you have added incompetence. During this country's most delicate phase of constitutional debate, the Meech Lake accord, you just had to boast of yourself as a "dice roller", par excellence; that somehow you, alone, with an unfailing sense of timing and persuasion, had whipped all the other players into shape. When the whole thing fell apart, your GST whiz, Don Blenkarn, publicly pronounced that Newfoundland should be towed out to the middle of the Atlantic and sunk. A great day for national unity, Mr. Prime Minister!

To arrogance, cynicism, and incompetence you have added a curious indifference by maintaining personal silence during the standoff, across the barricades, between armed Quebec police and armed warriors. Your Minister of Indian Affairs said he wouldn't negotiate 'at the end of a barrel of a gun.' Whose barrel? Whose gun? You continued to maintain your silence as the world was treated to the spectacle of watching Canadian soldiers armed with rifles stare down Indian mothers holding nothing more than their children. Why weren't you there on the first day instead of on the seventieth day? Suddenly Canada's outspoken criticism of the Republic of South Africa is drawing some catcalls.

The Canadian people have rallied around the Senate of Canada as the only chamber of Parliament that, until now, has expressed a willingness to listen to them as they cry out against the GST. In your railings against the Senate, not once did you show the slightest interest in the thoughtful report of the Standing Committee or in listening to their 'second sober thought', which report and thoughts are, after all, the Senate's constitutional function.

This learned counsel continues:

[Senator Haidasz.]

With tyrant-like fury you have attacked the Senate and, spurning practice, precedent and convention, you have loaded its ranks and avoided any consultation with either Parliament or the provinces. Surreptitiously you prevailed upon the Queen, herself, to resort to an unused and untested section of a statute when Canadians believe there no longer exists any such right of monarchical involvement.

Arrogance, cynicism, incompetence, indifference and tyranny. Is it any wonder that the party you lead has attained what was once regarded as an unthinkable political phenomenon; that is, a cross-over between its percentage of popular support and the prime rate of interest!

Prime Minister, in 1988, you piously observed that four years of public office was really the actual mandate between federal elections. Now you speak of clinging to the last day of a five-year term. Please reconsider the matter once again. When a person in your office is as universally disliked as you are, anytime soon is the best time to go.

Yours very truly,

It is signed by Bruce Haines, Q.C.

Senator Corbin: Did he receive a reply?

Senator Haidasz: I do not know, honourable senators. Perhaps we should find out.

Senator Corbin: Yes.

Senator Haidasz: Honourable senators, many of the comments that have been made in the press and here in this chamber indicate why Canadians have been looking more and more to the Senate as a forum which may listen to the people and respond to their concerns as bill after bill, through stage after stage, is rammed through the House of Commons. But, honourable senators, there is no closure in our chamber; neither is there any allocation of time, according to our rules.

There are many rules in our rule book. There are rules setting out terms for discussion, there are rules of how to conduct debates in this chamber, and there are rules for negotiation between the two houses. However, it has been made clear by the Prime Minister—particularly by the Government Leader in the House of Commons, Harvie Andre—that they will not deal with our chamber. Mr. Andre said, more than once, "It's got to be our way or no way." What a shame! What dictatorship! What tyranny! Then last week the long arm of our Prime Minister reached into the Senate to force his will on this chamber through an executive closure, something that has never been attempted in this chamber. He prepared his strategy, his coup, by appointing eight senators under a constitutional rule not used since Confederation.

Senator Beaudoin said last week it was crystal clear that the Prime Minister had every right to appoint extra senators to pass his goods and services tax. Well, honourable senators, it has been proven by learned counsel in this chamber, and constitutional experts and learned counsel throughout Canada, that what the Prime Minister did is not crystal clear. That is why there are court cases mounting across Canada. A court

case has been launched by some of our colleagues in this chamber. A court case has been launched by the Attorney General of the Province of British Columbia. A court case has been launched by Ms. Weir, the Leader of the NDP in New Brunswick. A court case has been launched by a Canadian citizen, a lawyer, from Guelph. We are impatiently waiting for the rulings from these various courts about the impropriety of the Prime Minister appointing eight divisional senators, which has been described as illegal. I maintain that senators opposite cannot decree what is right and what is wrong on the issue of the appointment of the eight divisional senators. That is now for the judges of our country to decide.

● (2030)

The Prime Minister, had he been following precedent and practice, should have tested section 26 of the Constitution in the Supreme Court of Canada to check the legitimacy of his proposed appointments. However, he chose not to do so, and that is despicable. I recall that in the early 1980s, when we had what could hardly have been a more major debate in our country—the debate on the patriation of the Canadian Constitution—the government of the day, led by the Right Honourable Pierre Elliot Trudeau, was highly motivated and determined to bring back our Constitution from Britain. Many provinces wanted to attach some of their concerns and conditions to this process, and there developed quite a row. So the former Prime Minister took the issue to the Supreme Court, not on a question of whether it was legal, because most people had indicated that it was legal to go ahead in the way he was proceeding, and he had a minority of provinces supporting him, but to find out whether it was right.

The court returned a ruling that it was legal but not right, and from that ruling Mr. Trudeau was then forced to seek the agreement of a majority of the provinces of Canada to go ahead with his major proposal, the patriation of the Canadian Constitution. On the contrary, Prime Minister Mulroney chose not to go near the Supreme Court of Canada. He has left the validity of these eight appointments in deep dispute. It seems to me that he does not care about the propriety of such extraordinary appointments.

Last Thursday we also found out that the Prime Minister placed a heavy hand on the shoulder of his old friend, Guy Charbonneau of Montreal. It appears that he had asked him for the ultimate favour, "Friend, do this for me, help me to force through the goods and services tax, even though it is detested by the overwhelming majority of Canadians and even though its first casualty will be the rights and privileges of senators." This was done by a government whose popularity has dropped to 15 per cent in the esteem of the people of Canada who elected it. This was done by a Prime Minister whose personal popularity, we are told, has gone into a free fall and dropped to 15 per cent. It is evident that the Prime Minister does not give a damn about parliamentary rights, the rights of Canadians or the voice of the majority of Canadians.

Honourable senators, it is clear to us on this side that our Constitution has been violated. The rights and privileges of each one of us on both sides of this chamber were violated by the vote that was taken on October 4, and irreparable damage has been done to our parliamentary system. I believe that Senator Charbonneau has destroyed the privileges of each and everyone of us in this chamber. Guy Charbonneau has taken a very dangerous path. He has dishonoured himself, disgraced the Speakership of the Senate and has really disgraced us all.

I mentioned in my speech last week that we have been fortunate to have peace in Canada. We have been fortunate to have brave men and women fight for the rule of law and democracy. Today, as freedom comes to many nations of Eastern Europe, as the Iron Curtain has crumbled and the Berlin Wall has been knocked down, our Canadian democracy, which we have taken for granted, has been diminished by the way the vote was taken on October 4. I think it is incumbent on each and every one of us in this chamber to protect our rights in this institution. Personally I am shattered that Senator Charbonneau, a man of such great stature, a World War II veteran, could, for reasons best known to himself, have sent us all to disgrace. Furthermore, as though that was not enough, he set aside legality, courtesy, dignity and the authority of our parliamentary system. We must ask ourselves today: Where do we go from here? Canada is such a wonderful country, and I hope and pray that wisdom, prudence and honour will prevail in the Senate of Canada.

I would like now to refer to some of the statements of Sir John Bourinot. He said:

> No system of government or of laws can of itself make a people virtuous and happy unless their rulers recognize in the fullest sense their obligations to the state and exercise their powers with prudence and unselfishness, and endeavour to elevate public opinion. A constitution may be as perfect as human agencies can make it and yet be relatively worthless, while the large responsibilities and powers entrusted to the governing body— responsibilities and powers not set forth in acts of Parliament—are forgotten in view of party triumph, personal ambition . . .

He said:

> Constitute government how you please, infinitely the greater part of it must depend upon the exercise of powers which are left at large to the prudence and uprightness of ministers of state.

He goes on in his book to speak about the Speaker and the nature of the Speaker's function. There have been other experts in constitutional and parliamentary law, such as Professor W.F. Dawson, who wrote in one of his books:

> There is no doubt that the Senate has a tradition of orderly debate and gentlemanly conduct. There is also no doubt that a chamber that prides itself on its non-partisan approach to legislation will never arouse the strong feelings that occasionally disturb the House of Commons. It is impossible to imagine, for instance, the Senate ever becoming sufficiently aroused that a sitting would have to be suspended for disorder. The few cases of disorder that have occurred have been largely the result of the activities

> of a very small number of Senators with exceptionally strong opinions.

He goes on to say:

> On the whole, the Speakership of the Senate presents few of the problems that confront the office in the House of Commons. The Speaker still presides over a House noted for its short sittings, leisurely procedure and docile manners. The reform of 1906 . . . gave the Speaker the reserve power he needs to control any unexpected outbreaks or bad temper in the House.

He went on to say something that may be considered as an interpretation of our rule 15, that being:

> The one feature—political partisanship—that has traditionally plagued the House of Commons Speaker in Canada should be present in the Senate in an even greater degree, but it has never become important. It is natural that this should be so, for the Chair of the Senate does not carry with it the same responsibility or the necessity for a strict application of the rules which mark the Chair of the Commons. Debate is never as heated and awkward political situations simply do not arise in the Senate.

He then said:

> On the whole, Senators have been satisfied with those who have been placed in the Chair, and the proceedings of the Senate have never suffered from any partisan political suspicions.

What happened on October 4 in the Senate? It smacks of political suspicions and subordination to a partisan government. Therefore, it should be clear to all honourable senators that the Speaker is guilty not only of gross misbehaviour but of committing a despicable act in denying some of us senators a vote in this chamber.

Here we see that what happened on October 4 continues to take place and that Parliament has been damaged. Indeed the national fabric in this country is being torn apart, and that is why I believe no government more than this government deserves the rejection of all parliamentarians and the people of Canada.

It looks as if this government has forgotten that governing is a subtle art, that governance requires a subtle hand, that governance requires honesty with the Canadian people, that governantes requires an open process; but this government rejected all of those principles. I might add that forcing the GST on the Canadian people against their will is not the way to govern Canada.

I think it is axiomatic that no law should be passed by any parliament that the people will not obey. So this government is in danger of pushing the people of this country to revolt. This government is in danger of pushing the Canadian people into a lower standard of morality than we have enjoyed in this country.

I say to you, honourable senators, that we have reached a very sad point in our history. I hope that the long debate that we had last week, and that we are continuing this week, puts on the record, realistically and fairly, the inalienable rights of a democratic parliament. I hope also that this abuse by the government of Canada will be seen and understood better each day—understood especially by the men and women on the street.

I am forced to say that I deeply regret that in this parliamentary process in this chamber, by one small letter that we heard was dictated by the Leader of Government in the Senate and signed Speaker of the Senate, which is inexplicable and unjustified, those responsible in this government have destroyed over one hundred years of building a Canadian parliamentary system. Honourable senators, we must not allow anyone to destroy our hard-won freedoms in this country. In spite of the difficulties and troubles of our times, we must rally and fight, not only to preserve our parliamentary institutions but to renew and strengthen legal authority, respect for the rules of the Senate and respect for our constitutional rights.

I have not heard anyone on the other side convince me that what they did on October 4 was right. I do not think they have honestly tried to explain their action of October 4. Perhaps what they did is unexplainable. In these debates not one Progressive Conservative senator stood up to defend the Speaker's action.

Senator Murray: I beg your pardon? You were here trying to stop me.

Senator Haidasz: You tried it, but you did not convince me.

Senator Cogger: You were standing up on your chair.

Senator Murray: Calling the Speaker Hitler.

Senator Haidasz: What you tried to do is indefensible.

Senator Cogger: Stand up on the chair again!

Senator Haidasz: Honourable senators, in this fierce clash of views, especially today, each and everyone of us must stand up to defend our constitutional rights so that freedom will survive in Canada and that Canadians may live and work in peace in a just society. That, honourable senators, is our primary goal, our sacred duty. We must remind this government that a government is the servant of the people and not their master. Any violation of this principle should be protested and condemned. That is why we have no other choice in this chamber but to demand, and to get, the resignation of the Speaker of the Senate, because he has violated the rights of this chamber and thereby violated our Constitution and offended all Canadians. By his malicious act perpetrated on October 4 the Speaker of the Senate has destroyed our confidence in him and in the Speakership of this chamber.

Honourable senators, this subtle despotism in Canada must be eliminated in Parliament and wherever else it raises its ugly face in this country. We must therefore renew the battle for democracy to preserve the dignity of the senate. It is only in this way that we shall survive, and it is only in this way that we shall be serving the Canadian people.

The parliamentary impasse in this chamber has been caused by the federal government's obscene haste and undemocratic ways in ramming through the Senate its unpopular and unfair

legislation such as Bill C-62, the GST; Bill C-43, the criminalization of abortions; Bill C-28, clawing back the sacrosanct senior citizens old age pensions, to which they contributed for so many years by their hard work and their taxes.

Senator Murray: That is what Senator MacEachen said he would pass right away.

Senator Haidasz: Honourable senators, I ask you: why is this government doing this? What is this government's real purpose? Why the impatience and the obscene haste? Why the refusal to meet with our leadership on this side of the chamber to seek ways to overcome this impasse?

• (2045)

Before we can resume oral discussion of legislation in this chamber, we have to wait for the courts to rule on the propriety, some say the illegality, of the appointment of the eight divisional senators.

Last week and this week we received in our offices from the clerk, on behalf of the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, an announcement inviting us to a meeting of the committee at which the Minister of Justice would appear and have her say concerning Bill C-43. Well, I do not even know, and I did not read anywhere, that the committee has decided to begin hearings on Bill C-43, the criminalization of abortion in this country.

Senator Murray: The chairman is a member of your own caucus; so what are you talking about?

Senator Haidasz: Imagine if some of the members of the Legal and Constitutional Affairs committee would include a member of the disputed or putative senators, those eight divisional senators. Even now their status in this chamber is being studied by the courts. How could those senators accept a position on such a committee? It would be a very dangerous thing for them to vote on any part of Bill C-43, because should the courts rule that the appointment of these divisional senators was illegal, and had the bill passed and abortions been committed under that bill, thousands of pre-born, innocent, helpless Canadians would have been killed by abortion. I ask honourable senators, how or who can bring back the life of those aborted Canadians?

That is only one comment that I have on the problem concerning the divisional senators, whose status is not clear and, in fact, whose status is challenged by many people and even a provincial government.

Were we to proceed in a discussion of Bill C-62, what would be the role of those divisional senators whose appointments are challenged?

Honourable senators, Bill C-62 is a very important piece of legislation. It deals with taxation. It takes out of the pockets of hard-working Canadians their hard-earned money so that the Minister of Finance can go about his business. At one time he said his business was to reduce the national deficit by the money coming in from the GST. We now hear that it is supposed to be a neutral tax—that it won't affect, to any great extent, our national debt.

Senator Cogger: Will Senator Haidasz entertain a question?

Senator Haidasz: Please, after I finish my speech, because it is already after 9 o'clock.

Senator Cogger: We have all night.

Senator Haidasz: You will have your right to speak after I finish. Please respect the fact that I am on my feet. I am coming close to the end of my speech, but, before I do so, I want to put into the record the September 28 editorial which appeared in the *The Toronto Star* which is entitled, "Dump the GST and try fairness." This article states:

> By stacking the Senate with loyal supporters, Prime Minister Brian Mulroney insists that he has the moral authority to decide the fate of the GST.
>
> In fact, that authority flows from the people of Canada, the vast majority of whom abhor the GST. It is a terrible tax.
>
> The GST would undermine the cherished tradition that the burden of taxation should be allocated among Canadians according to their ability to pay.
>
> Besides treating almost everyone uniformly, the GST would treat almost every purchase the same: Good, bad, essential and frivolous all become one under the 7 per cent GST. Whether it's a hearse ride to the cemetery or a limousine ride to the Royal Alex, the same GST tax meter will click away.
>
> In trying to deflate these widespread criticisms, Mulroney keeps saying that the GST is needed to replace the discredited $18.5 billion-a-year manufacturers sales tax (MST) applied on most factory goods.
>
> It is widely acknowledged that this hidden sales tax does hurt the economy, by penalizing our exports and by favoring imports over domestically produced goods. Nearly everyone agrees that the MST has to go.
>
> But is it good enough for Mulroney to say simply that the GST will be less bad than the MST?
>
> In their outpourings of rage against the GST, Canadians are demanding the fairest possible alternative, not one that is merely less bad.
>
> The Star has always believed that the fairest tax is the income tax, because it is based on the ability to pay. Yet that's the one viable alternative that Mulroney steadfastly refuses to explore.
>
> Since it takes the expertise of tax lawyers and accountants—and the wizardry of computers——

I might add that some of those computers to deal with the very complex features of the GST have not yet even been manufactured. The editorial continues:

> Since it takes the expertise of tax lawyers and accountants—and the wizardry of computers—to examine the effects of elaborate tax changes, few have dared challenge the government's intricate framework for the GST.
>
> But one who has done so is Osgoode Hall law professor Neil Brooks. On the opposite page, he outlines one way

> the government could fine-tune the income tax system to offset the revenues it would lose by dumping the federal sales tax.
>
> While his approach was only intended as a sketch of what could be done, it would entail only modest increases in income tax rates. For example, people in the top tax bracket would have to pay roughly an extra nickel on the last dollar they make.
>
> Yet for that small price, the over-all tax system would be made more progressive and inflation would drop, not rise as it would under the GST. Furthermore, the thousands of bureaucrats hired to collect the GST would no longer be needed.
>
> But Ottawa wouldn't have to rely solely on increases in income tax rates to recover the money it would lose by abandoning the federal sales tax. The government could bolster its revenues by broadening the income tax base.
>
> If Mulroney, for example, were to close some of the most glaring loopholes in the system, he could introduce even smaller rate increases than those indicated on the opposite page:—

I will skip part of the editorial and read its conclusion. In conclusion it states:

> This list is by no means exhaustive. But if a handful of these unnecessary tax privileges were eliminated, the need for income tax rate increases could be significantly reduced.
>
> It's true that Mulroney has an obligation to pay for government services, and to reduce the over-all deficit.
>
> But he has a bigger duty to spread the tax burden fairly and not to preserve the advantages of the privileged and the rich.
>
> Fairness is all that Canadians ask.

That completes the editorial.

Honourable senators, I have already spoken for one hour and ten minutes.

Some Hon. Senators: Carry on.

Senator Haidasz: I do not know whether I should monopolize your priceless time in this chamber when we are all so tense and almost livid with anger over what happened in this House on October 4.

Honourable senators, I now see that the Leader of the Opposition has taken his place in the chamber.

Senator Simard: He is back.

Senator Haidasz: I also see Senator Gigantès, Senator Stewart and the others who made such tremendous speeches yesterday and last week.

Senator Cogger: And today.

Senator Haidasz: At this point in our debate on the question of privilege I shall take a few moments of rest.

Some Hon. Senators: Hear, hear!

Senator Cogger: May I now put my question?

[Senator Haidasz.]

Senator Haidasz: If you do not want to make a speech and include your questions in it, I guess I will have to entertain your questions.

Senator Cogger: Thank you senator, that is very kind of you.

I would quote to you from the *Debates of the Senate* of October 4, less than a week ago. I would refer you to page 2375 where it states:

> **Hon. Stanley Haidasz:** Honourable senators, although the clock of the Peace Tower struck midnight five minutes ago, I should like to take this opportunity to raise a question of privilege—

I have listened to the honourable senator very carefully for better than an hour now. I have also read what he had to say less than a week ago. As a matter of fact, that same night, when Senator Molson was going to speak, he said to the honourable senator—and I quote from page 2395 which reads as follows:

> **Senator Molson:** Perhaps I had better sit down until the honourable senator is finished. Would he like to take the floor?
>
> **Senator Haidasz:** I have spoken already.
>
> **Senator Molson:** I know that, but you are still at it.
>
> **Senator Haidasz:** According to the rules, I can only speak once.

Senator Haidasz: It is a new question of privilege.

Senator Gigantès: Don't be specious. Try for once to be straight. I know it is a difficult thing not to be crooked.

Senator Cogger: From my understanding of today's debates, the one person who came up with a new question, and who did not entertain us earlier—if I can call it that—was Senator Stewart. Senator Stewart was not in his office when the bell rang—maybe he was, but I don't know—and he was wondering whether the battery on his watch was running or was not running. It is only today, from reading the transcript of *Hansard,* that he found out that he had a legitimate question of privilege, which he raised.

What I am asking Senator Haidasz is this: Was the battery on his watch also defective? Is that a new question, or is what we heard tonight a rehash of what we heard last week? Can the honourable senator explain how what he had to say tonight differs from what he had to say on October 4?

Senator Haidasz: First of all, so far as watches and clocks are concerned, I learned after I came into this chamber at 5:30 p.m. when these doors were opened, in the letter from Speaker Charbonneau, which said, "I shall notify you I shall call the vote at 5:30." The vote was already over at 5:30, because I entered the chamber after the vote and I looked at the watch and it was 5:33. He did not even follow his own timetable.

So far as I know, we are debating a question of privilege which Senator Stewart raised on Tuesday at around 2 p.m.

Senator Cogger: He now has a battery in his watch as opposed to something else last week; is that right?

Senator Haidasz: Would you repeat your question?

Senator Cogger: I said that what you spent an hour and ten minutes talking about tonight relates to the battery in the watch of Senator Stewart and not to the question of privilege of last week.

Senator Haidasz: I think that is a specious question and there is nothing to answer.

Senator Stewart: Senator Cogger has just uttered another misrepresentation of the question of privilege which I raised earlier, at the beginning of this sitting.

I brought up the question of privilege at this sitting because the official report of what had happened at last Thursday's sitting had just come into my possession.

• (2100)

I discovered that the vote which Speaker Charbonneau said was to start at 5.30 had actually started at 5.25. That was just one leg of the cancer that afflicts. In order to discuss that leg of the cancer it was necessary for me to explore five or six other legs of the cancer.

This whole cancer should be excised from the Senate of Canada, Senator Cogger.

As I understand it, Senator Haidasz has taken up my question of privilege and has explored not only the aspect relating to the time when the doors were locked but has tried to look at the whole of this cancer—each leg as evil as all the others.

Senator Cogger: I was only asking an innocent question.

Senator Stewart: I seem to have harangued Senator Cogger. I apologize for that. What was hot anger last week has burned down to cold fury.

Senator Cogger: It appears to me that it might be clear in your mind how the current question is different from that asked last week, although that may not be clear in the mind of Senator Haidasz.

Senator Gigantès: Is the honourable senator now trying to suggest to us that he has the capacity to read someone else's mind?

Is the honourable senator now telling us that he can read the good doctor's mind?

Senator Cogger: I am only pointing out that the speech given by Senator Haidasz, for the past hour and ten minutes, sounded frightfully repetitive. It sounded like something I had heard before, and I wanted to know whether I was in a time-warp.

Senator Gigantès: You are in a time-warp. You are totally incapable of understanding the outrage you have caused. Senators opposite are absolutely incapable of a decent thought and do not know how to behave in a civilized manner. You ought to be ashamed. You are in a time-warp! You are of a time before democracy was invented.

Senator Cogger: I think your colleagues are abusing your privileges. It seems to me that they are answering for you.

Senator Gigantès: Senator Haidasz is quite capable of defending himself. All of you opposite have no concern, no respect, no sense of what is democratic.

Senator Stewart: Look at Senator Doyle! That is what he thinks of democracy!

Senator Simard: Vous allez prendre votre pilule ce soir.

Senator Gigantès: I have given up taking pills and trying to make myself appear younger. I am quite satisfied in my old age to sit here fighting for the freedom that you are trying to abolish. I still have a voice; I still have feelings; I still have resentment.

How did your leader have the gall earlier today to stand up, knowing full well he was prevaricating, and say that we were blocking the passage of two bills, one of which had been clearly indicated to be a bill on which would be passed relatively quickly, and the other a bill which our leader had serious discussions respecting getting it passed by June.

Senator Stewart: Perhaps by June 8.

Senator Gigantès: Did the Leader of the Government in the Senate not know about this, or did he try to use that as another crisis, as he did with the Estimates, when there were printed Estimates and senators opposite would not follow tradition and table them and tried to get us to vote carte blanche for $7 billion.

Senator Corbin: How much?

Senator Gigantès: They wanted us to authorize the spending of $7 billion without showing us the Estimates. That is against the tradition of any Parliament of British descendancy. That has not been done in India or Zimbabwe, but it has been done here. Why? Because Mr. Mulroney can brook no opposition.

Look at his behaviour! That behaviour has driven provincial premiers, who were willing to cooperate, into a situation in which they would not. He has used brutality and bullying. That is where you people come from. We will never tire of telling you about that. You should be ashamed of yourselves!

Senator Simard: Goodnight!

Senator Cogger: I am satisfied with the answer.

Senator Gigantès: I have not finished. I am glad Senator Simard is wishing me goodnight. I only hope that every time he offers some of his abominations he gets a verbal shot in the mouth.

Hon. Charles Turner: Honourable senators, I hope you are not trying to stop a grass roots member of this place from speaking. Every business operation in Canada operates with a set of rules and regulations. When a new employee is hired, he or she is made aware of the rules and regulations of the particular plant, store or office in which he or she works. If anyone breaks the rules and is caught, the boss takes over the job of assessing the discipline.

Nearly every senator and member of Parliament drives an automobile. The rules of the road on which we travel are for our protection, so that people's lives are protected. If the rules

are broken, the police stop the people concerned and issue tickets which are paid in hard-earned cash.

Air, bus, airplanes, and railway employees operate under rules—regulations and safety rules as prescribed by the Canadian Transport Commission. I forget the new name. Yes, honourable senators, on the railroad we stretched the rules on safety as far as we could in order to get the trains going faster than road travel. Sometimes we stretched the rules too far and something happened, or we were caught by the officials and had to attend investigations; and, in time, received time off without pay or demerit marks.

The House of Commons has a set of rules and regulations so that the Parliament of Canada can operate in an efficient manner in order to conduct the business of the government for all of the people of Canada. Yes, tricks are played by both sides, but the government of the day can limit debate by the use of time allocation or closure.

We come now to the red book, called the *Rules of the Senate of Canada*. These are the rules and regulations that were talked about, thought about, fully debated in committee and finally passed, after hours of hard work by members of both sides of this house. The Committee on Standing Rules and Orders makes recommendations to the Senate chamber, whose members, in turn, debate and pass the laws under which we operate each day.

Those rules are the "Good Book", or, if you like, the "Senate Bible". Those rules guide us in both our Senate and committee sessions.

The Speaker's job is to conduct the meetings and to keep senators operating in a correct manner so that the rules are adhered to.

Rules 49 and 50 and the guidance given on page 70 clearly describe how and when a vote is to be taken. These rules are the laws of the Senate. No one, especially the Speaker, has the right to push the rules aside unless there is unanimous agreement between the house leaders and the senators to set aside a particular rule in order to speed up the work of the Senate.

Honourable senators, the voting rules are crystal clear. The whips notify or signal the Speaker when they are ready to proceed with the vote. The Speaker states: "Let the doors of the chamber be locked." At that point, honourable senators, the clerk and the assistant clerks call out the names of each senator.

This is the process, this is the way the Speaker must operate. This is the democratic process that must be followed, as the rules clearly state on page 70 of our rule book.

Honourable senators, during my service on the CNR, I have attended hundreds, thousands, of brotherhood meetings, plus many organization, fraternal and charity meetings, and never once have I attended a meeting where the chairman was called upon to break a tie vote.

During brotherhood meetings the language at times could be a little rough around the edges, and at times the debate was tough and very heavy, but before the meeting was over and a decision one way or another was rendered. Honourable senators, the parliamentary procedure during the meeting was first class. If a member did not operate within the rules, the sergeant-at-arms moved in and the member was escorted to the door until he was able to return and operate within the rules and regulations of the brotherhood, as laid out and debated at the Brotherhood's general convention, where the suggested changes were debated in committee before they were passed and sent to the floor of the convention.

When the convention adjourned, the rules and regulations, as passed by ballot vote of all members, were photocopied immediately and each delegate received a copy upon leaving the convention.

These laws were laws that all brotherhood meetings, conducted each month or bi-monthly, adopted at the first meeting held after the convention.

If the chairman or president did not conduct the meeting according to the rules, the sergeant-at-arms would remove him from office and report him to the officials in Toronto or Montreal where a special hearing was held so that both sides of the argument were listened to by a brotherhood board, which rendered a decision in 30 days. If the chairman were found guilty, he was permanently removed from his chair and office for a period of two years. With this knowledge of rules, and my experience in the House of Commons for 16 years, six years in the chair as Assistant Deputy Speaker and four years as Chief Government Whip, I was shocked and appalled at the way the Speaker of the Senate was allowed, with full government support, to throw the rule book out the window. Surely, in our democratic process, the rules should be strictly adhered to.

● (2115)

The House of Commons and the Senate are considered by Canadians to be the highest court in the land, where all classes of Canadians, regardless of creed, colour or religion, meet to debate the various bills so that the way of life of all Canadians, rich and poor, will be improved. The job of government is to protect the people at all times.

The democratic system of government is not the type of government of the day that our soldiers, air force and navy members fought for. The system of government by the people of the people, for the people has been totally destroyed by the action of the Speaker of the day. Thursday, October 4, and Friday, October 5, 1990, were black days for me and for all Canadians. On Thursday, October 4, I said in this house:

> Honourable senators, I do not see my name on this list.

I have yet to find out why.

When I was a young lad in Toronto, my dad, who was an immigrant from Ireland, told me to be honest and sincere at all times. "When you work for a man, be loyal to the boss or get out and work for someone else. Help your fellow man or woman over the rough spots in life. Treat them as you would like to be treated. The Good Book says that all people are born equal. Some are lucky and are very rich and many are poor; but when the great scorer comes to write your name, it is how

you played the game of life that counts and how you treated your fellow man and woman."

Honourable senators, I wish to thank all the staff of the Senate for their help and kindness to all senators, on both sides of this house, during these trying times of Senate debate. They are first-class employees. You will all get your reward when you go to heaven. Thank you.

Some Hon. Senators: Hear, hear!

[*Translation*]

Hon. Fernand E. Leblanc (Saurel): Honourable senators, I think I also have a duty to rise on this question of privilege since I was denied the right to vote here in the Senate. It is the first time this has happened.

I think that if we consider what has been happening in the Senate, we must conclude that Senate reform is urgently needed. In this respect, I would like to talk to our new senators and others who may not be familiar with what happened in 1983-1984, about the report of the Special Joint Committee on Senate Reform. The report was published in January 1984. The committee's joint chairmen were the Hon. Gildas Molgat, Senator and the Hon. Paul Cosgrove, P.C., M.P.

On one of the first pages of the report we see a photograph of the Senate. In 1983, I was sitting on the other side. Among the other members who sat with us on the committee were the Hon. Martial Asselin, P.C. Of course you know Senator Asselin, and there was also Roland Comptois, M.P. for Terrebonne.

There was also Howard Crosby, M.P., a Progressive Conservative.

I am naming all these people because later on you will see the report's conclusions are important and apply to both parties.

There was William Doody, senator, who is of course well-known. Gaston Gourde, Liberal M.P,. for Lévis; Maurice Harquail, Liberal M.P. for Restigouche; Bill Jarvis, P.C., Progressive Conservative M.P. for Perth, Ontario, at the time; myself, Jean LeMoyne, Liberal senator from Rigaud, Quebec; Derek Lewis, Liberal senator from St.John's, Newfoundland; Paul Lucier, Liberal senator from Yukon; Rod Murphy, New Democrat, M.P. for Churchill, Manitoba; Arthur Portelance (who is no longer with us), Liberal M.P. for Gamelin; Marcel Roy (who was defeated), Liberal M.P. for Laval; Blaine Thacker, Progressive Conservative M.P. for Lethbridge—Foothills, Alberta, and Arthur Tremblay, Progressive Conservative senator from Les Laurentides, Quebec, who sat with us in this Chamber.

Others member who also sat on this committee were: Margaret Anderson, senator, Harvie Andre, M.P. at the time; James Balfour, senator; Martha Bielish, senator; Peter Bosa, senator; Herb Breau, M.P.; Coline Campbell, M.P.; David Collennette, P.C., M.P.; Ernest Cottreau, senator; Jean-Guy Dubois, M.P.; Jake Epp, P.C., M.P.; Joseph Guay, P.C., senator; Earl Hastings, senator; Jacques Hébert, senator; Henry Hicks, senator; Leonard Hopkins, M.P.; Renaude Lapointe, P.C., senator; Al MacBain, M.P.; Roy MacLaren, P.C.,M.P.; Lorne McCuish, M.P.; Charles McElman, senator; Ray Perreault, P.C., senator; William Petten, senator; Richard Stanbury, senator; David Steuart (from the West), senator; and Norbert Thériault, senator.

All these people participated in the proceedings of this committee which went on for quite sometime.

I would now like to tell you about the committee's conclusions. The conclusions of committee reports usually come at the end. In this case, the joint chairmen felt it was preferable to put them at the beginning, so that the report would have a stronger impact on the media and on all Canadians who were interested in these issues.

Chapter 1 starts as follows:

> We have concluded that the Canadian Senate should be elected directly by the people of Canada.

If I understand correctly, the report proposes an elected Senate.

> An appointed Senate no longer meets the needs of the Canadian federation. An elected Senate is the only kind of Senate that can adequately fill what we think should be its principal role—the role of regional representation. We propose a Senate different in composition and function from the House of Commons and from the present Senate. The second chamber we recommend is designed specifically—by its distribution of seals, by the way it is elected, and by the powers it exercises—to represent the sometimes diverse interests of the people of Canada's provinces and territories in federal legislation and federal policies.
>
> In fulfilling that role, an elected Senate would strengthen the authority of Parliament to speak and act on behalf of Canadians in all parts of the country.
>
> We reached this conclusion after reviewing the work of previous inquiries into the questions of Senate reform . . .

In fact, there have been a number of inquiries. To my knowledge, there was an earlier one by Senator Lamontagne with the legal and constitutional affairs committee. And there were others before that. This is not the first time we were talking about Senate reform.

> We reached this conclusion after reviewing the work of previous inquiries into the question of Senate reform and after hearing the testimony of witnesses in all provincial and territorial capitals. We also benefited from the advice contained in the more than 280 briefs submitted to the Committee. We were told frequently that, after so many abortive attempts at Senate reform, the time has come for vigorous action—for fundamental change in the Senate—and that it would be a mistake to adopt inconsequential reforms.
>
> Our conclusion was not reached lightly or easily. Although a substantial part of the testimony we heard favoured direct election, a roughly equal part opposed it, mainly on the grounds that a parliament with two elected houses cannot be reconciled comfortably with the princi-

ple of responsible government as it has operated in the British and Canadian traditions. Some highly respected people in public life and in the academic community prefer a reformed system of appointment to election. Among this group is one member of our Committee.

• (2130)

Although a reformed appointed Senate could bring about some needed improvements, we are persuaded that it would lack the political mandate to fill what we believe is the Senate's primary role. Only a politically strong second chamber can dispute, when necessary, the decisions taken by a government that is supported by the House of Commons. Therefore only an elected Senate can satisfy the original intent of the fathers of Confederation: the provision of a chamber that would balance judiciously the power of the Commons (which is based on representation by population) by safeguarding the legitimate interests of the people of the less populous provinces.

In proposing an elected Senate we are rejecting not only a reformed system of appointment, but also certain other proposals that have been made in recent years. One of these is abolition of the Senate. It is a course of action that from time to time has appealed to some Canadians, and it is the preference of one member of our Committee. However, the weight of the testimony brought before the Committee was overwhelmingly opposed to abolition.

In the last report we made, we said we were against abolishing the Senate outright. This solution . . .

Senator Gigantès: Honourable senators, I have a question. If the Senate is to be treated the way it was treated by Senator Charbonneau, who was acting under pressure and constraints, and according to suggestions made by Senator Murray who, in turn, was controlled by Harvie Andre who was controlled by Prime Minister Brian Mulroney, do you really think it is worthwhile to have a Senate, if there are no rules and it is impossible to do anything at all in a Chambre subject to a reign of tyranny and betrayal, with a total lack of frankness and trust?

Senator Simard: It certainly helped you.

Senator Gigantès: You are going to get a verbal slap in the face, Senator Simard, if you go on.

Senator Simard: No threats, please.

Senator Gigantès: These are not threats. You are a lightweight, Senator. This morning you attacked Senator MacEachen. That is just looking for trouble, and anyone who looks for trouble is not very smart. To attack Senator MacEachen is suicidal for someone of your substandard capabilities. Would you be so kind as to answer my question, Senator Leblanc?

Senator Leblanc: I can't answer that. I was reading from a report by a special joint committee of members of the House of Commons and the Senate, who sat down, in an atmosphere of peace and tranquility, to try and prepare a report that would reflect the situation in 1983-1984. Today, things may have changed.

Senator Tremblay: A very good answer!

Senator Leblanc: That is how things were at the time. The report is obviously based on the situation that existed back then.

Senator Simard: Senator Gigantès wants to get back to ancient history again, Senator Leblanc. Don't let this Greek distract you.

Senator Leblanc: I will continue my quote:

> In proposing an elected Senate we are rejecting not only a reformed system of appointment, but also certain other proposals that have been made in recent years. One of these is abolition of the Senate. It is a course of action that from time to time has appealed to some Canadians, and it is the preference of one member of our Committee. However, the weight of the testimony brought before the Committee was overwhelmingly opposed to abolition.
>
> Another option we reject is the creation of a legislative chamber composed wholly or in large part . . .

Senator Simard: Listen to that, Senator Gigantès. It might do you some good.

Senator Leblanc:

> . . . of delegates of provincial governments acting under the instructions of those governments. Proposals for such a chamber are usually inspired by the German Federal Council, the *Bundesrat*. A Bundesrat is appropriate for Germany . . .

I know, because I have been to Germany several times and to their parliament as well. I saw how things work over there. Of course, it is not easy to take an institution and apply its principles to another country. Our culture and traditions are different.

> The Canadian federal system is quite different, and a *Bundesrat*-type chamber could lead to serious problems. We share the view, contained in the 1980 report of the sub-committee of the Standing Senate Committee on Legal and Constitutional Affairs . . .

the Lamontagne report I referred to earlier.

Senator Tremblay: In 1980.

Senator Leblanc: Yes.

> . . . that such a Chamber would subordinate, in an inappropriate way, the federal legislature to the executive branch of the provincial order of government. It would, in the words of that report, make the federal Parliament a hybrid amounting to a monstrosity.

● (2145)

That was the term used in the Lamontagne report and it is repeated here in referring to the report.

> Nor do we consider that a system of 'indirect' election—the election of senators by members of Parliament or of the provincial legislatures—would result in any significant change in the role and political authority of the present Senate.
>
> It has been pointed out to us that only a few years ago many people were recommending a *Bundesrat*-type Senate, and some have asked whether direct election is a fad, a passing interest that will fade as quickly as did interest in the *Bundesrat*. To respond, as one journalist has, that "democracy is never a fad" . . .

The report quotes what the journalist said. I don't know who the journalist was.

> . . . is perhaps too simplistic, but there is truth in that response. It seems to us that direct election is the proper path for Canada's long-term political and costitutional development.
>
> Many witnesses who favoured an elected Senate were quick to point out that embracing the principle of direct election is only the first, although an important, step. It is also necessary to decide what kind of elected Senate would best suit Canada's parliamentary system of responsible government. We must also confront the difficult question of how to distribute among the provinces and territories the appropriate number of seats in such a politically powerful body.
>
> We believe that Canada should establish an elected Senate designed in such a way that it would not be vying continually for supremacy with the House of Commons: it should have significant powers, but it should not be able to undermine Canada's well-tried system of responsible government. We therefore propose that the new Senate be given only a suspensive veto, which would allow time for national debate and reflection, but which the Commons could, after a suitable lapse of time, override by re-passing the legislation in question.
>
> We also propose that every effort be made to ensure that senators have a significant degree of independence of party.

This is to make them less partisan in certain circumstances.

> Only then will they be able to speak in favour of local and regional interests without having to be concerned primarily, as members of Parliament must be, with adhering to party policy. A healthy measure of independence is therefore essential if the Senate is to fill its role of regional representation. This does not mean that senators would lose sight of the needs of the country as a whole.

In fact, that is how it works in the House of Commons. Members look after the interests of their ridings but they also consider the well-being of the country as a whole. That is what federal members are supposed to do.

> It is for this reason, and also to distinguish senators from members of the House of Commons, we propose that senators be elected for a single but comparatively long term—nine years—with one-third of the senators being elected every three years. To lessen party influence in the choice of senators, all but one of us prefer 'first-past-the-post' elections in single-member constituencies to proportional representation in multi-member constituencies.
>
> Each province would be divided into as many constituencies as it had senators.
>
> We recognize that, in the absence of proportional representation for an elected Senate, the political parties will have to work hard to achieve balanced representation from across the country in the Commons and the Senate. This is as it should be. In striving to do this, they will have to adapt their policies accordingly, and this can only benefit national politics.
>
> On the question of the distribution of seats, the Committee was advised by nearly all witnesses across Canada that the divsion should be made not on the basis of the present four Senate regions but by allocating seats to each province and territory. We accept that this kind of allocation reflects more closely the diverse nature of Canada.
>
> As to how many seats should be allocated to each province or territory, we recognize that there is no perfect solution. We believe that giving and equal number of seats to each province would not be appropriate, having regard to Canada's historical development ant the configuration of its population.

Which means that the report is opposed to the western concept of a Triple-E Senate. The report says clearly that it is

unnecessary for each province to have the same number of senators.

> If each province had the same number of seats, five provinces with as little as 13.4 per cent of Canada's population would have a majority of seats if they had the support of the territories.

I don't think the Triple-E concept already existed at the time. So that was the main reason why people thought provinces should not have equal representation in the Senate.

> While the less populous provinces merit a stronger voice in Parliament, equal representation in the Senate would tilt the balance too far and would be unacceptable to the vast majority of Canadians, not only to those living in the two largest provinces. We therefore propose a compromise . . .

● (2200)

Canadians are good at striking a compromise, although nowadays, it seems to have gone out of fashion, but who knows, we might get back to it some day.

> . . . whereby most provinces would have an equal number of seats, but Ontario and Quebec would have more and Prince Edward Island and the territories would have fewer. Our proposal would, for example, give the four western provinces together as many seats as Ontario and Quebec jointly.

This would balance representation of the four western provinces with that of the two central provinces.

> We believe that most Canadians would agree that our proposed distribution, or something close to it, represents a fair solution.

> One of the original purposes of the Senate, and indeed, of the federation itself, in 1867 was to help protect Canada's French-speaking minority. Today, that purpose can best be achieved by an elected Senate with a special voting procedure.

> We are therefore proposing that measures having linguistic significance be approved only by a double majority: that is, by a majority of francophone senators and by a majority of all senators. If such measures failed to be approved by the double majority, they would not become law, and Senate rejection of them could not be set aside by the House of Commons. For these measures, and for them alone, the Senate would have an absolute veto.

Contrary to other laws where it is stipulated that the Senate had a suspensive veto. I think that is very important.

[Senator Leblanc.]

> Our proposals for the design of an elected Senate are interdependent, and it is important that they be considered together.

And the numbers, the distribution and the powers . . .

> These proposals contain some novel features and will require public discussion.

Naturally, we will go out and probe the public opinion.

> To put in place any kind of elected Senate will require federal-provincial negotiation and subsequent constitutional amendment.

Of course, the Constitution will have to be amended to accommodate an elected Senate and that will mean consulting our friends the provinces.

> As regards that process, some witnesses from Quebec and some members of the Committee suggested that so far-reaching a change as the introduction of an elected Senate should not be implemented without the agreement of the National Assembly of Quebec. All this will take time. Meanwhile, certain reforms to the present Senate should be made now.

> These reforms are set out in detail in our report. They are designed to be consistent with an elected Senate, into which we hope the present Senate will evolve, and to help prepare the way for it. For a couple of members of our Committee, who believe that an elected Senate should be introduced only after a lengthy period of public discussion, these reforms are of particular importance. The reforms include the introduction of a fixed term for future appointments, the more flexible use of the Senate's powers in a way that could give the chamber a suspensive veto, and increased use of investigative committees. The implementation of these reforms will provide a basis for assessing how much more effective an appointed Senate would be and could confirm whether the Committee is justified in its judgement that the election of senators is necessary.

> Some witnesses said that reforms are needed in other institutions, such as the House of Commons and the Supreme Court. Our terms of reference do not allow us to comment on those suggestions. We should say, however, that the reforms we propose for the Senate do not preclude and need not delay any desirable reforms in other institutions.

That is the House of Commons and the Supreme Court.

> It is our conviction that an elected Senate along the lines we propose would strengthen Parliament and make a significant contribution to easing some of the tensions

> that have troubled our country in the last decade. We believe that our conclusions on these important matters merit consideration by the federal and provincial governments and by all those who are concerned about our national well-being and the effectiveness of our political institutions.
>
> We urge the government to implement our recommendations as soon as practicable and request, pursuant to Standing Order 69(13), a comprehensive response to this report.

I do not know if the House of Commons has tabled a response to the report; I am not aware of that. The proceeding was new in the House of Commons. During the time that I was sitting in the House of Commons, that did not exist. The reports were tabled and the Government did not have to make comments or respond in any way to those reports that were tabled.

Later on, they changed the rule. They decided that the government would have to respond to major reports. I have no idea whether it ever did.

I will dispense with Chapter 2, "The Committee's Hearing and Decisions".

It deals with the historical background of the committee, where it went, with whom, etc. This has probably less significance just now.

On the other hand, I feel that Chapter 3, entitled "The Arguments for Senate Reform" is much more important.

> In this chapter we describe the arguments that have been made for reforming the Senate. These arguments spring from a belief that, in one way or another, the Senate has not filled its role adequately. It is therefore appropriate to look first at the role originally intended for it and at the evolution of that role.
>
> The original purpose of the Senate: The Senate was created in 1867 to fill not one but two major roles in the new federation. One was to protect and represent, so far as federal legislation was concerned, what Sir John A. Macdonald called "sectional interests". Sectional interests include those interests peculiar to a region or to a linguistic or religious group. In this report we use the more familiar term 'regional interests'. The other major role—

On course, in 1867.

> —was to help ensure political stability by acting as a counterweight to the popularly elected House of Commons. These two roles were to be carried out by the exercise of 'sober second thought'

"Second sober thought" indeed!

These two roles were to be carried out by the exercise of 'sober second thought' in the review of legislation emanating from the lower house—a house that drew its mandate from election based on population, although in those days the franchise was restricted.

As the powers of the national government in the federal system were to be relatively large, the Senate's check on the use of those powers was to be comparatively strong. The second chamber was given powers equal to those of the House of Commons except with regard to money bills.

The role of protecting and representing regional interests was reflected in the structure of the Senate. An equal voice was given to each of the three Senate divisions (or regions, as they have come to be called): Ontario, Quebec, and the Maritime provinces. Each of the three regions—to which a western region was added later—had an equal number of seats, regardless of the size of its population.

This meant that both the less populous provinces and the predominantly French-speaking province of Quebec were to be given some protection against the wishes of a simple majority of Canada's population, as represented by the decisions of the House of Commons. Historians say that without this protection there would have been no federation. As George Brown, a prominent father of Confederation from Upper Canada, said: "Our Lower Canada friends have agreed to give us representation by population in the lower house, on the express condition that they could have equality in the upper house. On no other condition could we have advanced a step."

This was of course for the protection of French-speaking Canadians in those days. Without this condition, I do not think there would have been a federation. The report seems to confirm that.

At the same time, it is our understanding that there was also a concern to ensure representation for the English-speaking minority in Quebec. This group, already protected in the Quebec Legislative Assembly by section 80 of the *Constitution Act, 1867*, received additional protection in the Senate. Each of the 24 senators for that province was to represent one of the 24 electoral divisions of Lower Canada and was to reside or own property there. Because of the way the anglophone and francophone populations were distributed within the province, this helped to ensure that some Quebec senators would be English-speaking.

The Senate's other role—acting as a counterweight to the popularly elected House of Commons—was reflected in the way senators were chosen. They were to be appointed rather than elected,

Things have not changed to this day.

> and only from among those citizens who were at least 30 years of age and who possessed property worth at least $4,000.

They say that $4,000 was a fair amount of wealth in those days. I do not think you could ever compare $4,000 in 1867 and $4,000 in 1990.

> Implicit, therefore, in the role of the Senate were the representation and protection of several minorities: the people of the less populous provinces, the French- or English-speaking people of Quebec, and people with property.

Now let's talk about the evolution of the Senate's role.

> The most important development affecting the role of the Senate since 1867 has been the gradual change in public attitudes, not only in Canada but worldwide, toward appointed or indirectly elected legislative bodies. The resulting loss of political authority meant first that the Senate's use of its so-called absolute veto over federal legislation came to be resented and, subsequently, that the Senate was no longer prepared to use its powers except on rare occasions. The last bill to be rejected by the Senate was a 1961 government bill to change the *Customs Act*, although the Senate has successfully amended a number of bills since then. One important consequence of this development was that senators could no longer act as politically powerful representatives of regional interests. The Senate's role therefore evolved toward one that complemented rather than competed with the popularly elected House of Commons. Its principal functions are now improving legislation . . .

Through its committees, of course.

> . . . and investigating questions of public policy.

● (2215)

Honourable senators, I think I could suspend my presentation at this point. It would take a lot of time to read the whole report, and there is also an appendix to that report. The report is about sixty pages long.

You already have a good idea of what the committee wanted to recommend and the reasons behind those recommendations. I thank you, honourable senators.

[*Editor's Note: For continuation of proceedings see Issue No. 97D.*]

THE SENATE

Tuesday, October 9, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 97C.*]

[*English*]

THE SENATE

STOPPING OF DIVISION BELL—SPEAKER'S LETTER—QUESTION OF PRIVILEGE CONTINUED

Hon. Peter Bosa: Honourable senators, I rise as my colleagues have done to protest the abuse of the privileges that have been taken away from us and to protest the usurrping by the Speaker of the Senate rules of procedures of this chamber.

I rise also on another point, which is that is that we have now introduced a new dimension in the debates of this chamber, namely, legislation by exhaustion. This government, having obtained its majority, having trampled over the rules of the Senate, has now decided that the opposition is going to be allowed to speak for as long as it wants, but it is not going to reverse its stand. The government senators are not going to re-establish the rules they have trampled on but are going to allow us to speak until we are exhausted, until we drop, and then, at that time, they will pass their legislation.

I want to reassure the Leader of the Government in the Senate that on this side of the house we are on the right side of the issue. We have taken on this battle like a mission. For us it is a matter of principle. We are fighting for a principle, and therefore there is a will and conviction behind our fight. I can assure him that exhaustion will not make us lie down. We have a lot of troops on this side and everyone is geared up to continue this fight, and we will.

The moment the Leader of the Government got his majority he could not contain himself. He had to pull a fast one. It is obvious, as Senator Stewart said some time ago, that they do not know how to govern. They have been out of government for such a long time that they do not know how to govern. What did they do? Having broken the rules of the Senate, they proceeded to abuse the privileges of senators. They advised independent members by sending them a letter saying that a vote was going to be held at a particular time; but they did not advise other senators, particularly those on this side.

What did they do? At about 5 o'clock on October 4 a letter was sent out, purportedly from the Speaker's office, to the Leader of the Government and his deputy, to the Leader of the Opposition and his deputy, the two whips, and the six independent senators. No one else received that letter.

What happened? At 5 o'clock this letter was apparently delivered to the people mentioned, and at 5:25 the vote was taken.

Was this a vote of the Senate? It was not a vote of the Senate; it was a vote of the Conservative caucus. They used the red chamber for a meeting of their caucus. I would ask honourable senators to look at the list of members who are listed in the vote. They are all Conservatives.

Senator Corbin: Read the list.

Senator Bosa: I will read it. The list contains the following names: Atkins; Balfour; Barootes; Beaudoin; Beaulieu; Bélisle; Berntson; Bolduc; Buchanan . . .

Senator Stewart: No, no, he is against the GST.

Senator Hébert: It must have been a mistake.

Senator Bosa: But he is listed here. The list goes on: Carney; Castonguay; Chaput-Rolland; Cochrane; Cogger; Comeau; David; DeWare; Di Nino; Doody; Doyle; Everett—Senator Everett is an independent and he was invited to this caucus meeting. The list goes on: Eyton; Forrestall; Grimard; Hatfield; Johnson; Kelleher; Kelly; Keon; Kinsella; Lavoie-Roux; Lynch-Staunton; MacDonald (*Halifax*); Macquarrie; Marshall; Meighen; Molson—he is another independent. The list continues: Muir; Murray; Nurgitz; Oliver; Ottenheimer; Phillips, Poitras; Robertson; Roblin; Ross; Rossiter; Simard; Spivak; Sylvain; Teed; Tremblay; and Twinn. The list totalled 54. There was one abstention: Macdonald (*Cape Breton*), and he, apparently, was paired with Senator Lewis.

Senator Stewart: Senator Bosa, in fairness to Senator Buchanan, I would point out that Senator Buchanan is on record as being opposed to the goods and services tax. I hold in my hand a report dated October 20, 1989, from the *Chronicle Herald*, a Halifax newspaper. The dateline is Yarmouth, Nova Scotia. It states:

> Premier John Buchanan said Thursday the Mulroney government faces the prospect of a damaged Atlantic-Canadian economy.
>
> The premier, in an interview, said he is concerned about economic trends in the region.
>
> "I'd have to be living up on the moon not to be concerned, because I am concerned," Mr. Buchanan said Thursday following a cabinet meeting in Yarmouth.
>
> "I'm concerned, not so much with the political ramifications here as I am with the economy of this part of Canada."
>
> Mr. Buchanan said it is important that he and other Atlantic ministers voice their opposition to the Goods and Services Tax and Via Rail cutbacks during the first ministers conference in November.
>
> He said there must be a "rationalization" by the federal government concerning the way cuts are spread out.

> Mr. Buchanan said he was confident the Mulroney government will turn things around once it "recognizes and appreciates that these problems are not imaginary. They are real and . . . the present situation with respect to our economy is going to worsen."
>
> Mr. Buchanan said the GST, in particular, "is wrong in every possible way."
>
> "It's a consumers tax which will hurt the economy.
>
> "It will . . . fire up the flames of inflation . . . and impede economic development and therefore hurt and reduce provincial revenues; and that will hurt services," the premiere said.

That story goes on and on; yet Premier Buchanan's name appears in the list of elite senators, the "insiders", permitted to vote on October 4, 1990.

In view of his strong statement against the GST I think we should recognize that when he voted on October 4, it follows that he was voting only against the specific motion which was then before the House and not on the GST question. It is clear that when that question comes to the house he will be voting against the GST. I think that is almost inevitable. I say "almost" because if he votes for the GST he will have given new meaning to the most famous of the Canadian political stories. I am speaking of the story of a politician, which has been told repeatedly by Liberals and Conservatives, and, I suppose, New Democrats too. Let me recount it from a Liberal point of view.

A Conservative politician was travelling around his constituency. He talked affably to the people in one house. There was a little boy who was interested in this curious politician. He said, "Our cat, Nellie, has had six new kittens. Do you want to see them? The politician was led away to see the six kittens. After about ten days that politician happened to go back to the same house. He, of course, was extraordinarily affable—the election was almost at hand. He asked the father and the mother how they were and then the little boy how he was. He also asked the little boy, "How is the cat and how are the kittens?" "Oh," said the little boy, "The cat is still very well and the kittens are very much better." The politician asked, "Well, how is that?" And the little boy replied, "Well, they are all Liberals now." The politician said, "But I thought they were all Progressive Conservatives, because that is what you told me a few days ago when I was petting them"; to which the little boy replied, "Oh, but they have their eyes open now."

Honourable senators, it may be that Senator Buchanan has undergone a great change. The fact of becoming a senator may have changed his mind on the GST. He may have undergone transfiguration. He may see new virtues in the GST, virtues which were not evident when he was the premier of a relatively poor province at the extremities of Canada. I say "almost" because it is almost certain that he will vote against the GST, but, like the kittens, his eyes may have been opened. Now that he is a senator in Ottawa he may see things different from when he spoke in his own province.

[Senator Stewart.]

I am sorry to interrupt, but in defence of Senator Buchanan I thought these things ought to be said.

Senator Bosa: Thank you very much.

Senator Gigantès: May I ask Senator Stewart a question? Senator Stewart, must we expect from you, out of regional solidarity, that whenever the name of Senator Buchanan or, indeed, any other Nova Scotian from across the way, comes up, no matter what they have done, you will, out of this regional solidarity for which Nova Scotians are wonderfully well known, stand up and defend them regardless of what their attitude is, regardless of the fact that they may have sold their souls to Mulroney?

Senator Stewart: No, I think Senator Gigantès misunderstands my intervention.

Senator Gigantès: Please explain how.

Senator Stewart: When Senator Buchanan was premier of Nova Scotia and when he spoke in Yarmouth, Nova Scotia—-

Senator Gigantès: He was premier of Nova Scotia?

Senator Stewart: Yes, for a long time. When he spoke in Yarmouth, Nova Scotia, on October 20, 1989, he spoke from the point of view of a premier who understood some of the implications of the GST on the economy of Nova Scotia. He has since been translated to the Ottawa scene, and it would appear—and I don't want to prejudge the case—that the central Canadian viewpoint is setting in.

Senator Gigantès: A plastic central Canadian viewpoint.

Senator Stewart: I don't know about that. The simple answer is this; that when someone from the Atlantic provinces speaks on behalf of the people of the Atlantic provinces, regardless of political position, I should applaud, and I would hope other honourable senators from that region would do the same.

• (2230)

Senator Gigantès: Do you expect applause from people from the other side, because they are from the same region you are from when you are defending the rights of your fellow Nova Scotians not to be taxed unjustly?

Senator Cogger: Did you get Senator Bosa's permission for this question?

Senator Gigantès: I have the permission of the honourable Senator Bosa to put a question to Senator Stewart, who has put a question to him. I am trying to get the purport of the question posed to Senator Bosa by Senator Stewart so that I can better understand the flavour and the context.

As you can see, I have Senator Bosa's permission.

Does the honourable Senator Stewart expect to see the same generosity of spirit and solidarity expressed by honourable senators opposite from his region, or have events since last Thursday convinced the honourable senator that some honourable senators opposite are beyond hope, especially one who comes from the university with which you are affiliated?

Senator Stewart: I appreciate the fact that Senator Bosa has yielded the floor to allow me to deal with this important point. It takes my mind back to the Confederation debates. The intention of the Fathers of Confederation was that senators coming from Quebec and the Maritime provinces would be alert to protect the people in those provinces from the dominance of Ontario, which it was expected would control the House of Commons under the principle of responsible government.

That is plain on the record, and that is why so much attention was given to the composition of the Senate when the Constitution was being written.

What has happened is that political parties have exerted their influence. I am sure that a very good case can be made for an elected Senate on the basis that it will tend to liberate senators from the sway of their party colleagues in the other place.

When we have an elected Senate, I feel confident that senators from Nova Scotia, senators from Newfoundland and elsewhere, will stand up to vote for the people in their province, that they will react to the letters and the telephone calls which must come to them from people who are threatened by a measure such as the goods and services tax.

In the meantime, until there is an elected Senate, one can only hope that considerations of what I have called the Prime Minister's shilling will not be too important.

Perhaps I should explain the expression "the Prime Minister's shilling".

There was a time in England when the navy and the army were recruited by rather dubious methods, a time when press gangs were used to recruit men for the navy, a time when the Queen's shilling was used as a technique to recruit people into the army. Recruiting officers would enter pubs, not early in the evening. There they would approach healthy young men at an opportune moment and offer them the Queen's shilling.

The acceptance of the Queen's shilling committed the recipient to service in the army. That is why the expression "to take the Queen's shilling" is a standard expression in English history.

I used that expression a couple of times this evening, and I felt I should explain it.

Honourable senators, there are senators who have taken the Prime Minister's shilling, and I know that they feel that they have a special commitment, particularly with regard to the GST. We even have been told by the Prime Minister that when the GST gets safely into the statute books, some of them will feel that they have done their duty and will fly away to their corporate board rooms.

When there is an elected Senate, the people from the regions will expect their senators to represent the interests of these regions; but, on the other hand, when we do not have that situation, senators will feel pressured—there is no doubt about this—in their caucus, by their leaders, to do what the party wants, which very often is what Ontario wants, and they will be told: "Forget the people in Nova Scotia; you are up here now." They will be told: "Forget the people in Newfoundland; you are up here now." They will be told to accept such things as the deregulation of air services, regardless of what that does to the people in Stephenville, Newfoundland, and regardless of what that does to the people in Yarmouth, Nova Scotia, or the people in Charlottetown.

We know that such things happen. It does not help the people from Stephenville, Charlottetown or Yarmouth in any way at all.

Senator Frith: Or Bayfield.

Senator Stewart: This specific problem does not arise in the case of the place where I happen to live, but it did arise in the case of Stephenville, in the case of Charlottetown and Yarmouth. There are senators in this room who know what I am talking about. They intend to vote for the GST. Well, wait until they go back to Newfoundland; wait until they go back to Prince Edward Island; wait until they go back to Yarmouth, Nova Scotia.

Senator Gigantès: Honourable senators, I should like to continue asking questions of Senator Stewart, because he has raised a disturbing process and questions regarding something I have some doubt about and some difficulty with.

Do I have your permission?

Senator Cogger: Yes.

Senator Gigantès: I am all for an elected Senate. If senators cannot be elected, let us abolish the Senate. You have said that elected senators will represent their regions. Will they represent the interests of their people, or will they represent the majority? What happens if the majority is wrong?

I had a discussion on this with one of my colleagues opposite. What happens if the majority is wrong? Will elected senators defend the people they represent or the party that has won a majority, even though it may not be a majority of the people, even though that majority may have been won by the usual Madison Avenue techniques, which have been so well adapted, especially by the boardroom giants of those opposite, the sellers of Aspirin, the sellers of faulty cars, the sellers of trips to the Caribbean that fail, and all of these nice practices of the big business tycoons who support the Tory party.

Will the elected senators defend the interests of the people, or will they defend the misled people?

Senator Stewart: Perhaps we are asking Senator Bosa to be too patient. I am quick to admit that there may well be a great deal of truth in the fears that the honourable senator has expressed, but let me say this: If we had an elected Senate, I can guarantee that any senator intending to seek re-election, whether he be from Nova Scotia, Newfoundland, New Brunswick or Prince Edward Island—and I can only speak for those areas—would think carefully before voting for this measure.

Senator Murray: Is this a question of privilege?

Senator Stewart: A question was asked of Senator Bosa and another question arose. I am trying to deal with the question that was put to me. I apologize if Senator Murray is disturbed

by the notion that elected senators, particularly those who would seek re-election, would be more attentive to the interests of their people than they would be to the interest of the government.

I have one last word for Senator Gigantès. The concept of responsible government is subtle. It often is said that responsible government means that the executive government is responsible to the elected representatives of the people, and that the elected representatives of the people, in turn, are responsible to the electors.

I ask: What happens in the case of a Prime Minister who does not intend to run again? What happens when—and this is of concern to all of us, because all senators are scoffed at on the basis that they are not responsible to the electorate—that there are many people in the House of Commons who will not run again, perhaps many ministers of the Crown? This is not new with this government. This has been the case since 1867 in this country, as well as in the United Kingdom.

The doctrine that the elected representatives of the people are responsible to the people is, in large part, a myth, a myth imposed upon the people as a means of convincing them to accept the actions of the people they elected in the last election, perhaps two, three or more years ago.

Let us not be misled by mythology. Let us not be misled by the mythology that the elected representatives of the people always intend to go back for re-election and are, therefore, responsible.

Senator Bosa has been most patient, and I thank him for that.

Senator Bosa: Thank you. I assure honourable senators that when I get copies of today's *Hansard*, I will autograph them and deliver them to the senators whose names have been immortalized today.

Senator Gigantès: I will hang that copy with pride in my office.

● (2245)

Senator Bosa: Honourable senators, I want to draw your attention to something that appears in the *Debates of the Senate* of October 4, 1990, on the bottom of the second column of page 2342. You will read there that the Honourable Lowell Murray, Leader of the Government and Minister of State for Federal-Provincial Relations, said:

> When Your Honour calls the division on this matter, my colleagues and I will be standing and calling for a recorded vote.

I want to back up one step. I want to read Rule 49 to you.

> (1) When a question is put to a vote, the Speaker shall ask for "yeas" and the "nays" and shall thereupon decide whether the question has carried.
>
> (2) In the absence of a request for a standing vote, the decision of the Speaker is final.
>
> (3) Upon the request of two senators before the Senate takes up other business, the Speaker shall call for a standing vote, at which time the "yeas" shall first rise in their places, then the "nays", then the abstentions.

[Senator Stewart.]

What does that mean? On October 4 there was a motion moved by Senator Frith. Let me read to you what he said on that occasion, which is on the same page:

> Honourable senators, of course I am disappointed with the ruling. I am particularly disappointed because I think it is so clearly an attempt to strain the clear words of Rule 33 and turn to other rules based on the word "laconic". The very clarity of the section is what makes it not necessary to refer to other rules.
>
> However, I think the most important result of His Honour's ruling for the Senate is the consequences of it, and that means that something that is concerning a lot of people, is concerning the provinces, is apparently concerning a former Justice of the Supreme Court of Canada, and appears to be concerning the media—and, according to my mail and telephone calls, concerning a lot of people—is not receivable. That is the question that we should clear up, namely, the status of the eight additional senators. I should think they would want this matter cleared up, and it appears that a lot of people do want it cleared up. It is the subject of law suits. It is the subject of a law suit that is in the process of being brought today, as I have said to the press and I am saying here now. That action is being brought by some of our colleagues in the Senate because people are so concerned that the matter should be clarified by the courts before we go any further.
>
> Those are the serious consequences of His Honour's ruling—that, in effect, we are prevented in the Senate from dealing with this.
>
> I believe this matter should be cleared up. We cannot properly do business in this place until the situation is clarified. Everyone is concerned about it. It keeps coming up again and again. We have to give ourselves time to get this matter clarified by reference to the court.
>
> I move that the Senate do now adjourn.

Now what happens? The Leader of the Government had this situation cooked up long before it came to the Senate. He was going to trigger a standing vote if Senator Frith had not given him the opportunity to do so. He wanted to have a recorded vote as soon as possible, because he was going to put the Grits in their place. He was going to have a standing vote so that the bells would ring; and he knew that if the bells rang we would walk out and probably stay out longer than normally is the case. Had Senator Frith not moved that motion, Senator Murray would have done something to cause the motion to be moved. The evidence is here in *Hansard* on page 2342. When the Speaker rose to put the question, those opposite did not wait for the Speaker to say "Will those honourable senators who are in favour of the motion please say "yea"?" and "Will those honourable senators who are against the motion please say "nay"?". The Speaker would then have said that in his opinion the "yeas" had it or the "nays" had it, in which case

those who did not agree with the Speaker's opinion would have stood up and a recorded vote would have been asked for.

Before the Speaker put that question, the Leader of the Government in the Senate stood up, as did the Deputy Leader, and said:

> When Your Honour calls the division on this matter, my colleagues and I will be standing and calling for a recorded vote.

That is what happened. If he had not premeditated this event, why did he stand up before the Speaker put the question? He is an expert parliamentarian. He has been in this chamber for some 11 years and has been the Leader of the Government in the Senate for six years. He knows the rules of the Senate like the back of his hand. Why would he do that? Because he wanted to trigger this event so that he could put his ill-conceived plan into play.

Senator Corbin: Who did you say knows the rules?

Senator Bosa: Senator Lowell Murray, except that he got carried away with the emotion. They are not used to having power, and, consequently, the moment they had the majority they lost their cool. He dove head first into the situation. In doing so, he ruined the reputation of the Speaker. Senator Charbonneau is finished. The reputation of the Speaker has been ruined. The fact that he cooperated with the leadership—Senator Pitfield said yesterday that they were in collusion—also impacts on the Speaker, although the Speaker, in my opinion, was a victim and the only mistake he made was being loyal to the Conservative Party. He accepted the condition that was put on him by the leadership of the government.

Senator Hébert: But he had a choice. He could have said no.

Senator Bosa: He had a choice. Do you remember the televised debate during the election of 1984? Prime Minister Mulroney said "Yes, sir, you had a choice; you could have said no". The Speaker had a choice. He could have said no. While the primary responsibility lies on the shoulders of the Leader of the Government in the Senate and the Prime Minister, much of it also lies on the shoulders of the Speaker, because he could have said no and he could have resigned with his reputation intact.

Here is a man who has had a brilliant military career. He served his country from 1942 to 1944. He had a successful business career. He is an important businessman. Until last week he also had an unblemished parliamentary career. He was a highly respected man who time and again rubbed shoulders with international leaders. But with the stroke of a pen they nullified him. The ultimate insult to the Speaker was perpetrated by the leader, which shows you that they are not well prepared for these things.

What did the leader do? Senator Thériault had risen on a question of privilege and said his rights had been violated because he had not been properly notified, as senators on the other side had been, that a vote was taking place. He said he had the same rights as other senators and he was complaining about the fact that he had not been notified. However, our whip had distributed copies of the Speaker's ruling, and the honourable senator complained about the fact that his copy was in English. After all, he is a French-speaking member and we are a bilingual country. Usually, when notices go out, especially from the Speaker's office, they are in both languages.

When Senator Lowell Murray heard this point of privilege, he immediately felt that he had to correct Senator Thériault's impression that the notice was only in English. What did he do? He retrieved the file that was sitting in front of Senator Doody, his deputy. He pulled out a sheet of paper, a letter, and he showed Senator Thériault the French version. In doing so he gave away his secret.

This is the emblem of Canada, and, because this is a copy, the emblem appears to be in black and white. The letter that was put on my desk by my whip was like that, as was everyone else's, except that of the leader. His letter contained the red emblem. Senator MacEachen, you were not present, but Senator Murray had a red emblem on his document, which means that he had the original. That was the ultimate insult to the Speaker of this chamber. Senator Murray showed everyone that he had the original of the letter and that it had been, therefore, drafted in his office with the cooperation of his colleagues and then handed to the Speaker, who had it distributed under his own name. That is a shame.

I noticed that, but I did not have the quickness of mind to say "You referred to a document and now you must table the document." When a minister rises and reads from a document, he is required by the rules to table that document. But we did not have him table the document, and when I pointed a finger at him and said that the Leader of the Government in the Senate had shown us the original letter, which means that he had concocted this plot a long time ago and that the ruling was made in his office, he did not deny it. Why did he not deny it?

Senator Hébert: Because it was true.

Senator Bosa: Because it was true. Today we have a chaotic situation in the Senate. That ruling forced us to fight, filibuster and demand that the ruling be redressed and that the Speaker resign so that we may restore proper Senate procedure to this chamber. We could not proceed as if nothing had happened because, after doing this, they would have done something else. But what is most surprising and most disappointing is that they have the majority, and they could have used that majority at the appropriate time in order to pass their legislation. They did not do so. They were trigger-happy.

● (2300)

Let us consider Senator Everett. He purports to speak for himself. I regret that he is not here, because I do not like to speak when he is absent from the chamber; but this is my turn to speak. I am sorry that he did not come to the Senate today. I do not think I am doing anything wrong, however. If he finds that what I am saying is incorrect, he can always rise on a question of privilege to rebut it.

There was another rule broken when the vote was taken, when the Conservative caucus had its meeting in this chamber

and the Speaker, acting as Chairman of the Conservative caucus, allowed the Conservatives to vote by themselves.

The rule book stipulates that in order for a vote to take place the two whips have to walk in, and then the doors are locked. This is a recent amendment to the rules. Let me show honourable senators what happened. This is what Senator Everett said at page 2365 of the *Debates of the Senate*:

> Honourable senators, I have been pilloried and insulted this evening by people whom I hold in high regard and whom I like dearly. Why would I put myself in a position to be treated in this manner? Surely I would only do so if I felt extremely strongly about my actions.

In other words, Senator Everett is speaking from conviction. He satisfied himself as to that. He came to the chamber and some senators questioned some of the things he was saying.

He went on to say:

> It would have been easier to have stayed in my office—
>
> **An Hon. Senator:** Yes.
>
> **Senator Everett:** —and avoided the vote.
>
> **Senator Perrault:** At least you got a letter!
>
> **Senator Everett:** It would have been easier to have stayed in my office and not have pushed my way in, as I did.

Then I made an intervention. I did so because when the bell stopped I came out of my office. I saw him rush into the chamber and I said to him: "The doors were closed!" Senator Everett stated: "That is right."

Listen to the absurdity of what he said a little later—and, believe me, he was trying to make a point. I will read the preceding paragraph so that we can have this in sequence. He stated:

> It would have been easier to have avoided the vote this evening and waited until the vote was called on the GST. Incidentally, I still do not know how I will vote on the GST.

He is giving us notice that he is not committed to supporting the GST, but he says that he has not made up his mind yet. He then goes on:

> Why did I do that? Because I feel strongly about a principle, a principle that I feel has wrecked friendships. If my actions have caused people I like to be unhappy, it has been worthwhile because of that principle. That principle is that the work of Parliament must go forward. I would attack the Liberal side or the government side if the business of Parliament is unnecessarily delayed.

Senator Everett is an arbiter, an umpire—he is a Pope. He then goes on to say:

> I spoke against Senator Murray's point of order, as I thought it was a delay of Parliament. I strongly believe that the progress and process of legislation should go forth.

Here comes the crunch:

[Senator Bosa.]

> What has happened here is not a delay in the normal course of debate; it is not even a filibuster that I could enjoy, in which we could all take part, and one that might go on all night and all day. That is part of the legislative process.

So he accepts a filibuster. Senator Cools stated:

> It will go all night and day!
>
> **Senator Everett:** Believe me, when the bells are allowed to ring from Thursday until the following Tuesday, that is not part of the legislative process.

Honourable senators know that traditionally the Senate sits on Tuesday, Wednesday and Thursday. What happened on September 27 was that there was a motion for adjournment at around 3:30 or 4:00— between 3:00 and 4:00, at any rate.

Senator Hébert: It is on the record.

Senator Bosa: My point is that usually we adjourn at that time. We adjourn at around four o'clock. There have been times when we had nothing on the order paper and adjourned earlier than that. But that particular day I believe we adjourned at 3:30. Well, we did not adjourn; we walked out, because we learned that the Leader of the Government in the Senate was surreptitiously going to usher eight British senators into this chamber. They were going to catch us by surprise; but we have some people on this side who opened their eyes and saw what was happening.

In order to prevent that, because it was a surreptitious action on their part, we moved the adjournment of the house and that is a non-debatable motion. Therefore, the bells had to ring and, in order for the vote to take place, the two whips would have had to walk in.

We walked out in protest because the Leader of the Opposition had sent a letter to the Governor General saying that before he made his recommendation to the Queen about the appointment of those eight senators—

Senator Hébert: So-called senators.

Senator Bosa: Yes, because the matter is now before the courts. I thank Senator Hébert for helping me.

What happened? The Governor General did not heed the request of the Leader of the Opposition in the Senate.

Senator Haidasz: Shame!

Senator Bosa: He did not heed the request of Mr. Gray, the Acting Leader of Her Majesty's loyal Opposition in the House of Commons. He did not heed the request of those two gentlemen. He went ahead and made his recommendation to the Queen anyway.

Senator Haidasz: Arrogance!

Senator Bosa: That was real arrogance. We decided that we were going to boycott that, that we were going to protest that. The leaders of Her Majesty's Opposition in both houses were denied access to something that historically is their right. They were denied the right. They were denied the right to make a presentation to the Governor General.

Senator Haidasz: Shame!

Senator Bosa: That is the reason why we allowed the bells to ring and we walked out.

Senator Everett said that we allowed the bells to ring from Thursday until Tuesday. But we were back in the chamber at 2 o'clock Tuesday afternoon. So, yes, it is true that we left the chamber on a motion to adjourn and did not come in to vote, but it is also true that it is an established tradition in this chamber that we only sit three days a week, with some exceptions.

Senator Hébert: Of course; we have the committee work.

Senator Bosa: Of course, the committees. But there have been other exceptions. We have sat on Fridays and we have sat on Mondays.

When I was a member of the Special Committee on Terrorism and Public Safety, chaired by Senator Kelly—I say this in jest; please don't take it personally—he was a real slave driver. He made us sit on Friday from 8:00 a.m. to 10:30 p.m. He made us sit on Saturdays from 8:00 a.m. to 10:00 p.m. He made us sit on Mondays from 8:00 a.m. to 10:00 p.m. And we ate sandwiches—dry, stale sandwiches.

Senator Hébert: You are getting your revenge now.

Senator Bosa: I am afraid to get my revenge, because I might gain weight.

At any rate, I repeat that the Senate usually sits three days a week. That particular week we sat for three days and returned on Tuesday, yet Senator Everett says, "Believe me, when the bells are allowed to ring from Thursday until the following Tuesday, that is not part of the legislative process."

Honourable senators, I do not know whom he is defending. Why did he not say, for instance, that the Speaker's ruling was wrong? He may want to be impartial; Senator Davey Steuart referred to him as being sanctimonious. But if somebody wants to be impartial, he ought to be impartial all the time, not only some of the time.

Honourable senators, Senator Everett knows the rules. Do you mean to say that Senator Everett did not know that the Speaker of this house had distorted that ruling, that it was an unprecedented ruling? Do you mean to say that Senator Everett did not know? Senator Hébert, I am asking you. You know Senator Everett.

Senator Hébert: I know him a little. I thought I knew him better.

Senator Bosa: Honourable senators, I do not think he acted impartially when he made those statements. When he comes back, if he thinks that I have abused his—

Senator Corbin: To whom are you referring?

Senator Bosa: Senator Everett.

Senator Corbin: Oh, when he comes back.

Senator Bosa: Yes, when he comes back.

Senator Corbin: Senator Bosa, are you now moving off that particular question of privilege? If you are, I should like to put a question to you.

Senator Bosa: Yes, go ahead and put a question.

Senator Corbin: Would you accept one?

Senator Bosa: Sure.

Senator Corbin: Earlier you quoted from the *Debates of the Senate*. I was working, as usual, on the French text. You alluded to a ruling by the Chair, at page 2342, or you were quoting the Speaker, who said:

> After careful reflection and study, it seems to me that the terms of Rule 33 are rather laconic. Therefore I have first to be conscious of the Senate's Rule 1:

Senator Bosa: Did you say that now? Who said that?

Senator Corbin: You were quoting the Speaker, who said that.

Senator Bosa: Yes.

Senator Corbin: This appears at page 2342 of *Hansard*, the second paragraph on the left hand side of the page. The Speaker said:

> After careful reflection and study, it seems to me that the terms of Rule 33 are rather laconic.

Have you got that?

Senator Bosa: Yes. They are clear, in other words.

Senator Corbin: They are clear. Do you feel that "laconic" means that they are clear? Is that your understanding of the term "laconic"?

Senator Bosa: That is my understanding, yes.

Senator Corbin: Let us for the moment accept your definition, and bear with me. I want to pursue this, if you wish, before you answer.

The Speaker continues: "Therefore I have first to be conscious of the Senate's Rule 1," and then he goes on to quote citation 84 at page 25 of *Beauchesne's* Fifth Edition.

When something is clear to you, do you need to go to another rule or to an interpretation to understand the meaning of a laconic rule? The Speaker, of course, was making a reflection. He was making a reflection from his position in the Chair on the rule of the Senate, a rule which all senators adopted many years ago. It is one of the older rules in this book, as I understand it. I think it is even older than Senator Molson, who was once a chairman of the Rules Committee.

• (2315)

What does rule 33 state? It states:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen, a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the Orders of the Day.

Senator Bosa, accepting your understanding of the word "laconic," and accepting that the Speaker has the same under-

standing of the meaning of that word, why in the world did he not accept rule 33 at face value? Can you explain that to me?

Before you answer that question, I should like to be clear as to the meaning of the word "laconic." I deliberately looked into Webster's Third New International Dictionary of the English Language Unabridged. I turned to the word "laconic" and all the derivatives of that word. I will read them now so that we have an understanding of what people who write dictionaries understand of the meaning of that word.

The recitation begins with the word "laconian." It states that it is an adjective that is usually capitalized and is from the Latin *Laconia*, a region of ancient Greece; and from the Greek Lakon, noun and adjective, plus the English "an", Laconian. The meanings are as follows:

> 1: of, relating to, or characteristic of Laconia, a region of ancient Greece.

I know an area in New Hampshire that is called Laconia Notch. When you come through that notch you can see the face of the old man of the mountain up in the hill. It is a geological marvel. Of course, the Americans have exploited that, as they exploit just about every landmark possible. That is one meaning of "laconian."

The second meaning states:

> ..of, relating to, or characteristic of the people of Laconia.

I see Senator Gigantès listening attentively. The honour of his people are at stake here. I wish he would add to my comments later.

Those are two definitions for the word "laconian." There is another definition of the term "laconian" when it is used as a noun and capitalized. It states:

> ..a native or inhabitant of Laconia.

There is then the definition of the word "laconic," which is what the Speaker used in his ruling. He thought that rule 33, which relates to questions of privilege, was laconic. Let us see what "laconic" means, according to people who write up dictionaries.

Senator Bosa: May I ask a question?

Senator Corbin: Yes.

Senator Bosa: What is the word above "laconic" or "laconian?"

Senator Corbin: "Laconian?"

Senator Bosa: What is the word above? Are you reading from a dictionary?

Senator Corbin: Yes, I am reading from the blue dictionary on the Table, Webster's. I see that you have Oxford. That Oxford dictionary was not there when I consulted the Table, so I am using Webster's Third New International Dictionary. Let us stick to one dictionary; it is tough enough to get a meaning of this word.

I am at the word "laconic." It comes from the Latin *Laconicus; from the Greek Lakonikos, from Lakon, Laconian, and so on. Those are the roots of it. It further states:*

[Senator Corbin.]

> 1 *archaic, usually capital*: of or relating to Laconia or the Laconians: SPARTAN

"Laconic" can mean "Spartan" in its old sense. It goes on to state:

> 2 a: speaking or writing with Spartan brevity:—

You said that "laconic" in your mind means "clear". They say here that "laconic" alludes to the brevity of something—a citation or definition, or whatever.

Senator Gigantès: Honourable senator, have you finished with the Webster's definitions, or are there more?

Senator Corbin: There are more. May I continue?

Senator Gigantès: When you are finished I should like to comment on that, if you and Senator Bosa will also allow it, because the ancient Greek language is my field of specialty.

Senator Corbin: Not only that, I think it is your duty to intervene, my honourable friend.

The second definition is:

> . . . speaking or writing with Spartan brevity: CURT, TERSE, UNDEMONSTRATIVE.

They then give literary examples taken from literature. There is "Laconic, these Indians." That was written by Weston LaBarre. There is another quotation which states: "an antiseptic romance between Jones and a laconic young widow." That was from Martin Levin. Is it in that sense that the Speaker was using the word "laconic?" I do not know; he has not explained it to us. It probably sounded nice and had a nice ring or resonance to it, so he thought he should use it and from there go to other interpretations of the rules rather than stick to the rules.

Definition 2b of "laconic" states:

> b: spoken, written or expressed briefly or sententiously: PITHY—

There is another example from the pages of literature. It states: "the tone of the commentary laconic and masculine." That was taken from the *Times Literary Supplement*. There is another literary example. It states:

> ..a laconic derby-hatted interlude that stops the show.

Henry Hewes is the author of that. For a synonym for "laconic" it states "see CONCISE." Another definition follows that one for "laconic." It states:

> 1: a laconic person 2 a: curt or concise expression b laconics pl: concise sentences—

I do not know what the Speaker has against laconic rules or laconic statements, but to me it seems like darned good stuff. It is brief, it is to the point, it is Spartan and crystal clear.

We now go to the word "laconical," adjective from "laconic." There is then "laconically". The dictionary states:

> . . . in a laconic manner.

There is then "laconicism." There is an example from literature here again. It states:

> . . . one of the most heroic laconcisms of all literature.

That was written by D.C. Smith. There is then the word "laconicum" from the same root in the singular. In the plural it is laconica. The definition states:

> . . . the sweating room of an ancient Roman bath.

That is probably where the Speaker is right now, namely, in the laconicum. There are then two more words that come from the same root. "Laconism", again comes from the Greek. The definition states:

> . . . imitation of Lacedaemonian manners, esp. in terseness of expression, fr. *lakonizein* to speak laconically, laconize}

Definition one of "laconism" states:

> . . . brevity or terseness of expression.

The literary example states:

> . . . the provocative laconism of the newspaper headline, which conceals meaning almost as often as it expresses it.

That was from B.R. Redman. Definition 2 of laconism states:

> . . . a laconic expression.

Finally under that litany of laconic words is "laconize", which is a verb. The definition states:

> vi: to incline to the Spartan cause or manner: to subject to Spartan rule.

Senator Bosa, I certainly will not prevent you from quoting Oxford. They may come up with other jewels.

Now that you have heard me recite these definitions in various versions of the word "laconic," have you a better understanding of what the Speaker was trying to achieve?

Senator Bosa: Oh, yes.

Senator Corbin: Can you elaborate on your thoughts? It would be most useful to understand how that person's thinking functions, because I just do not understand it.

Senator Gigantès: Perhaps I could clarify this.

Senator Bosa: Yes, if you would just bear with me for a second, Senator Gigantès.

I, too, took the liberty of taking the Oxford dictionary from the Table to look up the precise meaning of "laconic." It does give the explanation that you have so laconically given, Senator Corbin. It states that laconic is brief, concise, sententious, given to such speech or style, hence, laconically.

It goes on to state that "laconicism" is derived from the Latin and the Greek and has to do with the Spartans being known for their terse speech.

This is the version that I have. But above the word "laconic" is the word "laconian", and above the word "laconian" is the word "lackey". You know what lackey means, do you?

Senator Corbin: Yes.

Senator Bosa: It is all in connection with the same thing.

Hon. Philippe Deane Gigantès: The Spartans, who were also known as Laconians, were known for their terse but precise speech. For example, when a young Spartan was going to war, his mother would say to him: "Come back with your shield on"—except she cut it down to the smallest number of words.

When Leonidas was defending phonetically against the Persians, the Persians summoned him to surrender the Spartan weapons. He used two words in answer: Molon lake—two words. We would say, "Come and get it." But nothing was unclear. It was terse but perfectly clear, which is characteristic of rule 33. It is terse and brief, because you do not have to confuse the meaning. Generally, when people use too many words in the rules, it means that people have either a confused mind—which is very characteristic of a Tory mind—or they have something to hide. They want to have grounds for trickery and certainly 33 gives no such grounds whatsoever. It is too clear.

• (2330)

Senator Bosa: The Hansard reporter has just left and she could not possibly have taken down the words that you uttered a few moments ago which were not English. They probably sounded all Greek to her. Perhaps you would spell them for her.

Senator Gigantès: I will give them to the reporters in writing.

At the same battle of Thermopylae when Leonidas had said, "Molon Labe" the Persians then said to him that if they fired all their arrows the sun would be hidden and Leonidas answered, "Good shade." There was no mistaking his meaning and there never was mistaking the meaning of Spartus, one of the very best speeches in Thucydides which is replete with great speeches. There is a very short one paragraph speech by the representative of Sparta and therefore a representative of the Spartan Senate which ruled Sparta. In other words, it was not the House of Commons that ruled in Sparta, it was the Senate.

Senator Hébert: Was it elected?

Senator Gigantès: No, it was not elected. That speech is superb and it is an indictment of the Athenian empire. I have not forgiven the Spartans for defeating Athens in the 5th century B.C. This was an indictment of the Athenian empire so pithy it absolutely grabs you by the guts with its clarity as Article 33 does. It said very simply that when a matter or question directly concerning the privileges of the Senate . . ." there is no doubt about that.

Senator Corbin: May I interrupt for a moment.

Senator Gigantès: Sir, I will yield to you. You are senior to me, though younger.

Senator Corbin: It has nothing to do with that. What we are attempting to do here is to shed light on a difficult pronouncement made by the Speaker.

Can something that is laconic be termed "rather laconic"? Let us take an expression used by Senator Beaudoin which is "clear cut." When you speak of something laconic, can you say it is "rather laconic?" It seems to me that is muddying the term rather than crystallizing it.

Senator Gigantès: It is rather like saying "rather unique" or "rather pregnant." You are either pregnant or you are not, or you are unique or you are not. There can be no "rather"

attached to laconic. You are either laconic or you are not; but article 53 is.

Senator Corbin: One is a chicken but not more or less a chicken.

Senator Gigantès: It is like "more or less pregnant," as I said.

Senator Corbin: Excuse my interruption, Senator Bosa, since you were the original speaker.

Senator Bosa: Thank you very much for the explanation of the word "laconic."

Honourable senators, English, which is my third language, is a language I started speaking in Italy. My first teacher was Flying Officer MacRae from Aberdeen, Scotland. In fact, the first song I learned that I thought was an English song was *Just a Wee Deoch-an-Duoris*. I didn't find out it was a Scotish song until I came to Canada in 1948.

Senator Petten: Would you sing it for us?

Senator Bosa: Do you want me to?

Senator Petten: Yes.

Senator Bosa: The first line is:

Just a wee deoch-n-duoris,
Just a wee yin, that's a'
Just a wee deoch-n-duoris
'Afore ye gang awa'
There's a wee wifie waitin'
By a wee but 'n'ben
If ye can say "It's a braw brecht moonlecht necht"
Yer a' recht, ye ken.

Hon. Senators: Hear, hear!

Senator Bosa: Perhaps I may come back to the point I was making. Senator Everett made an intervention after Senator Grafstein had spoken.

Senator Muir: I was born in Scotland.

Senator Bosa: Do you identify with my accent? Was my Scottish accent all right?

Senator Muir: We could certainly all hear you.

Senator Bosa: When I sang *Just a Wee Deoch-n-Duoris*, did you understand me?

Senator Muir: No, no.

Senator Bosa: I will sing it to you in private in the reading room.

Honourable senators, Senator Grafstein was addressing the Senate and he started out by saying the following:

> Honourable senators, I should like to rise in partial response to the honourable gentlemen and ladies who have recently entered this chamber and bring to the government's attention—and to the attention of all honourable senators—a serious problem relating to the consequences of proceeding with matters in this chamber, as well as matters on the other side, if some serious question arises with respect to the constitution of both this and the other House.

We can certainly tell that Senator Grafstein is a lawyer. This is not very laconic. He goes on to say:

> I see that the Leader of the Government in the Senate is smiling. Let me, with some seriousness, address an issue that was brought to my attention by learned counsel today. I asked—as have all of us—legal counsel and others about the consequences of proceeding if there is some taint, either in this place or the other place, with respect to legislation or votes that might go forward. I am sure that if all honourable senators would seek their own counsel on this, they might also find that there are several serious consequences.
>
> The first one, in particular, is the consequence of the government's proceeding with a tax measure. The tax measure carries, and a court subsequently finds that the tax measure is *ultra vires* because of the Constitution of this place or the other place. The dire consequences for all taxpayers in Canada is the following—and this took place in British Columbia.
>
> Air Canada proceeded to challenge legislation introduced in British Columbia to put a tax on airplane gasoline. The Supreme Court of Canada this year found that that tax measure was *ultra vires*. However, the consequence was that the Supreme Court of Canada found that Air Canada could not collect from the government the money it had paid under a law that was *ultra vires*—that is unconstitutional.

This is a legal argument. I do not have a legal argument since I only studied commercial law but I do think I got the gist of his argument.

He went on to say:

> The consequence here could be that the Canadian taxpayers could, in due conscience, proceed to pay tax pursuant to tax measures passed either in this place or the other place, and a year or six months from today it could be found that this house or the other was not properly constituted and the tainted tax measures, as a result, were unconstitutional. Each Canadian taxpayer would then be in a position of not being able to claim back the moneys that he had paid. That surely is a serious question for all citizens of this country.

The contention now is that New Brunswick has more senators than members of the House of Commons and that is the legal point which is now before the courts and which will be dealt with on Friday, if my information is correct. Senator Grafstein went on to say:

> An even more serious question concerns another pending vote that we have, which deals with the most controversial legislation we will see in this decade—not on the GST but the abortion legislation, which includes criminal consequences. Think, honourable senators, as I have tried to do in the last few days, of what will happen

> if subsequently such a measure comes forward, as it will; if such a measure is proceeded with, as it will be; if a vote is taken, as will be done; and subsequently a court finds that this house was controverted due to its constitution.

He was referring to the eight new senators that have been appointed with the permission of the Queen, and that the fact that they might not be legally considered to be *bona fide* senators of this chamber. At this point Senator Murray made an intervention. He said:

> I thought that you were going to call for a vote on that!

Senator Grafstein then went on to say:

> Think of the consequences and the concern that every Canadian citizen would have with respect to law and order in this country; respect for peace, order and good government.
>
> I raise this not as a whimsical matter. I am very sympathetic toward the honourable gentlemen and ladies who have recently entered this place and, more specifically, toward the comments made by my friend to the far right.

Then Senator Murray intervened by saying:

> That is Senator Meighen.

Then Senator Grafstein continued:

> This is a matter that should be of concern not only to members on this side but to all members and to the Honourable Speaker.

Honourable senators, some of these eight divisional senators are the most distinguished people in our society and they are being subjected to this humiliation concerning whether their appointment was legal. It must be humiliating to be in such a position and they must feel very uncomfortable because they were, I am sure, called by the Prime Minister who asked them, "Please give me a hand. This is what is happening." He probably did not explain to them all the consequences, and now they sit there.

Senator Corbin: Honourable senator, you are talking of them in their absence.

Senator Bosa: I am not denigrating them. I know they are on a roster in order to keep up with our prolonged debate.

Senator Corbin: Are you aware, Senator Bosa, that they are not respecting their call to this place? You seem to want to excuse the divisional senators for their absence here tonight, and yet I can quote from the writs which are placed on the Journals of the Senate of October 3, 1990. I will skip the official preamble which includes the names of the Governor General and Her Majesty the Queen and continue on. It states:

> TO
> Our Trusty and Well-beloved
> WALTER PATRICK TWINN

and then, honourable senators, I would list the names which are: Wilbert Joseph Keon; Michael Arthur Meighen; Normand Grimard; Thérèse Lavoie-Roux; James W. Ross; John Michael Forrestall—and I give credit to him because he is one who understands Parliament. I have know him for many years. He is one who understands Parliament. I will give him full credit for that. I have known him for many years.

• (2345)

Then there is Janis Johnson and Eric Arthur Berntson.

The writer states:

> GREETING:
>
> KNOW YOU, that as well for the especial trust and confidence We have manifested in you, as for the purpose of obtaining your advice and assistance in all weighty and arduous affairs which may the State and Defence of Canada concern, We have thought fit to summon you to the Senate of Canada and We do appoint you for the division of the Maritimes.
>
> AND WE do commend you that all difficulties and excuses whatsoever laying aside, you be and appear, for the purposes aforesaid, in the Senate of Canada at all times whensoever and wheresoever Our Parliament may be in Canada convoked and holden, and this you are in no wise to omit.

Where are these senators? In bed? After Her Majesty has commanded them to be in this place when and wherever it sits? I think Senator Bosa is treating these people too lightly. They should respect the command of Her Majesty. Do not excuse their absence. They ought to be here, as we are.

Senator Bosa: I thank Senator Corbin for drawing that to my attention.

What were you reading from, for the benefit of all honourable senators?

Senator Corbin: I was reading from the *Minutes of the Proceedings of the Senate* No. 95 for Wednesday, 3rd October, 1990.

Senator Bosa: I have a copy of that.

Senator Grafstein ends his speech by stating:

> This is a matter that should be of concern not only to members on this side but to all members and to the Honourable Speaker.

Then Senator Beaudoin takes the floor.

Senator Hébert: Who is that?

Senator Bosa: Our constitutional expert.

Senator Hébert: For whom everything is still clear.

Senator Bosa: Senator Beaudoin took the floor in defence of the contention Senator Grafstein had made, that perhaps there is an element of doubt in the legality of the so-called "British senators". Senator Beaudoin states:

> Honourable senators, if I may reply to that point of law.

I was listening very carefully to what Senator Meighen just said. If the question of the unconstitutionality of a nomination may be raised following a report by the Clerk of the Senate, which is an obvious proof that a senator is sitting here in a perfectly legal way, well, the same thing could be said for every senator here.

I find it surprising that a question of privilege can be raised immediately following a ruling made by the Speaker of this House.

He went on to state:

Rule 33 says:". . . has arisen". What happened since the Speaker made his ruling? It is simply that some senators here do not agree with it. One cannot raise a question of privilege because one does not agree with the Speaker's ruling. The Speaker made his ruling. Now it is this House's ruling. On that point, I think I agree with what the government leader has just said, that it is a repetition of the same argument which we heard yesterday following the Speaker's ruling. I think this behaviour is contrary to the rules of this Chamber.

I did not hear Senator Beaudoin make any comments on the ruling the Speaker made, and whether that was contrary to the conventions and rules of the Senate. But he did say that it was contrary to the rules of this chamber.

He goes on to state:

About the point of law that has just been raised, you ask: what would happen if we find out in six months that eight senators are seating here illegally? This would not invalidate their work. What they would have been doing would be absolutely valid. There is such a thing in law as the principle of de facto. Should there be ever a judicial hearing, the courts would deliver a verdict in due time.

He was very emphatic about that, as if he sat on the bench and knows what the courts would do.

He goes on to state:

I say once again that the eight senators have the right to sit in this Chamber. The eight senators who have been appointed, and we have the report from the clerk, sit here in conformity with the law and the Constitution. I think we must get on with the debate on the matters before us. If later on the courts give a ruling, then it would be another matter. It would be another debate.

He says that if the courts determine that the senators are here illegally, there will be another debate on this. He does not bother with the matter then. He just proceeds.

Senator Hébert: I will be looking forward to that debate.

Senator Bosa: He then states:

I will also reply briefly to Hon. Senator Gigantès who read at length from a long newspaper article. The person who wrote the article says section 26 is null and void. To prove his point, he goes back one hundred years and re-writes the section to show what it means. There is no stopping history! The Queen of the United Kingdom was our Queen in 1867. She is today the Queen of Canada.

[Senator Bosa.]

The Governor General who was the representative of the British government in the past represents now the Queen of Canada. Section 26 cannot be changed. It remains what it is. Everybody knows, and the Supreme Court said so many times, that constitutional law is constantly evolving. The Constitution cannot be interpreted today as it was in 1867. Keep playing that game and we will revert to colonialism. We will revert to the status we had in 1867. How preposterous.

The eight senators that have been appointed are Canadian senators. They are not "British" senators:

Then Senator Frith intervenes and states:

You are substantiating my motion. Keep up the good work, Senator Beaudoin.

Senator Beaudoin replied:

You started the debate.

To which Senator Grafstein stated:

Would the honourable senator allow a question?

Senator Beaudoin agreed, and Senator Grafstein asked:

Would the honourable senator not agree that it would be in the national interest to have the question of uncertainty put to rest as quickly as possible?

That was a reasonable request. We should find out if they were legally appointed, and, if so, we could put the matter to bed right away and not have to deal with the matter any longer.

Senator Beaudoin, in response, stated:

No, I disagree strongly on that point, senator. I have not seen thus far any opinion from any expert in this country which has clearly demonstrated that section 26 is obsolete. If there is such opinion, I would like to see it.

Even the article which the honourable senator opposite has quoted is not entirely affirmative. If it were, it is clear that it could not be said about section 26, "Okay, the Constitution is frozen at 1867. The Queen is not the queen of Canada." I regret to say that our history is there. The Queen is the Queen of Canada. The advisor to the Queen is the Prime Minister of Canada.

The Clerk says that the new senators qualify as to property, and that they have sworn the oath of allegiance.

That is to state that they have sworn the oath and have sworn that they own $4,000 in property in the province they represent, or in the division they represent, and that they are over 30 years of age.

Senator Beaudoin went on to state:

That is the end of it. You may go to the Supreme Court, but you will lose.

Senator Grafstein replied as follows:

The decisions of the courts are obviously difficult to predict. There appears to be serious divided opinion on this issue, not just in this place but in some of the regions represented by honourable senators. The provinces of British Columbia, Alberta and Ontario are raising these

serious issues. Those are uncontroverted facts. I see that the former Premier of the Province of New Brunswick is agreeing with me—

That means that Senator Hatfield was nodding his head while Senator Grafstein was speaking, and he is a Conservative senator. He sits on the other side.

Senator Grafstein went on to state:

I see that the former Premier of the Province of New Brunswick is agreeing with me when I say that there are provinces which are contesting this matter. Thus, there is serious division in the country on important constitutional matters.

Senator Grafstein continued:

It is quite true, as the honourable senator has said, that it might be, in his view, clear. Obviously, it is not in others.

Since this place and the other place are now being held in some disregard in the country, would it not be in the national interest for the government, through the Leader of the Government in the Senate, to bring these matters to a head as quickly as possible, and to agree to a reference as quickly as possible so that provinces and individuals would not have to pursue their courses of action which might take months or years in the courts?

This is the argument Senator Grafstein put forward. He continued to state:

Senator Beaudoin, as a distinguished Dean of Law, would you not agree that that would be in the national interest? In order to facilitate that, would you not impose upon your side to bring the matter forward? I am sure that this side of the Senate and the Opposition in the other place would concur in order that we could, in the national interest, bring these matters to a head. If we are wrong, that will be the end of it. However, if you are wrong, there are serious consequences.

Senator Grafstein presented his case clearly and concisely. I was impressed with the points he made. Even though I am not a lawyer, I understood what he was saying.

Senator Hébert: That was crystal clear.

Senator Bosa: Yes, crystal clear.

● (0000)

October 11, 1990

To continue:

Senator Beaudoin: I will add one last comment. When something is clear cut, there is no need to refer it to the court. If matters that are clear cut are referred to the court, we will always be before the courts. We make a reference to the Supreme Court when we have a doubt. We just do not have a doubt.

Hon. John B. Stewart: I should like to ask Senator Beaudoin a question. It is helpful to have the benefit of his professional advice.

In the memorandum prepared by the Library of Parliament, we are told that when the British North American Act was being prepared, Lord Carnarvon noted—

Senator Roblin: We have heard this about 15 times before.

Senator Stewart: Yes, but this afternoon we have the opportunity of having genuine expert guidance on its interpretation. I do not think we should let that opportunity slide by.

Senator Balfour: Are you being sarcastic?

Senator Stewart: If an honourable senator on the government side is questioning the credentials of Senator Beaudoin, I certainly do not concur with that honourable senator.

Senator Roblin: Come on, you can do better than that.

Senator Stewart: I take Senator Beaudoin quite seriously. I am asking a serious question on which he may be able to give us guidance.

Lord Carnarvon, we are told, noted two other conditions added by the delegates from British North America: that the appointments should be made by the Crown, rather than the Governor General, and that their number should not exceed six. He added that:

The intervention of the Crown is to my mind a doubtful proposal: but it is designed to be a check upon popular feeling and the action of the Local Government and I do not see that we can take exception to it.

Those were his Lordship's words. They are, of course, not statute law.

I should like to turn now to the British North America Act, as it was then called. The scheme explained by Lord Carnarvon is embodied there. Provision is made in section 24 for the summoning of ordinary senators by the Governor General on the advice of the Prime Minister.

If we then turn to section 26 we find an entirely different procedure. Section 26, in part, reads:

If at any Time on the Recommendation of the Governor General the Queen thinks fit . . .

It is clear that different tests are being applied in the case of the senators to be summoned under section 26.

Nevertheless, Senator Beaudoin tells us this afternoon that, in effect, the two sections say the same thing. The Prime Minister advises; the Governor General summons. In both cases, there are limitations as to the numbers to be summoned; in both cases there are requirements as to where the senators may come from. The fact that the Act contains these two separate sections led me to believe that an attempt was made—and I believe a successful attempt—to ensure that there was, as Lord Carnarvon said, a desire that the Crown—which at that time meant the Queen as advised by Her British ministers-would exercise a check upon the Canadian Prime Minister. That is why we have the two sections and not one. That is my interpretation. I believe I see Senator Beaudoin giving a nod to that.

Senator Beaudoin says that now "the Queen" in section 26 means the Queen as advised by Her Canadian ministers. He said that yesterday and he repeated it emphatically today.

There are two quite distinct processes. The second process seems designed to achieve impartiality. I think Senator Beaudoin is correct when he says that "the Queen" now means the Queen acting on the advice of Her Canadian ministers. However, the intention of section 26—the manifest purpose of which is an appeal to an impartial body when there is an alleged stalemate between the ministers and the Senate—can no longer be achieved by reason of the changes to which Senator Beaudoin has made reference. Has section 26 become a limited version of section 24? I need assistance on that point, and I will listen carefully to Senator Beaudoin's reply.

Senator Beaudoin: We are debating a question of privilege and a point of order. I do not want to postpone the decision of the Speaker; on the contrary.

What I have to say has already been said. The only point I should like to make at this time is that the Supreme Court is interpreting the Constitution of Canada today; we are in 1990. The Constitution was written in 1867.

In fact it was not written in 1867. It came into force in 1867 because the Fathers of Confederation debated the elements of the Constitution at the Charlottetown Conference in 1864. Continuing:styleonti6;4

Senator Beaudoin: There are many cases which say that the Constitution is essentially an evolutionary document—a living tree. We could speak for hours and hours on that, but that is not the problem.

We have to interpret section 26 as it is today. It is clear-cut that it is the Queen in right of Canada, and the Prime Minister has the right to advise the Queen. He was justified to do that, having regard to the deadlock that we are facing here. We have to get rid of this deadlock. I have nothing else to say.

In other words, he believed that the Prime Minister had the right to advise the Governor General, who, in turn, advised the Queen to accede to his demand for the appointment of the eight senators; but he does not recognize that the Leader of Her Majesty's Opposition in both houses had the right to make representations to the Governor General. He ignored that particular fundamental right.

Senator Corbin: Senator Bosa, you read into the record the word "deadlock". What "deadlock"? What are you referring to?

Senator Bosa: I am sure Senator Beaudoin was referring to the fact that there are three contentious bills in the Senate: Bill C-62, which has not yet been debated; Bill C-21, the Unemployment Insurance bill—it is now up to the government to decide if it wants to sit down with the members of the Senate to try to arrive at an agreement with respect to that bill.

Senator Hébert: It is everything or nothing!

Senator Bosa: They could make some compromises.

Senator Hébert: We are ready.

Senator Corbin: Did you say that those bills are now in the government's hands; in other words, it has created the deadlock?

Senator Bosa: We have dealt with the bill and made some amendments. We notified the other place of the proposed amendments. They accepted some amendments and rejected others. We made additional concessions and now there is a stalemate. We have done everything we could. The government members in the House of Commons are not coming forward for a conference, which the rules of the Senate call for when there is a deadlock between the Senate and the House of Commons.

Senator Hébert: There is no deadlock until they refuse.

Senator Bosa: If we were in a deadlock; but there is no deadlock, because all they have to do is pick up the bill and say "Ladies and gentlemen, how can we compromise?" We need this legislation. But they have not come forward, so there is no deadlock. Then there is Bill C-28, which involves the clawback.

Senator Stewart: Senator Bosa, perhaps this is a point on which you are going to provide clarification. It relates to what has been called a "deadlock". Three bills have been cited as making up the deadlock or logjam. If I heard Senator MacEachen correctly this afternoon, Bill C-28 is not one of the logs in that logjam. If I understood correctly, the motion on our order paper would have the Senate resolve that it does not insist upon its amendments. I believe Senator MacEachen indicated that that motion will carry.

Then we come to Bill C-21. Again I refer to what Senator MacEachen said earlier this day. He referred to discussions and negotiations between himself, on the one hand, and I assume the Honourable Barbara McDougall on the other hand, which led him to believe that with certain amendments that bill could go forward for Royal Assent. But the government, for some reason, abandoned those discussions and forgot about them during the long, summer adjournment.

We come to the third log in the alleged logjam, which is Bill C-62. Correct me if I am wrong, but my understanding is that Bill C-62 came to us on May 1. We had two days of debate. Then the bill carried on division at second reading. Consequently, there never has been a vote in this house against the principle of Bill C-62. Then, at the end of June, on the motion of the government, the Senate adjourned for the summer. It came back three months later. On the day the Senate resumed after that three-month summer adjournment, the committee presented a report. The committee report is not favourable, but there has been no vote—

Senator Murray: It is another one of the stated intentions of Senator MacEachen and others to do everything they possibly can to kill the bill.

• (0015)

Senator Stewart: I hear an intervention by Senator Murray, who said there was a stated declaration by Senator MacEachen. What was that?

Senator Murray: I was referring to the stated intention of Senator MacEachen and others to do everything they possibly can to kill the bill.

Senator Gigantès: To which bill are you referring?

Senator Stewart: Bill C-62; there is no problem on that.

Senator Murray: Bill C-62.

Senator Stewart: But that is a stated intention and this is a house in which the vote of some senators is very difficult to predict. We do not have to strain our imaginations to know who those senators are. I put it to you, Senator Bosa, that there might not have been a logjam in this chamber on Bill C-62, that it might have carried by one or two votes.

Therefore, looking at the logs that made up this so-called logjam, there is not one that is adequate to justify the use of section 26, if, indeed, section 26 is still operable.

Then I come to the other question, which is the question of importance. Let us say that Bill C-62 had been put to the vote at third reading and defeated. If I am correct, Senator Bosa, one then would have to ask: Is that bill sufficiently important to the public to justify the use of section 26 of the Constitution, assuming, again, that that section was still operable?

I refer to that second aspect, because of what was said by Senator Wilmot about the discussions out of which section 26 emerged, where he talked about the reform bill of 1832. If I remember correctly, the reform bill of 1832 was put through the House of Commons once and then was defeated in the House of Lords. There followed a general election. The bill again went through the House of Commons and the Lords, even at that point, were not prepared to accept the will of the people. In that situation the government was able to secure the reluctant agreement of the King William to create sufficient peers, if he had to do so, to make the bill carry in the House of Lords.

Therefore, is it not true that when we talk about a stalemate we have to talk about two things? First, are there government measures which are in fact not in speculation or imagination, being held up or blocked? Are there indeed—

Senator Murray: Eleven months, nine months and five months.

Senator Stewart: How long did we take, Senator Murray, on the pharmaceutical bill? It became law, did it not?

Senator Murray: Oh, yes.

Senator Stewart: All right. And there will be other bills of relatively little importance which also take a long, long time because there is no great urgency for them.

Senator Murray: These are three budget bills, senator, two of which are from the 1989 budget—I made this argument this afternoon and I really should not be repeating it—in respect of which the House of Commons has voted confidence.

Eleven months, nine months and five months may not look like much in terms of the reform bill in the British house in 1832, but in terms of the twentieth century legislative process, that is blockage. That is deadlock.

Senator Stewart: That is what the Leader of the Government in the Senate says; but let us look at Bill C-62, which I think we would all agree is the big log.

Senator Murray: The which?

Senator MacEachen: The big log.

Senator Stewart: It came to us at the beginning of May. In two days it received second reading and was sent to a committee. We then went away for three months. The committee reported on the very day we came back.

It is true that the committee report is not one that causes the Government Leader's heart to lift.

Senator Murray: Oh, yes, it does.

Senator Stewart: Oh, what does that mean?

Senator Murray: It flip-flops.

Senator Gigantès: No; he said that it lifts his heart that we want to kill the bill.

Senator Stewart: That is what I thought he said, but I don't think he heard correctly.

Senator Gigantès: He is confused.

Senator Stewart: No, I think it is simply that he did not hear accurately.

Senator Gigantès: Maybe he is being tricky again.

Senator Stewart: No, no, I think he did not hear accurately.

My argument is that there was no real evidence, prior to the time we went away from here on June 27, to suggest that this bill would not move forward in the ordinary way. We were away for three months. Suddenly, on the day we came back, there was a strongly negative report from the committee. But that is not conclusive evidence as to the future fate of the bill.

Senator Murray: No?

Senator Stewart: Not in this house.

Senator MacEachen: How about Senator MacEachen's statement?

Senator Stewart: Well, I tell you, Senator Murray—

Senator Murray: What do you think of Mr. Chretien's statement that the Liberal senators will do exactly what he tells them to do and this bill shall not pass? What do you think of that?

Senator Stewart: I am sure that Liberal senators will pay a great deal of attention to that. But count the house.

Senator Murray: I am counting it now, senator.

Senator Stewart: But this is not the time when you should have made that decision. You did not count the house accurately. You did not give sufficient attention to the house before you insisted upon the appointment of these eight additional senators. That is where you made your first mistake.

So I say that there are two aspects to this: First, there is the question whether there is indeed a logjam, and second, there is the question whether the logjam is of sufficiently great importance to justify the use of section 26, assuming, of course, that section 26 is still operative.

Senator Murray: Those are political arguments that you are taking to court.

Senator Stewart: I am sorry?

Senator Murray: Those are political arguments, I think you will agree, although you are taking them to court in the guise of legal arguments.

Senator Stewart: No, I think they are constitutional arguments, Senator Murray; but we could spend a great deal of time trying to agree on our terms.

Senator Bosa, do you make this distinction between the number of logs in the logjam, on the one hand, and the importance of the log or logs to the public interest on the other? Is that a reasonable distinction?

Senator Bosa: Thank you, Senator Stewart, for your intervention. I could say that the Leader of the Government in the Senate was so trigger-happy that the moment he had his majority—

Senator Murray: We do not have a majority yet.

Senator Bosa: Yes, you do.

Senator Murray: Do your arithmetic!

Senator Bosa: Is the Leader of the Government saying that the eight British senators do not constitute a sufficient number to give the government plurality?

Senator Murray: Now you are right; it is a plurality. The standings are 54 Conservative, 51 Liberal and 6 Independent senators. It is, as the Leader of the Opposition mentioned earlier in this sitting, a very finely balanced house. Neither of our parties has a majority.

Further to that, Senator Kirby, a mathematician of note, has been doing some work. I understand that he finds that in the normal course of events over the next few years the majority will fluctuate. It could well happen that while the Conservatives might gain a thin majority some months from now, we could lose it some months from then. It is, and will remain, a very finely balanced house as far ahead as I care to look.

Senator Stewart: Honourable senators, this is a very important point that Senator Murray now makes. As I recall, what the Colonial Secretary said in 1874 was that the Governor General and the Queen should be satisfied that the new creations would be sufficient to break the deadlock or stalemate or logjam, whatever.

[Senator Murray.]

That was the Colonial Secretary's interpretation. It is not in the statute, but does Senator Murray take it seriously at all? He has now told us that it is conceivable that even with the eight new senators, Bill C-62 may not carry. Consequently the new senators will not have been a remedy.

Evidently the Governor General did not bother to explore the facts as to the legislative situation. I ask the Leader of the Government in the Senate: Did the Governor General explore the point that Senator Murray himself now makes, that even with the eight new senators the bill may not carry, so that we will find ourselves at the end of the day, to coin a phrase, without the bill but with the eight new senators?

Senator Murray: Honourable senators, I do not expect that, God willing, there will be any change in the standings between now and the time Bill C-62 is voted here. There are no retirements coming up in the normal course of events. I think we both understand how any change in the standings could otherwise occur. Therefore, I do not expect any change in the standings before that.

But in a house that is now constituted of 54 Conservatives, 51 Liberals and 6 Independents, the only thing I can say for certainty is that the Conservative Party has a fighting chance to win a vote, which is more than we have had in this place for 50 years.

Senator Gigantès: If I understand the Leader of the Government properly, he is talking about the logjam. Perhaps I did not hear him well this morning, but he was saying that section 26 could be invoked whether or not there was a backlog or a logjam. He was trying to dissociate the appointment of the eight senators from the existence or non-existence of a logjam. He was saying that he would not have to prove in court that there was a deadlock before that. Is that not what he was saying this morning?

Senator Murray: I think what I was saying this morning is that there is a somewhat different definition of "deadlock" as between Senator MacEachen and myself. The further point that I made tonight is that in contemporary Canada in the 1990s bills held up in the Senate for eleven months, nine months and five months respectively spell deadlock to me, although it seems not to be a deadlock at all in Senator MacEachen's mind. We disagree on what constitutes a deadlock in the legislative world of the 1990s.

• (0030)

Senator Gigantès: But were you not saying this morning, sir, that one does not have to prove the existence of a deadlock in order to invoke section 26 of the British North America Act?

Senator Murray: What I have said is that the Constitution Act of 1867 does not say anything about "deadlock." What section 26 says is:

> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight Members be added to the Senate, the Governor General may by Summons to *Four* or *Eight* qualified Persons (as the Case may be), representing equally the Four Divisions of Canada, add to the Senate accordingly.

Senator Gigantès: But then why is the appointment of senators—

Senator Murray: Deadlock is not mentioned in the Constitution. That was the point I made this morning.

Senator Gigantès: But why is the appointment of senators put into two different sections? Why do we have section 24 and section 26 to deal with senators? There must be some reason for those different provisions, namely, the necessity to reach some sort of solution. That is what the Colonial Secretary said.

Senator Murray: Four senators or eight senators, you mean?

Senator Gigantès: Yes. Why four senators or eight senators under section 26? Why didn't they say, "Let the Senate of Canada have not 104 senators but 112?" Why the two sections? Obviously, there are two sections, because section 26 is for a special circumstance. The court, I submit, would listen to arguments on whether or not there is a special circumstance or whether or not there is a deadlock.

This morning my leader was showing you that he can demonstrate that there was no deadlock, because he was prepared to accept the passage of the clawback bill; because he made proposals and he will table the correspondence to that effect about Bill C-21, in which he proposes to compromise and let that bill pass; and because, in the case of Bill C-62, we received it in May. We then struck a committee and the committee began its work. Parliament then adjourned for three months, but we were back here with a report on the first day that Parliament sat. Where is the delay on our part?

Senator Hébert: There is no delay!

Senator Murray: This newly found enthusiasm for some of this legislation is truly death-bed repentence on the part of my friends opposite.

Senator Gigantès: We are not dying from it, do not worry! You will die before us.

Senator Murray: Well, I hope not.

Senator Gigantès:I intend to live until I am 97.

Senator Murray: My friend says that the court will listen to arguments about whether the conditions exist to justify invoking section 26. Perhaps the court will. Maybe my friends will put forward some of those "political" arguments; Senator Stewart calls them "constitutional" arguments. Perhaps the court will listen to them.

I thought that your legal case, such as it is, was based on two other arguments, one being that section 51A, the "Senate floor" provision of the Constitution Act, impedes the operation of section 26; and the other being that section 26 was invalid because it had not been used since Confederation.

Hon. Allan J. MacEachen (Leader of the Opposition): Senator Murray has been—

Senator Murray: Is that one of your arguments?

Senator MacEachen: Perhaps this is quite irregular, but Senator Murray seems to have been engaged in a mini question period. Perhaps I may take advantage of that and ask him a question.

Can he tell us when the first approaches were made by the government to the Governor General and then the Queen with respect to the use of section 26? There has been a report frequently stated in Ottawa that the Palace had been alerted in the middle of the summer by the Governor General and by the government, and that the preparations were in place even before the report of the Standing Senate Committee on Banking, Trade and Commerce. That takes some validity away from the fact that the government abruptly terminated negotiations mid-summer on Bill C-21 as if there were an effort to create the momentum of a problem.

I should like to know what the dates are.

Senator Murray: I do not have the dates, but I can give the honourable senator my clear impression that it is not the case that any advice or alert, as it were—even of an informal kind—was given to the Palace at mid-summer. My impression is that a kind of informal alert or advice may have been given at some official level a matter of hours or days before the formal instruments of advice were put forward. That happened on September 26.

In any case, the minute of the meeting of the council was dated September 26. That was a formal document that went to His Excellency, the Governor General, recommending that the Governor General advise Her Majesty the Queen that letters patent be issued, and so on. That occurred on September 26.

If any informal alert was given, my impression would be that that would have happened a matter of hours, or days at the most, before the formal instrument of advice was sent forward.

That is my impression. I will see if there is anything further that I can state about that. Certainly, if I am wrong, I will correct the record.

Senator Gigantès: That would be a first!

Senator MacEachen: On that point, it would be interesting to know when the Governor General conducted his "independent"—as he said—investigations on the use of section 26. He had brushed off the concerns expressed by the Liberal Party and said that he had received advice from the government and outside sources. When did he do that? Was it the day of the instrument of advice, or was he alerted some weeks before? What day did the Queen sign the letters patent? Was it just sent to the Palace without any advance notice?

Some day it will all be revealed to all of us, but it would be interesting to know the precise dates. We asked earlier for the actual documents, but we have not received them yet. But we should like to receive them.

In any event, there must have been some time that elapsed, and there must have been some opportunity for the Governor General to do these private investigations, which he told us he did, with persons outside the government—certainly it was not with members of the Liberal Party who had asked to be consulted and had alerted him to the circumstances not being appropriate.

He did not even ask us what we had in mind.

Senator Murray: Honourable senators, I do not know the answer to the questions that the Leader of the Opposition has posed concerning his Excellency. It is a matter of fact that His Excellency could not be unware, since he lives here and one assumes continues to read the newspapers and follow news reports, that there was a public issue developing over the possible use of section 26 of the Constitution Act.

If he decided to do some personal research and to take some independent advice on the meaning of section 26, and so on, in advance of any formal advice being tendered to him by the government, that would only be the prudent thing to do.

Also, it should be noted that His Excellency meets on a weekly basis with the Prime Minister and from time to time with senior officials of the government. So it would not surprise me to learn that His Excellency had done some independent research before he ever had any confirmation from the government that the government was making this recommendation to him.

Senator Stewart: May I ask the Leader of the Government in the Senate something concerning that independent advice? The Governor General says that he had advice from the ministers. That is constitutional. That we understand.

He says also that he relied on independent advice. I do not think that that is enough. I am not saying that he should not try to inform himself, but he says that he relied on "independent advice." I don't think the names of these persons have been formally revealed. Who are these new, unnamed advisers to the head of state? To whom are they responsible?

We have heard a great deal here about responsible government. We have been told that the Minister of Justice and the Prime Minister are responsible in Parliament. To whom are these independent advisers responsible?

In earlier times people used to talk about kitchen cabinets, advice by royal mistresses and the like. Are these independent advisers members of a kitchen cabinet? I use that language simply to try to get my point across. Are these constitutional advisers? If not, how is it that the Governor General can plead their advice in support of the decision that he made?

Senator Murray: Honourable senators, the Governor General takes advice from his ministers, has access to law officers who are employed for that purpose, and it appears in this case sought outside advice. I do not have the faintest idea who the advisers were, whether they were legal advisers, constitutional advisers, or people with a background in political science and history. Whoever they are, I am confident that they are respected professionals.

To whom are they responsible? To what are they responsible? They are responsible to the norms of their profession, the same way that my honourable friend was when he was a full-time academic.

Senator Stewart: The "norms of the profession" are not an entity capable of holding anybody responsible; they are a code of conduct.

[Senator MacEachen.]

Senator Murray: Quite.

Senator Stewart: I have no constitutional problem with the assertion that the Governor General used the advice that came to him from the ministers of the Crown.

I have no problem at all there; but it would appear from what he has written that he relied to some extent on these independent advisers. Who are they? Where do they fit into our constitutional structure? What specific questions did he address to them?

Senator Gigantès: Were they secret advisers?

Senator Stewart: I do not want to use that language.

Senator Gigantès: You should!

Senator Stewart: I want to know who they are. This is an important constitutional question. We want to know by whom this country is governed, and if the Governor General is saying that one of the influences that operated upon his mind when he made his decision came from independent advisors, we should know formally who they are and in what capacity they tendered advice to the Governor General.

Senator Murray: Honourable senators, they were professionals and were engaged in offering professional advice, in much the same way that the government, on occasion, seeks professional advice in the legal field in addition to the advice that it receives from the law officers of the Crown.

My honourable friend pretends to be scandalized by all of this. This seems to me to have been perfectly normal and prudent. It seems prudent that the Governor General wanted to consider the advice of the law officers of the Crown and, as well, obtain advice from lawyers, constitutional experts, political scientists, historians, whoever they were, in dealing with this matter.

Senator Stewart: I suppose we need go no further until the Senate has been given the names of those who were employed by the Governor General in their professional capacity.

But let me ask this: Does the fact that the Governor General used these independent professional advisors imply that he might have rejected the advice of the law officers of the Crown? It seems to me that that possibility is clearly implied. Evidently in this instance the advice given by the independent advisers coincided and travelled with the advice given by the Prime Minister.

But let us say that it had travelled in the opposite direction. Would the Governor General then have said to the Prime Minister: "I am sorry, Prime Minister, I do not think you are right on your law or that you are right on your facts."

Is that what the Leader of the Government in the Senate is saying?

Senator Murray: I am saying that my friends opposite cannot have it both ways. Over the past couple of days they were excoriating of his Excellency, accusing him of having been a puppet and a rubber stamp. Now my friends opposite are complaining that the Governor General was prudent enough to take outside advice in addition to the advice he

presumably received from the law officers of the Crown to satisfy himself completely as to the constitutionality of the proposed action.

Senator MacEachen: I do not object to the Governor General's asking anyone for opinions. What is curious to me is why he ignored those who know most about the factual situation, or those who know a great deal about the factual situation.

I wonder what a professor at Queen's, for example, would tell him as to the nature of the discussions and the parliamentary situation.

This is a clear case in which the Governor General went outside of the government. He ought to have gone to people who would help him make an objective assessment of the facts.

Surely he received the Prime Minister's point of view, because the Prime Minister revealed that on television, and I think that was false.

I began to say today, and will continue to say, that those statements made by the Prime Minister, if they are the ones that he made to the Governor General, are false. Perhaps the Governor General ought to have heard the other side of the story, but he did not bother to ask. He just said: "My Prime Minister, my pal, could not tell a lie, so I will not ask the Leader of the Opposition, Senator Buckwold or the Chairman of the Committee on the Unemployment Insurance Bill just what the facts are on these bills. They would not know. They are just the other party to the dispute, and they have no views."

That is what I find objectionable, because if section 26 is a living section, and if the original intention was to be carried out, there has to be an independent finding of facts in order to implement it, an independent finding, not one in Canada by involved persons.

The only person in this case who could take on the role of an independent finding of facts is the Governor General, but he did not bother. That is my complaint.

Senator Murray: It is not a matter of just obtaining the facts; it is a matter of political judgment.

Senator MacEachen: Not just the facts; but the facts are an important element in reaching a conclusion, because every constitutional situation is founded on a set of facts.

• (0045)

Senator Murray: My friend and I had this argument earlier today. I say that in the year 1990 there are three bills before the Senate, and they have been here for 11 months, nine months and five months. I call that blockage. Those bills should have been out of the Senate well before now, especially the bills arising from the 1989 budget and the bill arising from the 1990 budget in respect of which the Commons had twice voted confidence in the ministers of the Crown. I say that is deadlock; I say that is blockage. My friend says that it is not, because "their intentions were always honourable."

One would like to believe that, but it would be, as Oscar Wilde said, "a triumph of hope over experience."

In any event, what we would be doing by involving the Governor General would be asking him to get involved in a matter of political opinion or judgment on which government and opposition differ.

Senator MacEachen: Political fact.

Senator Murray: The facts are there, and the facts were enumerated in the Minute of the Council put forward. It was pointed out that these bills were in the Senate since their introduction here eleven, nine and five months ago.

Senator MacEachen: At least four months of the so-called delay was caused by the government. The government has created its own delays and now says, "We have had a delay, and we are going to London to get senators."

I say that because the government side adjourned debate on Bill C-21 in the middle of May and let it sit on the order paper. The government created the delay.

Senator Murray: What we were waiting for with Bill C-21 was for my honourable friend to swallow his pride and get up and admit that he had botched that amendment. If that amendment had gone through it would have been a nullity, because it proposed to refer to a conference a motion that would no longer exist if the amendments were passed.

This sounds rather complicated, and I suppose it is, but I am waiting for my honourable friend to explain that amendment.

Senator MacEachen: Yes, I can do that.

Senator Murray: I am waiting for an explanation to the amendment proposed to Bill C-21. That amendment begins with "Remove all the words after that", and then there is a series of "whereas"' and "wherefores"; and then it says that the motion, Senator Doody's motion, be referred to a conference between the two Houses.

If that amendment had passed, the motion my honourable friend is referring to would no longer exist.

We have tried to explain this. In fact, my colleague, Senator Ottenheimer, tried to get up one day on a point of order but he was shouted down and told he was too late to raise a point of order.

Senator Stewart: When was that ?

Senator Murray: That was before the summer recess.

I invite the Honourable the Leader of the Opposition to look into what I think is a piece of incredibly bad drafting that went forward in his name. I say it is a nullity.

I think that if it were ever to pass, the whole intent of the amendment would be lost.

In any event, examine it and come back and explain it to us if, and when, we get to Bill C-21.

Senator MacEachen: At the time the point of order was raised it was dealt with and the motion was put.

I am sorry the Leader of the Government in the Senate did not understand that, but the Chair accepted it and the Table Officers found it appropriate, and there was no debate about the wording.

It is a red herring to conceal the fact that if there has been a delay of the UI bill, the delay of four months was caused by the government. So the government has created its own delay, as evidence to go to the Queen and request extra senators be appointed.

I find it preposterous for honourable senators opposite to say that the lapse of time in the passage of that bill is a justification to create new senators. That is really preposterous.

Senator Murray: This is the kind of debate that you would propose to hold at Rideau Hall between yourself and the Prime Minister. That is quite an inappropriate role for the Governor General. The role of the Governor General in our constitutional monarchy is to accept the advice of the ministers on a matter of this kind, not to involve himself in the legislative process.

Senator MacEachen: Not to know the facts. He is not to know when the Prime Minister says, "I have a bill in the Senate for 11 months now." He is not to know that four of those months of delay were caused by the government.

Is that not an important fact that he ought to know? I would think so if he is to make a recommendation to Her Majesty to use a never-used constitutional provision. Should the Governor General not know that there were active discussions going on to clear Bill C-21, with every prospect of success, had the government acted in good faith and continued the negotiations?

I told the Leader of the Government earlier that I intend to put all of these facts on the record. Perhaps we will be able to testify in court as to the state of Bill C-21.

Senator Stewart: I have notes.

Senator MacEachen: It is all there. Then the government has the nerve to say there is a deadlock when the government terminated the negotiations and never gave its views on the proposals which had been made.

Did the Governor General hear about that? Of course not, because that was concealed from him. I think it was his duty to find out what was taking place. Those are facts, not opinions. That is not ministerial advice. He could have sent a fact finder to ask people on this side of the house what their conception was and then make up his mind knowing the facts. That is why Canadian ministers, when this original article was included in the Constitution, refused to have the matter determined within Canada. They felt there would be a cozy arrangement between the Governor General and the Prime Minister which they would not trust, and wanted an outside judgment provided by Her Majesty, who would act on the independent advice of her British ministers. We repeat that that arbitral quality of article 26 has not been fulfilled and ought to have been. Perhaps it could not have been fulfilled. As Senator Stewart argued, if it could not be fulfilled, the section is inoperable. Those are our views.

I have learned something today: all you have to have is the passage of time and then you can get the new senators. That is a new one. It would be a new one on Senator Wilmot; it would be a new one on Sir John A. Macdonald who defined the circumstances; it would be a new one on the Tory Senate who passed a resolution, following 1874, defining the circumstances; it would be new to the British government that the lapse of time would trigger article 26. That was invented in 1990. I do not think it will ever stand. Wait until we get all the bills that have languished for months and years by the government itself.

Senator Murray: But these bills have been in the Senate for 11 months, 9 months and 5 months. They are in the Senate because my friends opposite did not pass them—would not pass them—and insisted on amendments. They sent messages to the House of Commons but did not accept messages—

Senator MacEachen: That is the parliamentary process. You are seeking immunity from the parliamentary process under article 26.

Senator Murray: I believe John Turner said that at the end of the day the elected house must have its way. We reached the end of the day on these matters some time ago. Eleven months, nine months and five months is too long a period of time to have budget bills from the House of Commons—two of them from the budget before last—hanging around in this house.

So to the concerns of Canadian ministers in 1866 and 1867 that these matters should be subject to a non-Canadian arbiter and the advice of British ministers, a lot of things relating to Canada were decided outside Canada, all of them in the "old country", as we used to call it, in the United Kingdom on the advice of British ministers in those days. But this is 1990. This is the 20th century. In 1990 the answer that came back from the Palace to journalists, who inquired with regard to possible invocation of section 26 by the government, was "of course Her Majesty will take the advice of her Canadian ministers. She is a constitutional monarch."

Senator Stewart: I wonder if Senator Murray would expand upon a point to which he made reference. He said that in the case of Bill C-21 progress had not been made after May 23, which is the date that Senator Ottenheimer first started to stand the order in relation to that bill. He said that progress had not been made because the motion moved by Senator MacEachen was—

Senator Murray: Impossible.

Senator Stewart: Impossible, yes, that is what you said. That motion by Senator MacEachen had been on the order paper for some time before May 23. If that motion created an insuperable obstacle to the progress of Bill C-21, why did the ministers of the Crown engage in discussions subsequent to May 23? Are you saying they did not?

Senator Murray: I am sorry. Ministers of the Crown engaged—

Senator Stewart: —engaged in discussions on Bill C-21 after the motion by Senator MacEachen, which you say created an insuperable obstacle, was already before the Senate. What was the point?

I have a note made in May that sets forth a timetable which would have had that bill clear this house, if I recall correctly, on Thursday, June 7, passing the House of Commons on the following day, Friday, June 8. I know Senator Murray has been very busy. Perhaps he is not aware of the facts. There were discussions, and Senator MacEachen and I have documentation with respect to those discussions.

Senator Murray: Honourable senators, there were discussions. I must assume that the proposals that were put forward by my friends opposite were found to be not acceptable by the government. That is the end of that. The honourable senator may have put forward something which, if the government had accepted it, would have seen the bill passed right away; but that, with respect, is not relevant to the present discussion.

Senator MacEachen: I think it is very relevant.

Senator Murray: Second, it is much like the letter that Senator Buckwold sent to Michael Wilson regarding Bill C-28 which ended with his saying "accept my two amendments and the bill is yours." Mr. Wilson was not willing to accept those two amendments, but now my friends tell me they are going to pass Bill C-28 anyway. That is good news, but I would like to know when.

Senator MacEachen: The government was notified, through Senator Frith, that this bill would be passed before you ever brought your British senators into the chamber.

Senator Murray: With respect, you had better look at that again. There were some conditions attached.

Senator Gigantès: Excuse me, Senator Murray, were those independent experts—

Senator Murray: I know my friend will be here tomorrow and so will I.

Senator Gigantès: I will not be here tomorrow. Were those independent experts consulted by the Governor General paid a fee, and will that fee appear in the government accounts?

Senator Murray: I do not have the faintest idea, honourable senators.

Senator Gigantès: Would the honourable senator please find out and let us know?

Senator Murray: Honourable senators, I will obtain any information I properly can and convey it.

Senator Gigantès: Because these are public funds.

Senator Murray: If there were any, yes, they would be public funds.

Senator Bosa: Honourable senators, I permitted some questions to be put during the debate. The questions were not put to me so I do not feel I have any obligation to answer them.

Senator Murray stated that at the present time the members opposite have a reasonable chance of winning a vote; therefore, they would be able to pass the legislation they so eagerly want. I would like to remind Senator Murray that we had the majority on this side, as he said, for 41 years. How many bills went through in the past six years, Senator Hébert?

Senator Hébert: In the past six years approximately 301 bills were passed. Eighteen went through with amendments which were accepted by the other place.

Senator Bosa: Senator Murray complains that Bill C-22, the drug bill, was not adopted quickly. Senator Bonnell was the chairman of the committee studying the bill, and he conducted hearings from coast to coast. It was a very controversial bill.

Senator Hébert: But we passed it nevertheless.

Senator Bosa: Nevertheless it was passed. The committee report predicted that the price of drugs would dramatically increase, which became a fact. So I do not see how Senator Lowell Murray can say that bills are being held up here and that we have frustrated the will of the elected people.

Look at Bill C-62. It had barely been introduced in this chamber when they filibustered it for two days. Then when we wanted to table it, they refused to do so. The moment they surreptitiously brought in their eight British senators—

Senator Hébert: Through the tunnels.

Senator Bosa: —sworn in in secrecy, they immediately triggered a situation in which they would have a vote and circumvent the rules of this house. Was there really a deadlock? In order to have a deadlock a bill would have had to have been debated for a long time. This bill had not even been tabled, but they were so trigger-happy that they pulled this trick of changing the rules. They were naive, because they thought they were pulling a fast one on the opposition because they had numerical superiority at this point. In assisting themselves in having the bill passed through the workings of the Senate, they succeeded in drawing attention away from Bill C-62 to a procedural battle involving the Speaker.

Senator Hébert: And a scandal!

Senator Bosa: This is what they succeeded in doing. If this is called a filibuster, that filibuster evolved from the breaking of the rules, from ringing the bells and then bringing in the members of the Conservative caucus. As I said earlier, this vote was not a Senate vote. The vote that was taken on October 4, 1990 at 5:25 p.m. was not a vote of the Senate. Present were 53 senators of Conservative persuasion, along with 2 independents who voted with them. This is, in effect, a Conservative caucus meeting in the red chamber.

Senator Hébert: And they specifically invited these independents.

Senator Bosa: We did not get an invitation, because we would not expect to be invited to a Conservative caucus any more than they would expect to be invited to our caucus. The Speaker of the house presided over that caucus and recorded the names. Then Senator Murray went out in the lobby and said that the Liberals are upset because, for the first time in 41 years, they have lost a vote. Can you call this a vote? This is a Conservative caucus vote, not a vote of the Senate.

Before questions were put to me I was dealing with the *Debates of the Senate* of October 3 on page 2328. I was

quoting Senator Stewart at the bottom of the first column. He says:

> Allow me to take up the point to which Senator Grafstein referred earlier.

This has to do with the legality of the appointments.

> I refer to the abortion bill. Let us look forward to the situation, the quite possible situation, in which that bill passes this house with most government senators supporting the bill while most senators on this side vote against it. The bill may pass by reason of the votes of some of the eight new senators, the bill becomes the law of the land and goes into effect. Months pass and abortions are performed under the provisions of the bill. What remedies are available to the children who have been destroyed?

• (0100)

Senator Murray: Oh, come on! Sit down; enough of that!

Senator Stewart: Senator Murray dismisses it!

Senator Murray: I certainly do! This is nonsense!

Senator Stewart: He says that this is nonsense. He is not concerned. It is trivial; it is beneath his sublime dignity and importance!

Senator Murray: Sit down and save that stuff!

Senator Murray said that with such arrogance. This arrogance became evident the moment the Conservatives had numerical superiority. We have seen a change of personality.

Senator Hébert: It is British arrogance coming from the British senators.

Senator Bosa: Senator Murray has changed. He used to be a kind gentleman. He used to speak softly and was never arrogant, but, all of a sudden, listen to the language that he uses. "Sit down and save that stuff!" While Senator Stewart was talking of a very important matter, the abortion bill.

Senator Corbin: Even Senator Doody has been slightly tainted. I have detected a change of attitude in that normally docile, very cooperative person. He has changed for the worse and I am sorry about that.

Senator Bosa: Who?

Senator Corbin: Senator Doody.

Senator Bosa: I think he is still in control of himself.

Senator Corbin: It is an uphill battle for him, but I think he will make it. He is such a nice guy.

Senator Bosa: When Senator Murray was trying to get the floor last Friday, when we raised the sound a few decibels so that he could not be heard, Senator Doody was very jovial. He took matters in stride. He never got upset. When he took the floor, he continued to be kind and gentle, as he usually is.

Senator Corbin: He is a man of courage and great willpower. I respect him, but he has been tarnished somewhat.

[Senator Bosa.]

Senator Bosa: I will continue reading from page 2328 of the *Debates of the Senate* of October 3, 1990.

> **Senator Stewart:** I am directing my question to Senator Beaudoin because he is an expert. I ask him: What is likely to happen? What remedies are available? I put the question to the honourable senator, not as a debating point but as one which is of deep concern to many people in the province that I represent in this chamber.

That is a very straightforward question. It is not only a matter of concern to the province of Nova Scotia, where Senator Stewart comes from, but to all other provinces. It troubles many Canadians all over the country.

Senator Corbin: Obviously, we have all seen the reaction.

Senator Bosa: At this stage Senator Everett stood up, and this is the point at which I wanted to arrive. This is why I read the background of Senator Grafstein's intervention, Senator Beaudoin's intervention and the questions that were put intermittently by Senator Stewart.

Senator Everett is reported to have said:

> Honourable senators, I would like to try to set Senator Grafstein's mind at ease with respect to the point he has raised. I suppose it is possible that a court may find that the appointment of the eight senators was improper.

He now puts it conditionally. He says that it may be possible that the appointment of the eight senators could be found to be improper. He goes on to say:

> However, I believe that, given that they were duly sworn in and took the oath, a court would be loath to invalidate the acts of the legislative body. Let me give, as an example, the situation experienced by Manitoba.

Senator Gigantès, you will be interested in this.

> Manitoba came into Confederation on the basis that French would be used in the courts and in the legislature. In 1890, and again in 1916, the legislature invalidated the use of French—
>
> **Senator Gigantès:** Shame!
>
> **Senator Everett:** —both within the legislature and the courts—
>
> **Senator Roblin:** And the schools.
>
> **Senator Everett:** That is correct. Eventually, in the 1980s, the matter came before the Supreme Court. The Supreme Court could have invalidated all the acts of the Manitoba legislature going back to 1890 had it chosen to do so. However, it did not. It validated those actions and merely said that the statutes that had been passed had to be translated into French.
>
> I therefore suggest to honourable senators that if the court were to find that the appointment of the eight senators was improper, it would in no way invalidate the actions of the Senate during that period because, indeed, those senators had been duly and properly sworn in.

At first he speaks in the conditional; now he speaks in the imperative. He says that it will happen. There are no ifs or buts about it.

Senator Gigantès: Senator Bosa, let me get to my seat. I have a question.

I do not think Senator Everett, in his intervention, addressed the point raised by Senator Grafstein on the question of abortion. Senator Haidasz should be able to speak to that. The point Senator Grafstein was making is that the vote may be extremely tight on Bill C-43 and it might or might not pass, depending on the votes of the eight. Then a final and irreversible thing will have happened.

Suppose the courts change the situation as the government views it and take the position that those eight senators were not properly put in? Issues will arise that are a lot more definitive than mere translation.

A Manitoban who was denied his right to trial in French certainly suffered, but he could go and find a bilingual lawyer. He could get someone to translate for him. That is not the same as the prosecution of someone on the grounds that an abortion that was procured was a criminal act. This law might or might not pass, as Senator Grafstein said, with the help of those eight senators. Senator Everett did not address that point at all, if I remember correctly. It is a serious point and one that senators opposite seem intent upon disregarding.

Senator Bosa: No, he did not, but Senator Stewart dealt with the matter. In fact, I just read it into the record a moment ago. Senator Stewart said:

> Months pass and abortions are performed under the provisions of the bill. What remedies are available to the children who have been destroyed?

This is the question he put, and he received a sarcastic answer from the Leader of the Government in the Senate.

Senator Gigantès: Could you quote to us that sarcastic answer? I think it was so shocking that we should be reminded of it.

Senator Bosa: Yes. I suppose Senator Gigantès was not in the chamber ten minutes ago when I dealt with this, but I will repeat it.

Senator Gigantès: Please do. It is worth repeating.

Senator Bosa: Senator Stewart asked:

> What remedies are available to the children who have been destroyed?
>
> **Senator Murray:** Oh, come on! Sit down; enough of that!
>
> **Senator Stewart:** Senator Murray dismisses it!
>
> **Senator Murray:** I certainly do! This is nonsense!
>
> **Senator Stewart:** He says that this is nonsense. He is not concerned. It is trivial; it is beneath his sublime dignity and importance!
>
> **Senator Murray:** Sit down and save that stuff!

Is that not arrogance?

Senator Stewart: Let me tell Senator Bosa that I have noticed over the years that this is a kind of retort that Senator Murray often uses—almost always uses—when some senator strikes too close to the truth. You have come too close to the truth. When I hear him speak like that, I am not offended. I knew that I had come close to the motherlode of truth.

Senator Bosa: I will continue to read the intervention made by Senator Everett, still at page 2328 of the *Debates of the Senate* of October 3, 1990.

> The courts are loath—and I defer to the expertise of Senator Beaudoin on this point—to frustrate the work of a duly constituted legislature. So, to address Senator Grafstein's point, I think he will find that the court will take a similar course, even if the action that is contemplated here were to succeed in the court.

Is that not preposterous? Senator Gigantès, did you hear that? Is that not preposterous? He has said:

> . . . I think he will find that the court will take a similar course, even if the action that is contemplated here were to succeed in the court.

In other words, he admits that the case can succeed, that the case now before the courts can be won by the people who are challenging the legality of the appointments. But he says, "Okay, so what? If it is found that the eight senators have not been legally appointed, all legislation that has passed in the chamber will be accepted. The courts will not disallow it." Is that not preposterous? And he uses the example of the French language having been put aside in 1890 and again in 1916. He says that it did not invalidate the laws that were passed from that time to the present.

But what are the consequences, honourable senators? Look at the consequences of that. The people of Quebec, the French Canadians, have never forgotten that. There is still bitterness and animosity in this country as a result of that ruling. There has been frustration and disagreement in this country because of the fear held by French Canadians at this betrayal. This is a constitutional betrayal which has been addressed in recent years.

Senator Gigantès: Too late.

Senator Bosa: But what are the consequences? Senator Everett's logic is this: Look. We may be doing something illegal here today, but it doesn't make any difference. Let's go ahead and pass the laws that are before us. Let's deal with the agenda we have in the Senate. Then, if we find out that these laws were approved with the help of the eight senators, who may have been illegally appointed, the courts will not disallow those laws.

Senator Gigantès: Senator Bosa, let us take another case. Let us consider the clawback, Bill C-28.

Suppose that the bill comes before us. Suppose that we abstain in a vote and it is passed. Suppose that the eight senators have voted for it and it is then found that they were illegally appointed.

I say that all the pensioners, who will see that the value of their pensions has diminished because the $50,000 upper limit is not indexed, will go to court. Certainly the pensioners' organizations will have a good case with which to go to court.

It is bad legislative practice to get the state into a situation in which money will be spent by the state and private individuals and organizations in the courts to undo legislative stupidities that could easily have been avoided had some common sense prevailed, if arrogance had not been the only motivating force of this Prime Minister and his puppets in this chamber.

• (0115)

Senator Bosa: Senator Grafstein also makes a good point on that. This is to be found at the same page of the Debates. He states:

> I have another question for Senator Everett.
>
> **Senator Doody:** Give us a break!

At this stage they are becoming a little annoyed because too many questions are being asked. Senator Grafstein proceeds to say:

> I raised the question, not only in terms of the legal consequences but also in terms of respect for law and order, respect for peace, order and good government by the public. Is the honourable senator saying that the francophones of the province of Manitoba were happy and satisfied with that result?

He is asking that question. Of course they were not happy. They still carry a grudge for that which was perpetrated against them. Senator Grafstein continues to say:

> Would it not have been better in those circumstances to deal with the matter—if they could have dealt with the matter—expeditiously? Would that not have been in the national and public interest? It is not only a question of legalities; it is a question of respect for law and order.

He also could have added "fairness." Senator Everett then says:

> Surely it is also a matter of a balance between the legality of the situation and the fact that legislatures have to perform. If I took your point, you could then frustrate any legislature in the country by merely creating some sort of action that would be brought to the courts and then saying that the matter is *sub judice* so that the legislature cannot deal with it.
>
> **Senator Murray:** Exactly.

Senator Gigantès: Senator Bosa, excuse me, but in the past the courts have shown—from the words of Senator Everett himself—that they do take under due consideration the necessity for legislatures to perform, and they do not accept various requests for cases to be heard on the grounds that the cases are frivolous. In the records of the courts we have courts that have actually fined someone for bringing a privileged case before it. To say that if people are allowed to have recourse to the justice system then legislatures will be paralyzed is to criticize the rather excellent court system that we have in this country for not having discernment enough to distinguish between frivolous, harassing cases and something of true value and importance as our case is.

Senator Bosa: Yes, I agree with you. But what has been said here is that if they were to allow these things to be challenged in the courts, they would paralyze the legislatures. How many times did these things happen? When did the Senate challenge—

[Senator Gigantès.]

Senator Gigantès: If this government stays in power for long it will happen often!

Senator Bosa: I recall a couple of instances. For example, in 1978 the government of the day wanted to reform the Senate. It introduced a book entitled *The House of the Federation*. Do you remember that?

Senator Hébert: Yes.

Senator Bosa: That book was at that time circulated. It stated that the Senate was to be changed. It was to be abolished as it is constituted today and was to be called the House of the Federation. In the House of the Federation, as portrayed in that government publication, 50 per cent of the senators, were to be chosen according to the percentage of votes that each party received at the last federal election; and 50 per cent were to be chosen on a proportionate basis on the percentage that political parties received in the provinces—that is, the provincial legislatures. So that you would have a house that would be fully balanced. In other words, 50 per cent of the senators would be federally appointed and 50 per cent would be provincially appointed.

Some provinces stated that the government would not unilaterally do that because the Senate is representative of the regions. When the Fathers of Confederation constituted the Senate, the senators were supposed to represent the regions. Consequently, to make a radical change as was proposed—namely, to convert the present Senate into the House of the Federation—the provinces and their rights were affected.

A court challenge was launched and they won. The Supreme Court said, "No. The federal government does not have the right to do that." Consequently, they withdrew the bill. That is merely one instance.

There was another instance in 1981, at the time we were patriating the Constitution. Senator Hatfield is not here, but he played an important role in that undertaking. A challenge was put by three provinces to the Supreme Court of Canada. The Supreme Court of Canada rendered a verdict which stated that the federal government had the legal right to patriate the Constitution, but it was not conventional. In other words, it was not the usual manner in which the federal government dealt with the provinces. That was another challenge.

Senator Hébert: And what did the government of the day do?

Senator Bosa: Eventually nine of the provinces came on side. Unfortunately, Quebec did not.

Senator Hébert: So they decided not to repatriate, did they?

Senator Bosa: They decided not to repatriate until they received a majority. They compromised.

Senator Corbin: Senator Bosa, may I be allowed to interrupt you once again?

Senator Bosa: Yes. If I am wrong, please correct me.

Senator Corbin: I thought you were interrupting your remarks. I had hoped to rise earlier.

Senator Bosa: No, I have another point.

Senator Corbin: If you do not mind, I should like to refer back to your speech and to your opinion. This does not specifically relate to what you are now debating, but you said earlier that the divisional senators took the oath—

Senator Bosa: It was done surreptitiously.

Senator Corbin: —surreptitiously in a secret place. Can you tell me where the oath was taken and by whom it was received? Do we know that?

Senator Bosa: I do not have personal knowledge of this. I heard that it was taken in the Speaker's office.

Senator Corbin: In the Speaker's office? But it could also have been in the Clerk's office.

Senator Bosa: It could have been in the Clerk's office, yes.

Senator Corbin: I am not drawing the Clerk into the debate—the Table Officers are sacred. Some day we will know, but I am trying to find out where the oaths were actually taken.

You have been a senator here for how long, Senator Bosa?

Senator Bosa: For thirteen and a half years.

Senator Corbin: When you came to the Senate, where did you take your oath?

Senator Bosa: Right here at the Table.

Senator Corbin: How many senators have entered the Senate since you took the oath? Also, tell me where they took the oath?

Senator Hébert: I am one of them!

Senator Bosa: I believe that since then, thirteen and a half years ago, I have become probably the fortieth in seniority, if not the thirty-fifth in seniority. I have not looked at the board outside to see.

Senator Hébert: It changes every day!

Senator Bosa: I know that I was at the bottom of the scale, then I went to the top; then down, then up again. I think I am reaching the top of the fourth column.

Senator Corbin: You are a senior senator and have seen many people come into this place through the front doors; is that so?

Senator Bosa: Yes.

Senator Corbin: With two senators on either side of them?

Senator Bosa: Yes.

Senator Corbin: You have seen them walk to the Table, put their hands on the Bible and take the oath of allegiance to Her Majesty?

Senator Bosa: Yes.

Senator Corbin: You have seen that, have you?

Senator Bosa: They were supposed to have been dragged to the Table because they were supposed to be reluctant to accept this appointment, but some of them were running ahead of the people who were to have been dragging them.

Senator Corbin: As far as you are concerned, the prescribed procedure for the oath is that at one point the Speaker gets up and is informed by someone—I believe it is the Clerk—that a senator is waiting at the door to enter the Senate, and two senators go out and bring the person in and he takes the oath. That is the way it has been done for every senator who has ever been called to this chamber, except for the eight divisional senators, whose names will not be on the board because there is no enough room for their names on that board. They will have to add a cedar shingle underneath it and burnish their names into the shingle. I do not care if it is eastern cedar, western red cedar, or whatever. There is no room on the board; it is a full slate as it is.

Senator Hébert: They will have to wait for the court!

Senator Corbin: Their names will be there temporarily and then who knows what will happen.

Senator Bosa, how did those people who took the oath come into the building? Normally you come into the red chamber through those double doors-that is, the two sets of doors. There is the outside lobby, the inner lobby and then this inner sanctum that we like to refer to as the upper chamber or the chamber of sober second thought, where people come in with their heads held high, smiles on their faces. They come in here, they walk in, and the perks are there, waiting for them.

You think they took the oath in the Speaker's office; I think possibly in the Clerk's office. I do not know. I have no reason to believe otherwise. But I suppose it could have been done in the Clerk's office, because the Clerk is charged with administering the oath. How did they get in the building?

Senator Bosa: I do not have the faintest idea.

Senator Corbin: Did they come through the tunnel? They were not good enough to be brought to the front door of the Senate. Do you think they used the main entrance to the Senate part of the Parliament buildings to come in here, or did they walk through the tunnel? Did they come through an open window in the first floor, or the freight entrance? How did they enter the building of Parliament and come to take the oath? Are you aware of that?

Senator Bosa: No, I am not aware. I suppose it must have been embarrassing for them, because these are distinguished people. They are Canadians who are highly respected and have great prestige. In addition to being done surreptitiously, I also think it would have been demeaning and humiliating for them.

Senator Corbin: Do you think some of them would have been allowed to use the distinguished and prestigous private entrance of the Speaker of the Senate? We are not allowed to use that entrance. Do you think that some of the senators—before they became senators—were allowed to walk in through those doors, the same doors that Her Majesty has used some-

times, as has the Governor General and other top-level dignitaries? Do you know?

Senator Bosa: No, I do not know, but anything is possible.

Senator Corbin: Honourable senators, the following is from the *Debates of the Senate* of Wednesday, October 3, 1990. At page 2311, the Speaker said:

• (0130)

> Honourable senators, I have the honour to inform the Senate that I have received a return from the Clerk of the Senate—

That would lead one to presume that the Speaker was not aware that these persons had taken the oath.

He continued:

> —showing that the Honourable Senators Walter Patrick Twinn; Wilbert Joseph Keon; Michael Arthur Meighen; Normand Grimard; Thérèse Lavoie-Roux; James W. Ross; John Michael Forrestall, Janis Johnson; and Eric Arthur Berntson have taken and subscribed the Oath of Allegiance to Her Majesty Queen Elizabeth II, and have made and subscribed the Declaration of Property Qualification required of them by the *Constitution Act, 1867*, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said Declarations.
>
> Accordingly, the senators' Writs of Summons will be printed in today's *Minutes of the Proceedings of the Senate.*

When the Speaker said that, one is led to understand that he was not personally present at the taking of the oaths, but that he received a return from the Clerk. One would think the Clerk informed the Speaker that these people had taken the oath.

The Declaration of Property Qualification is normally taken in the privacy of the Clerk's office. That is where I made my declaration, and that is where most of us do that at, I believe, the beginning of each Parliament. So here we have a situation in which the right of those disputed senators to sit in this place is controversial.

Senator Gigantès: Is that normal?

Senator Corbin: On questioning senior members of this chamber, I have been led to believe that never in the history of Parliament has the oath been taken elsewhere than in the Senate chamber. That is a serious matter.

Honourable senators, I should like to quote from *Parliamentary Procedure,* by Bourinot, of 1884. I retrieved this older text from the vaults of the Senate because I wanted an authority close to passage of the Constitution Act, 1867. I believe this is the first edition of Bourinot, published by Dawson Brothers in 1884.

At page 109 Bourinot says this respecting the introduction of new senators. The text states:

> The practice of introducing new senators is invariable—

"Invariable" is an important word.

[Senator Corbin.]

It continues:

> —in the upper chamber. The speaker will state to the house whenever the clerk has received a certificate from the clerk of the Crown in Chancery—

That is the person we now refer to as the Secretary to the Governor General.

> —that a new member has been summoned to the Senate. He will then inform the house: "Honourable gentlemen, a new member is without, ready to be introduced." The new member is then introduced between two senators, and presents at the table her Majesty's writ of summons, which is read by the clerk, and put upon the journals. He will then subscribe the oath before the clerk (one of the commissioners appointed for that purpose) by repeating the words after that officer. That having been done, the new member signs the roll, and then makes obeisance to the speaker, who, shaking hands with him, indicates the seat he is to occupy, and to which he is conducted by the members who introduced him. The speaker will finally acquaint the house that the new senator had also formally subscribed the declaration of qualification required by the British North America Act, 1867.

I checked a later edition of Bourinot, the Fourth Edition, by Thomas Barnard Flint of the Nova Scotia Bar, which is interesting. He was Clerk of the House of Commons and editor of the Third Edition published by the Cannon Law Book Company, Law Publishers, Toronto.

At page 111, respecting new senators, the following appears:

> The forms attending the introduction of newly appointed senators are invariable. The speaker first reports to the Senate that the clerk has received a certificate from the secretary of state showing that a certain gentleman whose name is given, has been summoned to the Senate.

The Persons Case had not yet gone to Westminster. The text goes on to state:

> It is then ordered that the same be placed upon the journals. The entry is as follows: "This is to certify that his Excellency the governor-general has been pleased to summon to the Senate by letters patent under the great seal bearing date the . . . day of . . . 19 . . . of . . . in the province of . . . Esquire, &c., &c. The speaker then informs the Senate that there is a new member without, ready to be introduced. The new member is then introduced between two senators, and presents at the table his Majesty's writ of summons, which is read by the clerk, and put upon the journals. He will then subscribe the oath before the clerk (one of the commissioners appointed for that purpose) (*t*), by repeating the words after an officer. That having been done, the new member signs the roll, and then makes obeisance to the speaker, who, shaking hands with him, indicates the seat he is to occupy, and to which he is conducted by the members who introduced him. The speaker will finally acquaint the house that the new senator had also formally subscribed the declaration

of qualification required by the British North America Act (*u*).

In substance, nothing has changed.

I was called to the Senate and sworn in in 1984, and the exact procedure was followed. The officers referred to may have changed over the years, but essentially the same ceremony takes place. For the first time in Canadian parliamentary history a decision was taken by someone—and it is our right to know who made that decision—to take in senators not through the front door of the chamber but through the side doors, the back doors, the underground tunnel, I do not know.

That, as far as I am concerned—and I want Senator Bosa's comments on this—was a cheap and demeaning process. Not allowing this lady and these gentlemen to walk into the Senate chamber the way everybody else come in here was cheap and demeaning.

Senator Gigantès: And in all solemnity!

Senator Corbin: Yes, and with all dignity through the front doors. They should have walked down the red carpet to the Clerk's Table and have had the privilege of shaking hands with the Speaker and to have been escorted left and right by two honourable senators. That action, in my opinion, has diminished not only those individuals involved, but the Senate.

They were really taken in. They are only now beginning to awaken to the fact that they were taken in when they accepted the call to this place.

The rights, privileges, customs and traditions of this place have been diminished. The Senate, per se, has been diminished. I want that on the record. I want honourable senators to reflect on that. I want the divisional senators especially to reflect on that. I will always respect them, but I think they were diminished because of the way someone decided they would enter this place. That was demeaning; but what do you think, Senator Bosa?

Senator Bosa: I agree. Senator Corbin has asked me if I knew where the eight senators were sworn. I heard that they were sworn in in the Speaker's office; then I heard that they were sworn in in the Clerk's office. I did not see them come in. I did not see them being ushered in.

Senator Hastings: Yes, in the middle of the night.

Senator Bosa: I do not know if they were ushered in in the middle of the night, but the point I was making was that Senator Everett stated that if we challenge these actions, the legislative schedule will be paralysed.

I was trying to recall from memory how many laws have been challenged in the courts. I had said that the proposal by the government in 1978 to establish the House of the Federation was challenged in the courts. I said that the Constitution Act, 1982, was challenged in the courts.

I do not know if any other law has been challenged to the extent that those two matters were challenged. I am not aware of any others.

For Senator Poitras and Senator Everett to say that we would frustrate any legislature in the country by merely creating some sort of action that would be brought to the courts, and then saying the matter is *sub judice* so that the legislatures could not deal with it, is an exaggeration. That is an extreme exaggeration. All they had to do was to say that this was a problem facing the Senate. All you had to do was to agree to deal with it, and we could have proceeded with the rest of the business of the house. Instead they dug in and in this way showed the arrogance they were harbouring inside them, which exploded the minute they had their majority. They circumvented the rules of the Senate. They called for a recorded vote on a procedural motion in order to trigger an event where we would go out and they would call in the Conservative senators to have a caucus meeting in the red chamber. They had a Conservative caucus in the chamber with the Speaker of the Senate presiding. Other than these Conservative senators and Senator Molson and Senator Everett, the two independent senators who from time to time see eye to eye with the government side, no other vote was recorded.

• (0145)

Let me point something else out to you. With their arrogance, senators opposite decided that as soon as we did not accept their rulings, they were going to legislate by exhaustion. That is what they are doing now. They are trying to make us stay here day and night until we drop.

Senator Hébert: We will not drop!

Senator Gigantès: They will drop!

Senator Bosa: Senator Hébert, I have never seen so much unity in the Liberal ranks as I see now.

Some Hon. Senators: Hear, hear!

Senator Bosa: I have never seen such fiery speeches, such devotion and such fervour in fighting this battle. We are fighting the battle in this way because we are on the right side of the issue. This is a mission that we are going to pursue to the end. That is why Liberal senators of all ages are here. Did you hear the speech Senator Croll made the other night? We are here fighting for this cause. But, on the other side, members do not have to speak.

Senator Stewart: Senator Bosa, let me remind you of what we have seen here. We have seen the intrusion of eight additional senators into the Senate of Canada. That was done in a precipitous way. There is no evidence that these senators are needed for the purposes that are being alleged. Then we saw Senator Charbonneau usurp power—power which the Speaker of the House of Lords and the Speaker of the Senate never had; power which neither the lords nor the senators have ever entrusted to the person who sits in their Chair. He has done that twice.

We are beginning the last quarter of the year. Some of the transactions to which I referred took place in September. I find it difficult to believe that for three months the government believed that it could not get Bill C-62 enacted by ordinary due process in the Parliament of Canada. I have been told that the real reason for these actions is a commitment made by the Prime Minister, or someone on his behalf, to the Conservative

caucus—particularly the members of the caucus in the House of Commons—that they would have a long Christmas holiday. It is to start sometime in November and run through December, January and perhaps throughout most of February. I have been told that that is the real reason there are a few weeks available to get Bill C-62 on the statute books if that commitment to the Conservative caucus for their prolonged Christmas holiday is to be kept. They want to deal with the fall Supplementary Estimates early and then bring back Parliament in a new session in time to deal with the final Supplementary Estimates for the current fiscal year.

They had a long summer. We have all had a long summer. We were put out of here by a government motion on June 27 and returned on September 25—a three-month holiday that was paid for by the taxpayers. Now a new lure is being held up: a nice, long winter vacation. I am told that some people like to take off from these new airports, which occupy so much of our fine agricultural land that Senator Sparrow was talking about, to their favourite winter haunts such as West Palm Beach. Don't think there is any thought in the head of the Prime Minister of the Leader of the Government in the Senate that the Parliament of Canada will be here on Christmas Eve or New Year's Eve trying to put the GST bill through. Not a thought! By then they will be nice and brown on the beaches of Florida. That is the real motivation for this inordinate haste and this unseemly constitutional trickery and usurpation by Senator Charbonneau. That is the kind of trivial consideration that has been operating in this Parliament during the last two weeks. Have you heard that, Senator Bosa?

Senator Bosa: I heard it loud and clear. Someone is laughing. Is someone questioning my sincerity in saying that I heard that loud and clear? I want to go back to the arrogance. The moment the Leader of the Government felt he had a majority in this chamber he became arrogant. The Conservatives trampled all over the rules. They never had this power before. It is like a person who is held by the collar and given a drink once in a while. Soon he wants more, but you prevent him from having what he wants. That is not the situation in Italy. In Italy there are no restrictions on liquor. That is why you find fewer drunks there than in any other country. Why? Because it is free. It is right there. Even children drink a glass of wine.

Now the Conservatives opposite have power and they exercise it with a vengence. It is as if you handed them a bottle of whisky for a drink and they gulped it down in one shot. Before Bill C-62 was tabled, they pulled this trick. They trampled over the rules. They made their own rules because they were going to show the Grits what they could do now that they had the majority. What happened? Now the Conservatives have had a taste of what we can really do—that we are serious about this debate, and that we are going to keep on debating this until they withdraw that ruling, until they restore the rules of the Senate and until they chastise the Speaker. Now they have gone from being arrogant to being insecure because they know we mean it.

I would like to read a column that was written by Don McGillivray of *Southam News*, which appeared in the *Ottawa*

[Senator Stewart.]

Citizen on Wednesday, October 10, 1990. The headline is "Dose of insecurity good for arrogant Tory government".

> Is a majority government free to do anything it wants, subject only to the decision of the voters in the next election? That is essentially the proposition put forward these days by the Mulroney government. Justice Minister Kim Campbell stated it succinctly on Sunday on television: "We have to introduce a tax. If you think we're wrong, turf us out at the next election."
>
> It sounds democratic. The government is responsible only to the voters who get their say once every four or five years. The electors then delegate all power to a prime minister and his party.
>
> This is what Prime Minister Brian Mulroney called "parliamentary democracy and responsible government" in one of the speeches he made while forcing his way past Senate "obstructionism".
>
> "It is my duty to defend our system of government," he said.
>
> **No checks**
>
> Perhaps this system, without any effective check on prime ministerial power between elections is becoming "our system of government".
>
> But are we in danger of ceasing to be a full-time democracy and turning into an intermittent democracy? Do we have four-year or five-year dictatorships punctuated by moments of democracy when the ordinary citizen is expected to decide all questions by putting an X in one of three or four boxes printed on a piece of paper?
>
> Perhaps the theory of unchecked government seems unsatisfactory because of the backdrop of events in the United States.
>
> The struggle over the 1990-91 U.S. budget among the White House, the Senate, the House of Representatives, the leadership of the Republican and Democratic parties and rebellious elements in both parties may not be the best way to decide on taxation and spending.
>
> But at least the citizen who wants cuts in medicare or heavier taxes on business is able to feel his or her opinion is being heard.

That opinion is being heard in the Senate. He continues:

> Not so with the goods and services tax. The debate on the GST was over before we realized it had started. We had an election in 1988. Many of us thought it was almost a referendum on free trade with the U.S., a referendum the majority lost because its votes were divided between two opposition parties.
>
> But now it turns out that with those same X-marks we absentmindedly gave an irrevocable mandate for the GST. And by the next election it will be a fait accompli. We can "turf" the Tories. But will the government we elect free us from the GST?

The checks on the executive power of the Canadian government have never been as strong as in the U.S. And in many ways they have diminished.

Closure, the arbitrary ending of a debate by the majority in the Commons, was once rare. Now it's common.

● (0200)

Refusal of an opposition to show up for a vote (commonly called "bell ringing") has been virtually outlawed as a delaying tactic by rule changes in the Commons and, for the moment, by a Senate Speaker's ruling.

Some new checks on the government's power may have arisen, though. A cabinet must now heed Supreme Court decisions on cases under the Canadian Charter of Rights and Freedoms. And the Access to Information law, despite government foot-dragging, has here and there opened a window on things the cabinet would rather keep hidden.

And a government determined to plunge ahead in defiance of the public may generate its own checks and balances.

The Mulroney government is no longer as comfortable in its majority as a couple of years ago.

It seems that enough Tories have been tossed out of the government caucus over the GST or have quit to join the Bloc Québécois that the Tory whip is no longer as sure as he was of winning every snap vote. A few Conservative absentees could spell disaster.

That kind of insecurity is part of "our system of government" too. It's good for arrogant governments.

I think Mr. McGillivray has captured the essence of the day.

Hon. Thomas H. Lefebvre: Would the honourable senator permit a question?

Senator Bosa: Yes.

Senator Lefebvre: Senator Bosa has just read an article from the *Ottawa Citizen.*

Senator Bosa: This article is taken from the *Ottawa Citizen* of Wednesday, October 10, 1990 at page 15. It was written by Don McGillivray.

Senator Lefebvre: The article explains the arrogance of the government and the trampling of parliamentary procedures that has taken place in the other place. I get the impression from Senator Bosa that he is explaining to us that now, with the eight royal senators that have been added here, the Conservative side has a majority that would allow the Tories to do the same thing to the rules, procedures and conventions of this chamber. Senator Bosa has said that the arrogance being displayed over the last few days by the Tories in this chamber has always been there but was hidden under wraps until the day they proclaimed the eight additional senators.

In my view, he is saying that the Conservatives will try to pull the same things here as they have tried to pull in the other chamber, but the Canadian public is becoming more and more aware of their anti-democratic rulings. Could you elaborate on that, Senator Bosa?

Senator Bosa: I would be pleased to. All I have to do is repeat one sentence of the same article:

> Refusal of an Opposition to show up for a vote (commonly called "bell ringing") has been virtually outlawed as a delaying tactic by rule changes in the Commons and, for the moment, by a Senate Speaker's ruling.

He is aware that a ruling by the Speaker of the Senate would be tantamount to eliminating any possible delaying tactics that Her Majesty's Loyal Opposition may institute to draw attention to a bad bill. This is now common knowledge. The papers are beginning to write about it. They are not writing about the GST now—they are writing about the raping of the rules of the Senate.

Hon. Sidney L. Buckwold: Honourable senators, I rise to express my views on what I consider to be a valid objection raised by Senator Stewart as to the procedures of this house. It has been discussed in great detail by many senators.

Honourable senators, I must admit that I was an innocent victim of electronics last Thursday night, that ill-fated night.

Senator Bosa: I wonder if Senator Buckwold would allow me to say one word.

Senator Buckwold: You can even say five words.

Senator Bosa: I merely wanted to draw to the attention of the *Hansard* staff the omission in the index of the *Debates of the Senate* of Thursday, October 4, 1990, of the interventions of Senator Stanbury and myself. They are to be found at pages 2398 and 2399 of the *Debates of the Senate* of that date.

Senator Frith: But, considering what they have had to go through with this, you forgive them.

Senator Bosa: Oh, yes, I was going to add that with what is happening here it is a wonder that we have as much accuracy as we do.

Senator Buckwold: Thank you very much for that important intervention, which I think the chamber will be interested in knowing.

Honourable senators, I started out by saying that I was an innocent victim of the electronic inventions of the day. Last Thursday at a little after five o'clock I waited for my taxi. I saw a group milling around outside and asked one of the security people what was going on. He just shrugged. He did not say anything, and I quite innocently got into the taxi and went to the airport, where I met Senator Sparrow, who was on the same flight going to North Battleford, Saskatchewan.

It was my luck that just as we were checking in Senator Sparrow, who has always had these modern conveniences, had a telephone in his briefcase. All of a sudden I heard ringing. Senator Sparrow was just checking in ahead of me. His secretary called him and said, "You won't believe this, but the Senate is sitting." This would have been a little after 5:30 p.m., just after we got to the airport.

Senator Sparrow had already checked in and I was standing at the counter, ticket in hand. I could hardly believe it. Certainly it was not unexpected that we might be called back at any time, but to have this kind of surprise thrown at us was quite awesome.

Senator Sparrow and I immediately agreed that our place was not on that airplane, that we should contribute to the additional deficit of Air Canada, get in a cab and come right back here.

We arrived here by approximately 6:20, at which time it was all over. Everything had taken place.

Well, honourable senators, I felt insulted, and I am sure others have expressed the same view. I had no way of knowing that this was going to happen. If it were not for that telephone, I would have had a much easier weekend, I can tell you. I would not have been part of the explosion that took place in this chamber.

Senator Phillips: You were not coming back prior to that telephone call?

Senator Buckwold: No, I was on my way home, as many senators were about to do.

Senator Frith: Not that weekend, we weren't.

Senator Buckwold: Yes, but I had a speaking engagement. The Deputy Leader will remember that I spoke to him about a speaking engagement in Saskatoon on Friday night. I asked his permission to go, as it was an important event.

Senator Phillips: Thanks for the further proof.

Senator Buckwold: Quite frankly, honourable senators, we arrived back here and then, of course, the whole mess started.

How desperate can a government get? How can it continue to use every means, legal or illegal, decent or indecent, proper or improper, to ram through a piece of legislation that in the end is going to be its nemesis? It will never be forgiven. I am talking not only about the legislation itself but about the procedure. It will never be forgiven by the Canadian public.

The Tory party has killed itself, in my opinion, for the next generation, just as it has done in times past, when it made the wrong move. Surely they have to have some feeling for what is going on. I am talking not just about the expression of opinion that was given to our committee as we travelled around the country, but also of the economic indicators.

It was not difficult to see what was coming. We were into a recession in this country. If the government had any common sense or any political savvy, instead of just having to be dead right—and believe me, it will be "dead" right—if it had been able to look at the economic indicators, it would have been happy, if not to withdraw the bill, then at least to postpone it or delay it for a period of time.

Of all times, this sort of taxation, a new change in the direction of the burden of taxation, is the worst thing the government could do. I am sure that thinking senators on the other side feel the same way.

[Senator Buckwold.]

We hear the indicators. Today the Conference Board of Canada reported that this is absolutely the wrong time to make such a change. Most of the think tanks—many of whom who supported the GST, by the way, and I will get into that later in my speech when we are discussing the GST—as they make their explanations and predictions of what is happening to the economy of this country, are blaming a variety of things, plus the imposition of the GST. Read the report of the Conference Board. Read the reports of other think tanks. The GST, in addition to inflation and unemployment, is adding to the whole disillusionment of the country in the economic policies of this government.

I will have the opportunity to discuss the report of the committee on the GST. But I have to tell you that it will be a factual speech, because I will really just go through the work of the committee.

Honourable senators, there is a calamity befalling this country. I want to say to my Conservative friends across the way that if they think there is any shift in public opinion, they are wrong. I have heard some of them say, "Well, the mess you guys made last Friday and Saturday was something that will cause the Canadian public to turn on you." They were disgusted. Well, none of us was very proud, but, believe me, the Canadian public have not changed their opinion on the Liberal stand.

I think it was yesterday when my very nice secretary brought in the mail. That nice young lady was almost ruptured with the load of mail that had poured in, all of it, with one or two exceptions—hundreds of letters, petitions and signed statements—encouraging the Liberal senators to do what they have said they were going to do, what we are determined to do and will continue to do: block the GST, do everything we can against the despicable act of parachuting in new senators. That was a procedure never followed in the history of Canada, and it was done to bring in a tax vilified and hated by the Canadian public.

● (0215)

I thought I would reinforce that statement of public support by dipping into the letter bag and taking out some letters at random and reading them to you. I have not had time to read some of them completely myself because there are just too many, but I thought you might be interested to hear what the ordinary people out there in this great land of ours— who I respect—and, believe me, some of the opinions are more meaningful to me than hearing from the president of the Chamber of Commerce.

These are the people who are out there providing the jobs and the little service industries. These are the people who are building up small businesses. If you look at where people work in this country, you will find that it is not in the steel companies of Canada or even in General Motors. The great majority—65 or 70 per cent—are employed in service industries and in small businesses. These are the people who are creating employment. These are the people who write to me and to other senators and, I presume, even to our friends across the way.

The first letter that I happened to pick up is from Toronto. It is from Mr. I. Good. This is a good letter. It reads:

> Subject GST
>
> Dear Mr. Buckwold:
>
> This is my third letter to you. Down with the GST. Economically we are in a recession, yet Mr. Mulroney and his cronies conceptionally keep their blinkers tied tight.

These people have good lines; I will have to remember this. He goes on to state:

> The Mulroney government is only interested in big business and the money spent on preparing for the GST. This stupid government has lost sight of the consumer, the person that will decide the fate of the economy.
>
> Analogy: Saddam of Iraq says, "To hell with what the world and the United Nations thinks." Mulroney says, "To hell with what the consumer thinks."
>
> Good luck—keep up the blockade.

It is signed Mr. I. Good. That is just the beginning. I have hundreds of these. Do you want me to go until 10 o'clock? If so, I would be glad to.

Senator Hastings: Go until tomorrow morning.

Senator Marchand: Until eight o'clock, anyway.

Senator Frith: Yes, eight o'clock would be fine.

Senator Buckwold: Yes.

Senator Phillips: Go until at least eight o'clock!

Senator Marchand: Go ahead.

Senator Hastings: Go and get the mail bag!

Senator Buckwold: Do you want me to go and get the mail bag? We can bring in the mail bag. I am not strong enough at this hour to lug it in. I might need some help. I am just a little guy, and it is a big bag.

Senator Lefebvre: You would need some help with it.

Senator Buckwold: This letter is from Grace M. McCarthy, MLA Vancouver Little Mountain, B.C. Grace McCarthy, as all of you know, is a leading political figure in British Columbia. She appeared before our committee and wrote me afterwards. The letter is in the file.

Senator Phillips: I thought it was from Pat Carney.

Senator Buckwold: Pat Carney? She would not write me if I told her that I would give her $10 for every word.

Senator Hastings: Did she attend a meeting in Vancouver?

Senator Buckwold: Pat Carney attend a meeting? She did not even know that it was going on.

Grace McCarthy wrote:

> Dear Senator Buckwold:
>
> It was a great pleasure meeting you in British Columbia, and I hope that some of the representations made across the country have made a significant impression on the committee.

This, I believe, is a former deputy premier of British Columbia, not a Liberal. She goes on to say:

> My personal concerns regarding the G.S.T. include the timing of its presentation in the midst of what will be a recessionary period for our economy. In my view it will be especially damaging to Western Canadian economies, and it is for this reason I urge the Senate to stand firm against the House of Commons to protect this region of Canada.

If I can interject, as a regional senator I have to take that kind of advice.

Senator Stollery: That is right!

Senator Buckwold: She goes on to say:

> The unwielding process which has been developed by a group of bureaucrats who obviously don't know what doing business is all about, and the enormous burden this places on each and every Canadian is so unfair to our people. I do wonder at the political wisdom of the government!
>
> Again, it was a pleasure to see you in Vancouver. I was very pleased that the Senate Committee has produced these hearings for Canadians from coast to coast to be heard. I do hope the hearings have had an effect.
>
> Sincerely,
>
> Grace M. McCarthy, M.L.A.

The next letter just came into me on October 10—is that today?

Senator Fairbairn: No.

Senator Buckwold: What day is it?

Senator Phillips: The tenth is tomorrow.

Senator Lefebvre: It is only the ninth.

Senator Phillips: The tenth is tomorrow. Look at the Table.

Senator Buckwold: We lose track of the days and nights! This letter is from the Canadian Federation of Independent Business. The fax is signed by Bill Parsons, but the letter is from John Bulloch, President of the Canadian Federation of Independent Business. He sent me a press notice that has just been put out by the Canadian Federation of Independent Business. It does not represent D'Aquino's big guys or the big department stores; it represents the people who provide employment. Mr. Bulloch says:

> The Federal Government should withdraw Bill C-62, the GST legislation that is presently before the Senate, fix the flaws, and delay implementation of the new tax by a period of one year.
>
> The Conference Board of Canada has confirmed that we are now in a "made-in-Canada" recession as a result of the government's high interest rates. To make matters worse, inflation and declining ouput are now being compounded by high energy prices. This is not the time, therefore, to introduce a massive consumption tax and drive consumers and small businesses into the ground.

Surely these words must have some impact on you people dozing across the way.

An Hon. Senator: None!

Senator Buckwold: You have made up your minds that you will not listen to anyone, especially to the people. I am hoping that some of this might even sink through so that you get to feel that people are being hurt by this tax. It is not the Liberals or me as the chairman, it is the people out there who are begging us to do something to a tax that they just will not accept.

I will now go back to the letter. It states:

> When the GST was first contemplated by the government, the Canadian economy was enjoying a period of robust economic expansion, relatively low interest rates and inflation, and a competitive Canadian dollar. Times have changed. The timing of January 1, 1991 for this horrendous new tax could not be worse.
>
> People are hurting in this country.

I wish you people would remember that. People are hurting out there. They are losing their jobs. They are losing their businesses. More and more, they are losing faith in their country's leaders. All you have to do is look at the polls that ask: "What kind of confidence do you have in your country's leaders?" You will see that that is proved in every poll. There is four times as much confidence in chartered banks, according to a recent poll, than there is in the federal government.

Senator Frith: They love their bankers more!

Senator Buckwold: Yes, they love their bankers. They hate bankers—and if you want the clipping I will show it to you—but the lowest level in the poll was the confidence in the federal government. There was four times as much confidence in the chartered banks. This letter concludes:

> This is the time for the Prime Minister to show economic statesmanship, rather than brinksmanship.

It is signed John F. Bulloch, President, Canadian Federation of Independent Business.

As I read these letters, quite frankly I do not know what I am coming to because I have hardly glanced at them. Some of them may even be supportive, I do not know. I hope I have not taken the wrong letters.

Senator Poitras: Yes; You have the wrong letters now!

Senator Buckwold: The chance is about one in two hundred that I might happen to pick up a letter that is from a relative of Mr. Mulroney, or of Senator Phillips, or perhaps from Senator Spivak's mother-in-law, telling her that this is a great deal.

Senator Phillips: You did not answer those letters, though.

Senator Buckwold: So far I have not found one like that. This one comes from my home town of Saskatoon from Patrick T. Mackenzie. It reads:

> Dear Sid:
>
> We have just returned from six months in New Zealand—

[Senator Buckwold.]

That is the great illustration used by the government so often of a tax paradise for bringing in their value-added tax, or goods and services tax.

Senator Phillips: I take it those people are hurting, are they?

Senator Buckwold: In New Zealand?

Senator Phillips: No, the ones who visited New Zealand.

Senator Buckwold: If you will let me read the letter, we will find out. I have not read it myself. Maybe they are.

Senator Stollery: Absolutely!

Senator Poitras: But they spend six months there!

Senator Buckwold: However, we have New Zealand, the great illustration. Here is a country that brought in this tax four years ago. In four years the rate has already gone up 25 per cent and brought on a depression like they have never seen before. Unemployment has now, they say, levelled out. That is what we can expect will happen in Canada. The record is there. Even our committee had representations made to it from people who had been in New Zealand and lived in New Zealand.

Senator Poitras: Your members of the committee.

Senator Buckwold: Yes, that is fine. Some of us were impressed. Believe me, the members on the opposite side were not impressed with anything—they were not even impressed with the hard chairs that we sat on, although they made a good impression there sometimes.

An Hon. Senator: Thank you.

Senator Buckwold: You are welcome. He says:

> We have just returned from six months in New Zealand, where they have a GST of 12 per cent. It is very expensive, though beautiful, country in which to live. The everyday impact of living with 12 per cent tacked on to everything is very strong and the kiwis do not have provincial tax on top of the federal tax as we do.

This is an important point. He goes on to state:

> They also had their income taxes reduced with the inception of GST.
>
> It is a mean tax that concerns as well as infuriates me. How can a government say—

And the "mean tax" is the GST in Canada that he is referring to. He goes on to say:

> How can a government say that it cares for its citizens when it won't even do what ordinary taxpayers want? A government that drinks continually from the communal trough without going to large corporations, where millionaires can "get out of" paying any tax at all.

• (2030)

> Now, in order to get his way Mulroney is planning to stack the Senate with his cronies.

This was written on September 24, just before we got "the stackers."

> Now, in order to get his way Mulroney is planning to stack the Senate with his cronies—legally too, he claims. I'm disgusted. Where will this stop. Rather than stack the Senate this government should be forced to hold a general election.

These people are not dumb!

> Please listen to the concern of 80% of Canadians and get all the Liberal senators out on voting day. We are all justifiably cynical of government but my father-in-law Norman MacKenzie was in the Senate in the 60s so I know that the Senate has the clout to oppose Mulroney.
>
> Yours sincerely
>
> Eileen MacKenzie

Senator Lefebvre: The letter from the person who had visited New Zealand said that the GST there was at a rate of 12 per cent, did he?

Senator Buckwold: Their rate is 12.5 per cent.

Senator Lefebvre: That person also indicated that income tax rates had been reduced.

Has this government announced a reduction in income tax rates?I have been told that since this government took office it has raised income tax rates tremendously, affecting middle-class Canadians, not upper-class Canadians.It is my understanding that this government has no intention of lowering income tax rates.

Would Senator Buckwold comment on that?

Senator Buckwold: Representations were made to the committee by dozens of petitioners. The current government actually reduced income taxes—but do not get too excited because that applied only to those in the higher-income brackets. Of course, those who are in those brackets needed the reduction!

Senator Lefebvre: That was done for Mulroney's friends.

Senator Buckwold: Ordinary Canadians pay most of the income taxes in this country. The poorer Canadians got a slight reduction. The tax burden was put on the average working man and the average small business person. That is the way this government operates.

As we now know, in New Zealand there is a plan to reduce income tax rates. Also, as the gentleman has pointed out, New Zealand does not have any provincial sales taxes to contend with.

Senator Marchand: Dr. Norman MacKenzie was the former president of the University of British Columbia. He was an outstanding president and an outstanding senator. I believe he retired in the early 1970s. I thought I would let honourable senators know more about Norman MacKenzie, as you just left it hanging.

Senator Buckwold: Honourable senators, now that I think of it, Norman MacKenzie lived in Saskatoon. He was the distinguished Dean of Engineering at the university for many years. He eventually moved to Ottawa and took a position with the National Research Council.

That is just for the information of honourable senators.

May I continue with my reading of the letters? A News Release, dated October 2, 1990, from Co-op Atlantic states:

> IMMEDIATE RELEASE
>
> Co-op Atlantic, on behalf of co-operatives in Atlantic Canada, called on Senators of all parties to vote against the GST legislation now before the Senate. Co-op Atlantic is owned by 174 co-operatives across The Atlantic region. More than 160,000 families own these cooperatives and those families include over 500,000 people in the region. Co-operatives are non-partisan businesses which are owned by local people to solve community problems.
>
> Co-operatives oppose the tax for two reasons:
>
> The tax discriminates against co-operatives and puts them at a disadvantage compared to their competition. The GST attacks the ability of people in their community to form businesses which are owned and controlled by people in the community and which meet community problems.

To explain why—and I will go into this in more detail when I discuss the committee's report—by some strange bureaucratic ruling, which so far has not been changed, although representation has been made, the share capital of the co-op, which in any other business would be common stock, is treated under the goods and services tax as a membership fee. It is treated in the same way as a golf club membership. There is a tax of 7 per cent on that capital. Anybody who wants to join the co-op and put in $1,000; $2,000 or $3,000–which is how co-ops operate—must pay 7 per cent on that.

We have had representations from co-ops right across the country. In my part of the country millions of people belong to co-ops, all of whom are making the same complaint.

Senator Beaulieu: Who is that letter from?

Senator Buckwold: It is a news release from Co-op Atlantic. Sid Pobihushchy is the president of that co-op.

Senator Beaulieu: He is a well-known supporter of the Liberal Party.

Senator Buckwold: Is that a criminal offence? It may be in Senator Beaulieu's mind. Mr. Pobihushchy represents 500,000 people. I do not think the fact that he is a Liberal should make any difference. When he appeared before the committee in Halifax, quite frankly I thought he might be a member of the New Democratic Party. He certainly is not a Tory.

I am glad Senator Beaulieu has raised this issue because there are intelligent people living in the maritimes.

Their problem is that this will affect their share capital. This will mean unfair competition.

The news release goes on to state:

> The tax is regressive. It taxes a single mother with three children at the same rate as a billionaire.

You people opposite would know about that. It goes on to state:

> The GST moves the tax burden in this country away from those who can afford to pay toward those who can less afford to pay.
>
> "We approached the Government with our concerns in early June. They promised to have answers for us by the end of July but when we finally met in September they were back to asking the same sorts of questions they had asked in June," said Eric Dean, Co-op Atlantic General Manager.

Is he a Liberal too, Senator Beaulieu?

The news release goes on to state:

> "It seems to us that the whole idea of the Senate is to act as a check and a balance. When 85% or more of Canadians are opposed to something, and when the elected Chamber has no regard for their opinion, the Senate has a role to play. This is especially true when the elected chamber has been elected with the support of only 43% of the electorate. We expect the House of Commons to act in good faith and to respect the views of Canadians, and if they do not then the Senate has a role to play.

Senator Muir should be interested in this. This is a co-op from Atlantic Canada.

Senator Muir: I am listening to you. Take it easy! Control yourself!

Senator Buckwold: It just seemed to me that the moment I started talking about Atlantic Canada, Senator Muir started talking to his desk mate. That shows how interested he is in this subject.

Senator Muir: I am trying to stay awake to listen to your malarkey.

Senator Buckwold: I am only reading what Canadians are saying. You have accused me of dishing out malarkey; I am only repeating what the people have said.

Senator Muir: Just carry on.

Senator Buckwold: I will. The news release goes on to state:

> This role should be played very infrequently but if it is not played in this type of situation then the Senate has no role at all. In this case Senators have a duty to vote against this regressive, flawed and discriminatory piece of legislation because it offends the 'peace, order and good government of Canada'", said Sid Pobihushchy, Co-op Atlantic's President.

That co-op represents 500,000 people in the Atlantic region. The next letter is from Glenwood, Yarmouth County, Nova Scotia. Since Senator Muir is not interested in what maritimers have to say, he can leave now.

This is a letter from Kathleen Wilson. She writes:

> Dear Senators:
>
> I just saw two cookies from the latest uncooked batch of Senators interviewed on CBC's *Midday*.

[Senator Buckwold.]

They are now well done; they have been roasted. She continues:

> Among other things, they did some proselytizing about their plans to help "change Canadian institutions."
>
> I really don't want the likes of those two changing Canadian institutions, which, thank God, seem to work just fine, at this moment in time.
>
> Please keep going with your fight against the GST and this traitorous government. You are a valiant band.

● (0245)

They must be thinking of you, Senator Frith. Kathleen Wilson wrote that on October 4.

The next letter comes from Mr. Orin Durey of Regina, Saskatchewan. It reads as follows:

> Dear Sir;
>
> I am following up on the phone call I made to you in Saskatoon on Sunday. I strongly disagree with Mulroney's stacking of the Senate and his push to ram the GST down the throats of Canadians. What this country needs is fair taxation, not regressive taxes that hit the poor and the middle class and allow the banks and the transnational corporations to pay next to nothing.

I was told this time and time again. Every one complains about the banks, yet everyone has four times as much confidence in them as they have in the federal government. At the end of the letter it says:

> P.S. All the noise-making Friday *has* to be done to stop the Government. Give 'em a blast for me! Thanks.

Consider yourself blasted!

Hon. Finlay MacDonald: How do corporations pay taxes?

Senator Hastings: They don't! They have never paid taxes.

Senator Buckwold: Your question is how do they pay taxes? They pay by the profits they make and by the prices they charge.

Senator MacDonald: Consumers pay taxes.

Senator Buckwold: I have heard that argument before.

Senator MacDonald: They pay them through lower dividends.

Senator Buckwold: Your argument is that they should not pay anything.

Senator MacDonald: It would be helpful if you could tell me how corporations pay taxes.

Senator Buckwold: Everyone loads on a tax somewhere, and corporations take more than their fair share. This is what we were told across the country. The consumer pays in any case. The corporations have to get a return on their investment. If their taxes are higher, they raise their prices, profits or margins. I do not accept that. Many of these companies may have to take a lower return on their investment. I guess that is the reason you and I sit on different sides of the house.

I have another letter from Jim Rutledge of Saskatoon. I have a lot of friends in Saskatoon, although I do not know Mr. Rutledge. He says he is a retired cabby with 28 years in our fair city with never a dull moment. He said he had a half section of land which he sold in the spring of 1989. In this letter he is making reference to Bill C-28. He is saying that he had to pay a tax on his old age pension. I will save that letter until we get into Bill C-28. He said because he sold his farm and made additional revenues that year, he had to pay his old age pension back. The guy was a taxi driver. He had to pay back $1,300 of his old age pension. He asked me how this can occur when the law has not yet been passed. He said he does not like to trouble me with his minor problems, but answers today seem to be few and far between. It is a little off the subject, but we will come to that in due course.

The next letter I have is from Terry Mester of Welland, Ontario. He says:

> Dear Senator Buckwold:
>
> I just wish to begin by expressing my great pleasure with the Senate for exercising its Constitutional Rights with respect to the Goods and Services Tax, Unemployment Insurance and many other matters over the past year. The Conservative Government is ruining our Country and the Senate is the only Institution that can stand in their way.
>
> It is, however, unfortunate that Mulroney has been able to attain a majority in the Senate through his unorthodox methods. Although he does not have an absolute majority in number, because a few of your fellow Liberal colleagues are ill, coupled with another Liberal retirement on October 4th, he almost has a majority in practice. Combine this with the three Liberal retirements next year—including yourself—he will rule the Senate without difficulty.
>
> Almost as disastrous as the Goods and Services Tax passing is the fact that the Unemployment Insurance amendments will now pass, and next year they will probably be ramming through the Free Trade Agreement with Mexico. The worst result, however, will not be until after the Liberals are re-elected and the Conservatives use their Senate Majority to get vengeance on us. I guess that will just have to be the price we pay in order to stand up for our principles.

That is a wise statement. A lot of people have said that some day we will get this treatment back. That does not bother me at all. As Mr. Mester says, it is proper that we stand up for our principles.

> At least the Liberals can say that we did *everything* in our power to stop the Tax. I hope that you will continue to keep up the good work!

I will now read my next letter of October 10.

> I've been living in Edmonton almost ten years. Originally I'm from Newfoundland, Canada. My reason for leaving my home is the same for thousands of other Newfoundlanders who have left over the years, employment. Before I left to come out west I was married with one child, working in a foundry for $3.25 per hour, paying 11 per cent sales tax and 80 cents for a litre of milk. Still I was doing good compared to other people I knew at the time which was 1981 not 1950. Since I've left Newfoundland my people there are paying over 13 per cent sales tax, employment and wages are the lowest all across the country and a litre of milk has almost doubled in price. Brian Mulroney gave the French fishing rights off the Grand Banks, and most of our fish plants had to shut down, but let's not forget, we do have free trade with the United States. Soon our Prime Minister will sign a free trade agreement to include Mexico also. The U.S. will have everything they ever hoped for, access to Canada's rich natural resources, and one of the cheapest labour forces where an auto worker earns $1.30 per hour. Try competing against that, Ontario. Newfoundlanders will have plenty of company in the boat then, we better start bailing now to make room.
>
> If this GST goes through Newfoundlanders will be paying a 19 per cent tax, that's like rubbing salt into a festering wound. This should be an eye opener for the Canadian people to what this GST is going to do and that is "Make the poor pay more". Start taxing the rich and big corporations more, plug up the loopholes they use to exempt them from paying. We need a government that is going to support economic growth where it is needed the most, not one that's going to stifle it through levying high taxes on the ordinary working man, who are the majority in this country! I'm pretty sure they will prove it in the next election if this GST goes through. Mr. Mulroney will need all the luck of the Irish he can get, maybe even George Bush and the marines.
>
> As a Newfoundlander and a Canadian citizen who is concerned about the effects of the proposed Goods and Services Tax, I am asking you Mr. Buckwold and the entire Senate to do whatever you can to defeat the GST and to explore fair tax alternatives, which I'm sure we can accomplish through the people of Canada.
>
> I look forward to hearing from you.

It is signed Kenneth Spurrel.

I have another letter from Weston, Ontario.

> As suggested by the Leader of the New Democratic Party of Canada—Audrey McLaughlin—I am writing to you to urge you on in your efforts to stop the proposed GST. According to articles in the newspapers, there are fairer ways of raising the money the Government says they need, and I have already sent many of those clippings to Mr. Mulroney and Mr. Wilson. Please get the Senators together to save us from "death by taxes".

It is signed Mrs. M. Kendler of Weston, Ontario.

I am sure you will find this correspondence interesting. It lets you know what people think out there. I have a feeling that many of us are far removed or isolated from what the ordinary guy thinks.

I have another letter from Downsview, Ontario.

> I find it incredible that in this democratic society, the voice of Canadians is being ignored. Are we truly a democracy then? How is it that the GST can still be passed regardless of how Canadians feel? How is it that the very people we elected to represent us are now turning their backs on their duties to the country? I'm saddened for Canada and disgusted at the Tories. What does it take to put a stop to the GST?

It is signed by Monica Segal.

This next letter of October 9 gives you some idea of the problems people face.

Senator Lefebvre: Senator Buckwold, I believe at the beginning of your remarks you mentioned someone's father-in-law who had been a senator here. The Table has provided me with the name of a certain Hon. Norman Archibald MacRae MacKenzie, C.M.G., M.M. and Bar, Q.C., B.A, LL.B., LL.M., LL.D, D.C.L., D. Litt., D. Soc.S., F.R.C.S., (University-Point Grey). Born January 5, 1894 at Pugwash, Nova Scotia. Son of the Rev. James Arthur MacKenzie and Elizabeth MacRae both Canadian educated at Pictou Academy, Dalhousie University, Harvard, St. John's College, Cambridge and Gray's Inn, London. Married December 19, 1928, to Margaret, daughter of A.W. Thomas of Toronto. Three children: Patrick Thomas, Susan Elizabeth (Mrs. Trevor Roote) and Sheila Janet. President Emeritus and Honourable Professor of International Law, University of B.C. Director, Bank of Nova Scotia. Member, Vancouver Comm. Canada Permanent Trust Co. Hon. Colonel. Served with Canadian Infantry 1914-19, 6th C.M.R.'s, 85th Batallion Nova Scotian Highlanders. Member, University Advisory Board, Department of Labour; Advisory Committee on University Trg. for Veterans, Dept. of Veterans' Affairs; Trustee, Carnegie Foundation for Advancement of Teaching, 1951-63 (Chairman of the Board of Trustees, 1959), Teachers' Institute and Annuity Association of America, 1948-63; President, National Conference of Canadian Universities, 1946-48, Canadian Club of Toronto, 1939-40—Honourable Secretary 1930-39; Chairman, Research Commission, Canadian Institute of International Affairs, 1929-40; Founding member and Honourable Chairman, National Council, Canadian Institute of International Affairs; Delegate to the Institute of Pacific Relations Conferences—Shanghai, 1931, Banff, 1933, Yosemite, 1936, Virginia Beach, 1939, Mont Tremblant, 1942, Br. Comm. Conf.—Toronto, 1933, Sidney, Australia, 1938, 7th Congress on Laws of Aviation, Lyons, France, 1925, Congresses and Meetings of University of the Branch of the Commonwealth—Oxford, 1947, Bristol and Oxford, 1948, Durham and Cambridge, 1953, Melbourne (observer), 1955, London, 1963, Montreal and Toronto, 1959; Honourable President, National Federation of Canadian University Students, 1946-47, 1956-57.

● (0300)

This, as honourable senators can see, goes on and on. He was also a member of the Canadian-American committee, the National Planning Association, 1957 to 1963; was President of the Vancouver branch, English-Speaking Union of the Commonwealth; Chairman of the Canadian delegation to the 10th Annual Conference on UNESCO, Paris, 1958 and so on. He was a member of the faculty club of UBC in Vancouver, the Vancouver Club and the University Club, Vancouver. He was summoned to the Senate February 24, 1966. His party politics were independent Liberal, his religion, United Church. His address, 4509 West 4th Avenue, Vancouver, B.C.

Senator Frith: That could very well be the same fellow.

Senator Lefebvre: That could be the same person you mentioned in your letter; a very distinguished Canadian, obviously.

Senator Phillips: I should like to ask Senator Lefebvre a question. Was that the same Senator Mackenzie who annoyed Prime Minister Trudeau when he was appointed a mediator on a strike on the St. Lawrence Seaway and awarded a pay increase of 33 and one-third per cent?

Senator Lefebvre: I have no reason to believe that he could or could not be. I will let the Honourable Senator Phillips fill us in with more history, if he wishes.

Senator Kenny: Exactly who was he, again, Senator Lefebvre? I didn't get his background.

Senator Lefebvre: He was probably one of the most distinguished Canadians to occupy a seat in this chamber. He has a list of degrees that would probably take up a page and a half. I will send this list along to the Honourable Senator Kenny if he wishes to peruse it. He could get at least 25 pages on this gentleman alone on just a short synopsis of his career.

This shows the type of person who was chosen by the Liberal Prime Ministers to sit in the chamber. It is just an example.

Senator Hastings: Just to clarify Senator Phillips's mistake in history, the former Senator Norman Mackenzie was appointed to the Senate by the Honourable Lester B. Pearson. He did arbitrate a seaway dispute at the request of the then Prime Minister Lester B. Pearson and he did a remarkably successful job of arbitration in that case.

Senator Phillips: But the award was 33 and one-third per cent.

Senator Hastings: Oh, it was an excellent settlement of the seaway strike, yes.

Senator Buckwold: Thank you for referring again to a distinguished citizen originally from my city.

Senator Frith: We are now back to the studio.

Senator Buckwold: Yes, we are back to the studio again. I think that not only did Senator Mackenzie have a distinguished career, but it should be observed that the members of his family are obviously carrying on the tradition of interest in the welfare of this country, which is evidenced by that interesting letter which I received and read into the record.

Honourable senators, I will now read a letter from Mark and Linda Caruana-Dingli of Willowdale, Ontario, of September 26, 1990. It is addressed to me.

We are writing to you in the hope that you can be of help to us.

For the past six years my wife and myself have been saving for a down payment on a new home. In February of 1989 we signed an Agreement of Purchase and Sale for a condominium to be built and ready for occupancy in the year of 1991. To date we have deposited $45,000 towards our home which will not be completed until 1991 and will not be registered until one year following completion. Because of this we were worried we would have to pay the GST despite the fact that our contract was signed in 1988 well before the implementation of this tax.

We wrote to Michael Wilson asking him how his tax was going to address this problem and he replied that a rebate program would be in effect. We received this reply while the proposed GST was still 9 per cent.

When the proposed tax was changed to 7 per cent, we again wrote to Michael Wilson asking about the rebate program. Since then he has failed to respond to our last three letters.

Honourable senators, this is something we have heard innumerable times, that people have not been able to get a response from the Minister.

Senator Hastings: And when they did get one, it was wrong!

Senator Buckwold: That is right.

We hope that in some way you might be able to help us get a reply to this urgent problem. The new tax and our closing are drawing near and we need to know whether we will have to forfeit our deposit since we may not be able to afford the extra $14,000.

We have enclosed all of the relevant correspondence with Mr. Wilson.

Senator Lefebvre: How much extra did you say?

Senator Buckwold: $14,000, according to this letter.

Senator Lefebvre: And what is the value of the house?

Senator Buckwold: The value of the house is $206,000. The letter states:

. . . we need to know whether we will have to forfeit our deposit since we may not be able to afford the extra $14,000.

We have enclosed all of the relevant correspondence with Mr. Wilson.

We look forward to your reply.

Honourable senators, there are several pages here. I am sure you will be relieved that I will not read them, but I just want to draw to your attention the kind of problems people are facing. Anybody who tells you that there is no tax on housing had better look at the record closely to see what some of the witnesses had to say in that regard.

The next is a letter that I received October 10 from Leslie Cassettari, President of Independent Travel Professionals.

Dear Sir:

Please find enclosed a copy of a letter dated April 3, 1990 addressed to Michael Wilson. No reply to this letter has been received. I originally wrote to Prime Minister Mulroney on April 18, 1989 and received a "form letter" reply from the Prime Minister's office dated January 19, 1990 and a reply from Michael Wilson's office (undated) at the end of February. None of the issues raised in my original letter and repeated in my letter of April 3, 1990 have been addressed and I sincerely believe that these are legitimate business concerns.

He goes on to point out his concern regarding the travel industry. Again I will not read his letter to Mr. Wilson, although if senators want me to do so I would be happy to, as well as his comments on tourism, which as an industry will be one of the major casualties of the goods and services tax.

I have a letter from an MLA of the Saskatchewan Legislative Assembly which I received October 10. As I have said to honourable senators, I just picked these off the top of the pile. This letter is from Anne Smart, MLA, Saskatchewan Centre Constituency:

Please continue your strong fight against the GST. Many, many people are hoping you can succeed in stopping this regressive tax.

As the Opposition Critic for Seniors' Issues in the Saskatchewan Legislature, I have been meeting with seniors' groups across the province, and I know that they are deeply concerned about the impact of this tax on people with fixed incomes. A tax that applies to services will hit seniors hard. We are counting on you to help us. We were very pleased by the strong statements quoted by you in the *Star-Phoenix*.

Keep up the good work, and all the best!

The next letter is from Audrey Dosman of Hamilton, Ontario:

Please pass on my encouragement and support to the Liberal and Independent Senate members in their stand to defeat Bill C-62, the proposed Goods and Services Tax (GST).

I hope that when/if the Bill is defeated, a strong recommendation will be made to pursue a more fair and alternate tax reform.

The next letter is from Moose Jaw, Saskatchewan. This is a long letter. Do I have enough time to read it?

Senator Frith: Oh, I think so.

Senator Buckwold: Are you sure?

Senator Frith: Well, no, let's see—yes, I think so.

Senator Buckwold: I will be glad to read it. With all this mail, I am ready to compete with Ann Landers.

Senator Lefebvre: Please read it.

Senator Buckwold: It states:

When are Canadian taxpayers going to get value for the money they pay in salaries, perks, pensions to politicians—senators included. It is about time you Senators showed the Canadian people that you are *really* needed

and worth the money you cost us. It seems all you do is hold up bills (to make it appear to us that you have our interests at heart) and then end up approving the bills anyway. To us this is a waste of our tax dollars which are becoming intolerable and people are very very angry. If things don't change, there is bound to be a revolt in this country. People are fed up to the eyeballs. (Just look what happened in the Ontario election). People are no longer prepared to sit idly by and let politicians of all stripes walk over us.

You *must* not let this GST proceed. We are angry as hell that the Mulroney government has already spent millions of dollars on something that isn't even law yet. Some started September 1/90 (funerals for example—appalling). Seventy per cent of Canadians are against this tax, but this government is so arrogant they don't listen. They were the ones who raised the MST from 9 per cent to 13.5 per cent.

Honourable senators, this person in Moose Jaw knows all about that. This terrible manufacturers' sales tax, so degraded by the government in six short years, was raised by 50 per cent. It is unbelievable, but Mrs. R. Mackey of Moose Jaw knows about it. People aren't stupid. She continues:

They should have found a different method than this GST. This is a horrendous tax-gouging, money-grabbing piece of legislation to be taxed on everything we buy and do. It is going to hit the very low income and average wage earners the most. We simply cannot afford any more. We will have the provincial tax on top. This government is infringing on Provincial jurisdiction with this tax. They don't hesitate to give themselves $6,000 extra tax free and you senators an extra $153 per day tax free with no qualms as to who must pay for this. The whole political system is corrupt. To think after six years you can all get a lifetime pension from $18,000 per year and up for the rest of your lives from taxpayers' pockets. You don't have to wait until 65 years of age. Millions work a lifetime and have no pension. Don't try to tell us they pay for it. Bullspit—six years they pay a pittance. How they look at themselves in the mirror is more than I can fathom. They think they deserve this. They know the conditions of the job—the hours, et cetera—but we shouldn't have to pay for it. We certainly get *few* honest and competent people representing us—in fact they don't represent us once elected—the leader rules the roost. They all hope for six years under their belt and they are set for life.

GST should be scrapped and better and less complex complicated methods of raising money. To require 4,000 extra people to run it is ludicrous. It is time to stop giving so many unnecessary tax breaks to Corporations and chances to defer their taxes.

● (0315)

Ordinary tax payers don't have that option—Pay or get taxed high interest. Loopholes should be closed. It is so unfair. Corporations should pay higher taxes. Tax the very wealthy (lots of our politicians are in that bracket) higher taxes. They seem to get the breaks. The income tax system should be revised to a progressive tax system. They should have revised the MST. This GST is going to raise inflation, thereby raising the cost of living. Interest rates need to be lowered. If we had a fairer tax system there would be no need for this GST. Make everyone (cheaters & tax dodgers as well) pay their fair share. There are too many getting away with little or no tax. The average taxpayer is nailed on every dollar he earns. I think MLAs & MPs should pay on every dollar too—no more $26,000 per year tax free, plus perks, trips, limousines, cheap lunches) etc. It is very unfair & we are angry.

EARN YOUR PAY! DO SOMETHING FOR THE CANADIAN TAXPAYER! The PCs say you are irresponsible for trying to stop this UIC. If that isn't the kettle calling the pot black. They claim to hate the Senate so much but don't hesitate to put PCs in vacant seats. Mulroney will be responsible if he tries to use the never used clause to stack more PCs & cost the taxpayer more again. We are fed up and desperate for true democracy and fairness.

[Senator Buckwold.]

She goes on to speak about the abortion law. She states:

Also the abortion law is not fair to women or doctors. Who are these people to dictate the personal lives of women? The men again get off scot free—

I am sure that senators will be interested in this phrase. She says:

—even although it took "two to tango". I'd like men to have just one child—be sick for nine months . . . and see how they'd like to be dictated to. We wouldn't have many children. Women are being treated like chattels and ignorant people. This Bill should be thrown out. You seem to have lost democracy to dictatorship in Canada today.

This was written by Mrs. R. Mackey, who then adds another P.S. She says:

If Mulroney adds extra to the Senate to get his own way, he will suffer the consequences from the taxpayer. Time to elect MPs for four years only and do away with us having to pay them lifetime pensions after six years. This is crooked and unfair to taxpayers. My husband worked 36 years to earn what he gets and we are nailed to the wall with taxes, taxes and more taxes. When is it to end?

This lady is expressing the frustration that she feels out there. She is a pensioner who is probably on a modest pension. She is upset at these senators and others, not only over the GST but also the whole system.

The next letter is from Barrie, Ontario. This is from Janice Brown. It reads:

Of all the things that "King Brian" and his "court" have done to the detriment of this fine country of Canada, I think the GST would be the worst. It will negatively affect every man, woman and child. The country is

already struggling against a recession, high interest rates and lack of affordable housing.

The manufacturer's tax has been with us for 60 years, so it can't be all that bad, so why not change it where necessary to make Canada's exports more competitive? I also am sure there are many other ways of lowering our deficit without such a regressive and unfair tax. The people of Canada are taxed to death. We're getting fed up with it.

As you know, approximately 85 percent of Canadians are definitely against the implementation of this tax. So please do whatever is necessary to convince all the senators to vote "NO" to the GST. Let's show "King Brian" that this country is still a democracy and that dictators will not be tolerated.

Thank you for your time and consideration

Sincerely,
Janice Brown

These are the people out there that governments should be listening to. I have a letter from S. Deane from Paris, Ontario. It reads:

Dear Senator Buckwold:

I feel the average worker in Canada is now paying too much in taxes. The GST would just add to his burdens.

ENOUGH IS ENOUGH

Would you PLEASE do all within your power to stop this unfair tax.

Also John Crow's cure for inflation is far worst than the disease.

These people know. Is my time running out?

Senator Frith: No.

Senator Fairbairn: No, Senator.

Senator Buckwold: I am sure that you find these quite interesting.

Senator Fairbairn: I really do.

Senator Frith: Yes, we do.

Senator Marchand: This is good stuff to have on the record!

Senator Frith: It is great human interest.

Senator Buckwold: I will go out and get another handful and bring them down.

Senator Fairbairn: Keep going; we have to.

Senator Buckwold: I am reading many of these for the first time.

Senator Fairbairn: We want to hear from the people.

Senator Buckwold: Here is one from Willowdale, Ontario. It reads:

Dear Sir:

I hope the Senate will hold firm to its opposition to the new GST.

The only fair tax is the Income Tax.

If the corporations will benefit from the removal of the 13 percent MST, then tax the corporations.

The GST engenders its own expenses, with thousands more Civil Servants running around collecting the new tax.

Sincerely,
Flora E. Ness

This letter is from Parkland Lumber and Hardware Limited, New Sarepta, Alberta. It is addressed to me and reads:

Dear Sir:

I wish to urge you to defeat the proposed GST. As you are no doubt aware the GST would mean the death of many small businesses. The extra bookkeeping would be too much to handle.

This is what is going on in small towns in the western part of Canada. He goes on to state:

In this small community there are as many as five businesses which would be closing because of it, including myself. Our local electrician has already quit and taken a job with a large company.

Others have told me they plan to go underground, which is the same warning given by John Bulloch. It is sad to see our country becoming more like Russia and destroying the incentive of its people. Again I ask you to do all possible to kill this horrible monstrosity

P.S. Another small contractor has just advised me he plans to close down because of the GST.

This is from W.E. Anger, President.

This next letter is from Salmon Arm, B.C. It reads:

Dear Senator Buckwold:

It is indeed a sad day for Canada to see our democratic system eroding away so quickly and being supplanted by a virtual dictatorship. I refer, of course, to the great efforts that you and your committee went to by holding public hearings across Canada to find out first hand how the people felt about GST. It would not matter to Mr. Mulroney if 98 percent of the people felt the government should deeply slash federal spending and scrap the tax.

The other day (as you know well by now) at a break in a cabinet meeting Brian was laughing at a question from the media about possible Senate rejection of the GST. He simply indicated that he was not concerned since in the fall he planned to appoint 15 new senators.

And he did that. The letter goes on to state:

It goes without saying they would be all carefully picked Tories selected to force the GST through to get his own way, and continue the extravagant spending.

> How can we deal with such treacherous trickery? As I say, our democratic tradition is fading very quickly. Perhaps the only solution is to play the same sort of games in the Senate—such as calling a sudden secret vote—

This is rather far-sighted. He goes on to say:

> —before he has a chance to tamper with the voting to suit his own purposes.

Did you hear that Senator Frith? This individual, Jim French, suggested that we call a sudden vote before Brian Mulroney has a chance to tamper with the voting to suit his own purposes. He is far-sighted.

Senator Frith: Yes; that person has good hunches.

Senator Marchand: A lot of people think that the Prime Minister is a dictator!

Senator Frith: They were able to sniff a crime out better than we were in advance.

Senator Hastings: Senator Buckwold, as we have been going along, you have been discussing the manufacturers' sales tax. One of the descriptions of that tax given by the Minister of Finance was a "hidden killer of jobs" as he damned it. If it was such a "killer of jobs", he increased it three times—probably to enhance its ability to kill jobs.

Am I not correct, Senator Buckwold, that there is now quite a bit of excellent evidence by the Taxation Foundation of Canada that we might just be in a position where, with a bit of amendment and changing the manufacturers' sales tax would be much better than the damage that we are doing, or planning to do, or will do if we pass the GST? Are they not calling for us to halt this madness and take another look at amending, in a worthwhile manner, the manufacturers' sales tax?

Senator Buckwold: I had the privilege of reading an advance copy of the Canadian Tax Foundation's study on the GST in which they came to no conclusions. They merely analyzed it.

You are quite correct, they did not put nearly as much damaging evidence on the present MST. They did indicate that it has problems—and this is contained in our report—but that the GST will create a whole new set of problems.

If you look at their report, which is a fairly lengthy one, which I read over the weekend, they indicate that the Government has not done enough study on the alternatives, all of which were presented to our committee—that is, Consumption taxes, Income taxes, retention of the MST, and all these types of things.

The Canadian Tax Foundation, which is a reputable, responsible and non-political body, did not make any recommendations or draw any conclusions in their report. They merely analyzed the situation but left it clear that the Government has a lot of homework to do in reviewing the alternative sources of revenue that would be available and that have not, in their opinion, been thoroughly assessed. They also reviewed, as you indicated, the present manufacturers' sales tax, which has been with us for 60 years, and under which this country has prospered.

[Senator Buckwold.]

• (0330)

Respecting the manufacturers' sale tax, despite the fact that it is a burden on exports, to a small degree—we were told 1 per cent or 1.5 per cent—a change in the Canadian dollar by one or two cents is much more serious. We should remember that.

I will continue with these interesting and informative letters. I am sure honourable senators opposite are waiting with bated breath.

The next letter is from Lee Jay Auto Body Ltd. of Edmonton, Alberta. This letter is dated June 21, 1990. It states:

> Re: G.S.T.
>
> This letter is with respect to a conversation I had with yourself regarding our current government and their proposals. You had informed me that it would best be addressed if I wrote you a letter. Therefore, I shall attempt to do so in some sort of respectable manner.
>
> We are very disappointed with the government because they do not even hear or attempt to listen to what the Canadian people are telling them. They show no respect for the population and proceed to install things that only they feel is right.
>
> I think Mulroney and Wilson had too many talks with Mrs. Thatcher in London. We do not want Canada to be like Britain (God Forbid) and we do not want them to sell us out to the U.S. anymore either.
>
> The people said this free trade wouldn't work and they didn't listen and has it helped Canada? No. But America, Yes.
>
> Now they are trying to tell us the G.S.T. is good for us and good for Canada. Maybe good for the politicians, as they would have that much more of taxed to death Canadian money to play with and spend on themselves mainly. Or have Mulroney give it away to some other country so he could appear as Mr. Nice Guy, helping the underdeveloped. What about helping his own people? When has this government done anything like forgive 190 million dollars in collectible taxes from Canadians. But he can forgive 190 million of other countries, because he's soooooo nice. You can tell he doesn't pay any, or he wouldn't be quite so generous.
>
> Back to the G.S.T. Now, we may not be scrappers like the people in Romania or the likes, but this G.S.T. could start a riot in this country. How can they, elected by us, just do as they like and not pay any consequences? It is scary what they are doing to this country.
>
> The advertisements they are currently running on radio are also false and like our government can't be trusted. They can not even speak the truth. They are saying this is not an additional tax! Then what is it? We don't pay a services tax now, why then in January are we going to have to? We are smarter than they give us credit for.

That is very important. We well remember one of our witnesses, a major player in the business world, who said: "We

know the answers. Don't listen to those people. They don't know."

These people do know. These are well-written letters. These people are well informed.

The letter continues:

> If we advertised like that they'd be on our case real quick. It is misleading and untrue.
>
> As a small business we do not need any extra headaches like collecting yet another tax for them. It is hard enough now to try and make any profit. Now we will have to hire additional people to look after this G.S.T., which is costing us already without any additional staff.
>
> If Ottawa would save a few of the 19 millions they are spending now to police us to see that we do this G.S.T. thing, it would likely be a lot better for all of us and they would be further ahead in the long run.
>
> We are really tired of this Government. Tired of them spending like there was no end to where the money comes from and then taxing us, the average Canadian, to death. Yet giving themselves, and the Senators also, thousands of tax free dollars more in raises and concessions. Where is at least one concession for us, or for small businesses? But the big corporations get mega concessions, don't they?
>
> It really kills any small business incentive to stay in there. We hope the Senate will do something about this G.S.T. as the Government will not. Imagine taxing cookies, really, there is no other way except taxing the kids cookies. I'm ashamed to tell anyone I'm Canadian.

The next letter is from Steve Strugnell of Victoria, British Columbia. He writes:

> Dear Sir:
>
> We are writing today to ask the Senate not to pass the "GST".
>
> The Senate refused to pass the "Free Trade Agreement" until Canadians had a chance to vote on it. We respectfully ask the Senate to do likewise with the GST.

These people know the score. Mr. Strugnell continues:

> A full 80% of Canadians oppose the tax. It should be delayed until after the next federal election. We have lived with the manufacturers tax till now; a few more years won't hurt. This bill is going to affect small business and ordinary Canadians, and we should have the right to vote on it.
>
> Please sir there are enough liberal senators to defeat the bill or at least delay it until after the next election. Show Canadians that the Senate believes that they can decide if the GST is good for the country. The Conservatives don't trust our decision.

Am I boring honourable senators opposite?

Senator Stollery: No, you are not. You are educating them.

Senator Buckwold: The next letter is from Mr. and Mrs. D.R. Dandeno of Waterford, Ontario. They write:

> My wife and I are both retired and are on a fixed income. We are strongly opposed to the new GST tax.
>
> We do not feel the prime Minister and his government have any mandate to impose such a tax upon the population which is overwhelmingly opposed to it. The tax system has grown increasingly unfair and particularly to the lower and middle income groups. We think it is long overdue for the government to introduce a truly fair system of taxation which ensures the tax burden is fairly shared by $%all$%. Finally, Government spending should be $%really$% cut back. As a former public servant with 38 years service I am still in contact with my former department and there are still many examples of large amounts of wasteful and unnecessary spending ie: recently all staff at our Regional Headquarters were given new chairs in order to use up surplus funds. Currently yet another reorganization is underway which involves tearing down walls, moving offices and building new ones etc etc.
>
> It would appear that our only hope to avert this new tax is for the Senate to either reject this tax outright or to delay it until the government must go to an election in order to implement it.
>
> As chairman of the banking committee you are in a position to listen to the majority of the people in the country and ensure this unwanted and unwarranted tax is rejected. In doing so you will have the backing of the general public as certainly almost all the people I know are opposed to it.

Honourable senators, that gives us a good idea of the type of mail that comes into my office.

I see some honourable senators are getting tired, but let me read another letter. This is from Doug Overbaugh from Simcoe, Ontario. He writes:

> As a Canadian citizen, voter and taxpayer, I wish to express my very strong opposition to the proposed goods and services tax. Elected officials are expected to perform in a reponsible manner toward the good for Canadian citizens. This proposed, regressive tax is opposed by over 80% of our country's citizens. As this tax would add 7% toward the cost of practically everything Canadians buy, it is going to seriously erode the purchasing power of each consumer. I implore you and your fellow senators to reject this tax as the vast majority of Canadians have already done.

I have another handful of these letters. I was going to read the proposal put forward by Professor Neil Brooks. Professor Brooks appeared before the committee. It is a report of the way Professor Brooks, a highly-regarded man who was referred to by many of the witnesses who appeared before the committee. He proposes that we do not have to have the sales tax at all but that we should simply change the tax system, and that would have a relatively small impact on the overall tax rates.

I will reserve that for some other time.

Honourable senators, in conclusion the mail I receive is an infinitesimal example of the thousands of people opposed to this tax. There have been letters and petitions from ordinary citizens, not the President of Sears or the Hudson's Bay Company, but from people running small businesses, pensioners; from good Canadians trying to get by.

As the committee travelled across the country the members of the committee could not help but be influenced by the impact of the submissions.

As we travelled across the country some members of the committee came to the conclusion that this tax was not for Canadians. It is as simple as that.

Before I started out on that Odyssey across the country I had no idea that this would end up being such a controversial issue. I could not help but come to the conclusion that the majority of the committee members, after listening to the public, came to the conclusion that something has to be done. That is why the Senate committee has taken very serious and well-considered action in recommending the rejection of the bill.

Senator Hastings: Before you proceed with more letters, respecting the Brooks proposal, one fact came through loud and clear; that being that there are alternatives to the GST. The Brooks proposal is an excellent alternative.

If Senator Lefebvre has any information regarding that, would he place it on the record.

Senator Lefebvre: I have a copy of the article which you mentioned, Senator Buckwold. I will refer to it during my remarks, but I have other things I want to put on the record first.

● (0345)

[*Translation*]

Honourables Senators, I could not take part in this debate without emphasizing the exemplary conduct of Senator Syd Buckwold who chaired the committee meetings. He had the onerous task not only of studying Bill C-62 but also of holding public hearings in all our Canadian provinces and in the two territories.

He has done an extreordinary job, showing competence, dignity and great skill. I had to honour of sitting on the committee for two weeks, one in the Maritimes and the other in the Far North and in the city of Vancouver. Senator Buckwold deserves our congratulations and sincere thanks.

When discussing the adverse effects of the decisions of this government, which is forcing Bill C-62 upon all Canadians, we must first consider what took place here in the Senate when senators of the Liberal Party, which I am honoured to belong to, were absent from the vote.

Today I reread page 70 of our Rules and I quote:

> Senate voting procedures can be found under Rules 49 and 50.

For your guidance I will read Rule 49 from page 19.

[Senator Buckwold.]

> 49. (1) When a question is put to a vote, the Speaker shall ask for the "yeas" and the "nays" and shall thereupon decide whether the question has carried.
>
> (2) In the absence of a request for a standing vote, the decision of the Speaker is final.
>
> (3) Upon the request of two senators before the Senate takes up other business, the Speaker shall call for a standing vote, at which time the "yeas" shall first rise in their places, then the "nays", then the abstentions.
>
> (4) A senator is not entitled to vote on any question in which the senator has a pecuniary interest not available to the general public. The vote of any senator so interested shall be disallowed.
>
> (5) Questions arising in the Senate shall be decided by a majority of voices. The Speaker shall in all cases have a vote. When the voices are equal the decision shall be deemed to be in the negative.

I will now go on to Rule 50.

> 50.(1) A senator shall not vote on any question unless the senator is within the Bar of the Senate when the question is put.
>
> (2) Without leave of the Senate a senator shall not speak to a question after the order has been given to call in the members to vote thereon.
>
> (3) With leave of the Senate, the vote of a senator may, for special reasons assigned by the senator, be withdrawn or changed by the senator immediately after the announcement of the division.

Now let us turn to page 70, which explains Senate voting procedure.

> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung, and when . . .

This is important.

> . . . the Whips have entered the Chamber . . .

"The Whips", in the plural.

> . . . have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote. The Speaker puts the question again. All senators in favour of the motion rise, and the Clerk of the Senate records their names on the division sheet. All senators opposed to the motion rise, and the Clerk records their names on the division sheet. All senators who wish to abstain then rise, and the Clerk records their names on the division sheet. The Clerk announces the official result of the division, giving the number of "yeas", the number of "nays" and the "abstentions". The Speaker then declares the motion carried or lost.

> The procedure on a standing vote on an amendment is the same as the foregoing, except that the Speaker reads both the main motion and the motion in amendment, and puts the question on the motion in amendment. He then declares the motion in amendment carried or lost and puts the question on the main motion.
>
> The Clerk is responsible for recording the votes. He sends copies of the division sheet to the *Debates of the Senate* and the *Journals of the Senate* for publication.

That gives you quite a clear picture of voting procedures in this Chamber.

I am still wondering how a Speaker of this Chamber could have flouted a Rule which is explained very clearly and unambiguously.

Honourable senators, I will give you an example of what has happened here. Before returning to page 1 and reading the Rules, I would also like to give you an example of what has taken place in the Outaouais, due simply to the announcement made explaining what this Mulroney government intends to do to Canadians in the region that I had the honour of representing in the House of Commons for 19 years.

I would like to draw your attention to two newspaper articles which, I believe, clearly explain the frustration felt by Canadian entrepreneurs with the Mulroney government, which is bringing in this harmful tax.

When I have read the articles you may understand why it is our duty to do what we can to prevent Canadians from having to shoulder this additional burden.

I would like to refer you to an article from the newspaper *Le Droit*, dated October 10th, on page 10, by Michel Gauthier from Maniwaki, in Upper Gatineau. I quote:

> Bérard is closing down his factories intermittently at Gatineau and for good at Mont-Laurier.
>
> The factory, the Placages de l'Outaouais, will be shut down for every three weeks every six weeks until mid-March, and the Mont-Laurier sawmill will close down completely after December 1st, indicated businessman man Claude Bérard yesterday.
>
> After next March, the two plants may remain closed indefinitely.
>
> These measures will affect some 350 workers, 175 in the factory and the same number in the forest.

This figure does not include indirect jobs, as you all know.

> This decision has nothing to do by action taken by Algonquins from Barrières Lake, in the La Vérendrye Wildlife Reserve, says Mr. Bérard.
>
> "I am closing for economic reasons" he said.
>
> Soaring interest rates, higher gas prices, a very high Canadian dollar, a tighter market and additional costs due to the new GST are the reasons mentioned by the Gatineau entrepreneur.
>
> "It is going to cost me $500,000 in gas, and $100,000 more because of the GST. And the wood market has fallen by 40%. There is simply no demand and prices have fallen steeply. Interest rates are far too high and they will ruin small businesses", indicated Mr. Bérard.
>
> He blames the federal government and Prime Minister Mulroney, whom he calls a "numbskull" in this instance.
>
> "It is because of the government that I am in a Catch-22 situation today. I predict that 15 to 20 other plants will close in Quebec, including some others in the Outaouais", said Mr. Bérard, adding that he will have to have finished pulling his equipment out of the forest by the end of the week. He has not ruled out the possibility of taking legal action against the Quebec government over the dispute with the Algonquins, which has so far prevented him from carrying out forestry activities. "First I am going to sit down and talk with them. Legal action may be taken, but I do not have that in mind for the moment", he said.

Honourable Senators, I just wanted to give you some concrete proof of the harmful effects the proposed GST is having.

Here we have a man from the region, who is very well-known as a builder in the Outaouais. He has build up businesses with a group of entrepreneurs who support what he says. He is a businessman whose businesses are being destroyed by the decisions of the Mulroney government and its friends.

Conservative Senators have the nerve to criticize us because we want to save Canada from bankruptcy at all costs. Yes, we do want to stop the GST. Most Canadians are on our side.

You have seen and heard the many letters that have been read out here by Senator Buckwold. These letters represent perhaps 2% of all the letters he receives everyday. We are all getting letters. I believe that Conservative Senators are getting them too.

Mulroney's candidates in the 1984 and 1988 campaigns promised to create jobs, jobs, jobs! They travelled across Canada and came to the Outaouais region, which I know very well. The damaging decisions of this government have shown us that it has lost all touch with reality. Everyday the unemployment rate rises, which flies in the face of announcements made by Mr. Mulroney's candidates in the last election.

I think it is a terrible disgrace. The impact will be felt more and more, not only in the Outaouais region but everywhere in Canada.

Senator Hastings asked me a question about an article which appeared in the *Toronto Star*, I believe, and the heading is . . .

● (0400)

[*English*]

. . . *Toronto Star* of Friday, September 28, 1990. It says that there are alternatives to the hated GST. Osgoode Hall law professor Neil Brooks has devised one that would be fairer to the poor and middle class. This was sent to Senator Buckwold, from whom I received a copy. The letter attached is from Mr.

E.J. Gordon of Toronto, Ontario and he says that he took the liberty of including the article to help us in our deliberations.

I will read a few excerpts. It is a long article. Neil Brooks is a professor of tax law and policy at Osgoode Hall. The following is adapted from an article published by the Institute for Research on Public Policy:

> The debate about the proposed goods and services tax (GST) has been hampered by a lack of well-articulated and quantified alternatives.
>
> This article is an attempt to remedy this deficiency by comparing the government's proposed 7 per cent GST with an alternative that would also repeal the manufacturers' sales tax (MST).
>
> The proposed GST has created more public discussion and debate than any proposed tax change in Canada's history. The intensity of the public discussion is well-founded. The proposed tax will mark a fundamental change in the federal governments' tax mix—the relative amounts of revenue the government collects form different tax bases.
>
> Compared to the proposed GST reforms, here's an income tax alternative that is straightforward:
>
> The MST should be abolished and most of the lost revenue could be collected through the income tax by increasing the federal income tax rates.
>
> If the MST were abolished, and no consumption tax substituted for it, only approximately $10.5 billion would have to be raised through the income tax.
>
> If left untouched, in 1991 the MST would raise $18.5 billion in tax revenues.
>
> However, if it is abolished, provincial revenues would also decline by about $0.8 billion. Provinces levy their retail sales taxes on the price of goods which includes the MST.
>
> If the MST is abolished, the price of goods will drop and thus provincial sales tax revenues will decline.
>
> Thus for the change to be revenue neutral to all levels of government, $19.3 billion of revenue must be found:

As honourable senators know, the government boasted at the beginning that this tax would be revenue neutral. We do not hear that from the Tories any more.

> About $2.3 billion of the MST falls on goods purchased by the government sector. If the MST were abolished, and the reduced taxes reflected in prices, the government sector would need $2.3 billion less in revenue to finance its purchases.
>
> About $2.3 billion of the MST falls on alcoholic beverages, tobacco products and gasoline. There is little reason to reduce the tax burden on these; therefore, the relevant excise taxes would be increased to recover this revenue.
>
> If the MST were abolished, the refundable sales tax credit could be repealed: Savings—$0.9 billion.

[Senator Lefebvre.]

> If the MST were abolished, and all tax and cost reductions passed on directly through prices, the consumer price index would decline by slightly more than 2 percentage points.
>
> This would save Ottawa $1 billion in transfer payments to individuals and provinces. It would also result in additional income tax collections of $0.2 billion because of reduced tax indexing effects.
>
> Finally, if the MST were abolished, there would be a substantial windfall to corporations.
>
> In 1991, more than $1.5 billion of the MST would be levied on exports. If the tax is repealed, corporate profits will be increased by this amount.
>
> Moreover, some large percentage of the MST levied on corporate fixed capital investment likely falls on corporate profits. Therefore, if the MST were abolished, it seems fair to raise the revenue collected through the corporate income tax by $2 billion.

The article goes on and on. It is very well researched by a person who is a recognized authority in the field. He concludes the article by stating:

> Simply increasing the income tax rates is a viable alternative to the GST.
>
> Low-income households, on average, would pay less federal tax; high-income individuals would pay more.
>
> Perhaps most significantly, the largest beneficiaries of such a change would be middle-income Canadians.
>
> For example, the average consumable income of families in the $30,000 to $35,000 class would be about $270 greater under the income tax alternative than under the GST reforms.
>
> If the government wished to make the alternative more progressive, two or three additional rate brackets could easily be added to the present three rate scale brackets. Moreover, in spite of the base-broadening reforms in 1987, the present income tax base is still full of loopholes that could be closed.
>
> Further, as a complement to these reforms, if the government were to enact a wealth transfer tax, an additional $2 billion could easily be collected every year from Canada's wealthiest families. Income tax rates would then not have to be raised by nearly as much as I've suggested.
>
> The implementation of the GST has provoked more controversy than virtually any other government policy initiative. In light of the many criticisms of and concerns expressed about it, to justify enactment of the GST, it should be necessary for the government to show that the additional revenues could not be more satisfactorily obtained from the income tax. This burden of argument has not been discharged.

There you have an excerpt from a very excellent article, the reading of which I would suggest to all honourable senators. Its reading might help in our deliberations in terms of the

implications shown to us by Mr. Neil Brooks who is a professor of tax law and policy at Osgoode Hall.

What I read was adapted from an article published by him by The Institutes for Research on Public Policy. He is not just an ordinary person walking around, someone who some of the Tories say do not understand the tax. What he has said is typical of people who do understand it. However, it seems that it is very difficult to get through to the people on the other side, who do not seem to want to listen to anyone but who wish to go full speed ahead in terms of implementing a very nefarious tax which will have negative repercussions throughout the economy of Canada, including the area I mentioned previously in western Quebec, an area which I know very well and where I make my residence, an area which I had the honour to represent in the House of Commons for almost 20 years.

I hear the repercussions every day. Mr. Bérard, the person whom I quoted, is known as a person who has built many industries in the Outaouais and who has created hundreds of jobs. He now sees all these jobs being killed by many nefarious and badly-conceived policies of the present government. I refer to high interest rates, high energy costs and the high Canadian dollar. On top of all this, they will now have to pay the GST. He says that his industries will have to pay at least $100,000 in the first year. He cannot survive and has already announced the permanent closing of one of his industries with the probability of another closing. He has said that his contacts in the industry tell him that more and more of these industries will be closing throughout Quebec, including more in the Outaouais region of Quebec where jobs are badly needed and where there is high unemployment.

[*Translation*]

To keep in touch with reality, I think it is important from time to time to read articles in the local press about the daily lives of average Canadians.

I would like to get back to the Rules of the Senate, because I think there are still senators who do not or will not understand how we are governed. We, as senators, are responsible for the rules in this Chamber. Not the Speaker, unlike the situation in the House of Commons. The senators determine the rules. You all read this book on the day you were sworn in. Admittedly, few senators are interested in the contents.

I will now read a few passages from the rules.

INTERPRETATION

1. In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed inthe Senate or in any committee thereof.

In the margin we read:

Procedure in unprovided cases.

[*English*]

In English it states:

In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

I would like to go back to Rule 49, which I read in French at the beginning of my remarks. It might be relevant to read it in the other official language, English. It states:

(1) When a question is put to a vote, the Speaker shall ask for the "yeas" and "nays" and thereupon shall decide whether the question has carried.

(2) In the absence of a request for a standing vote, the decision of the Speaker is final.

(3) Upon the request of two senators before the Senate takes up other business, the Speaker shall call for a standing vote, at which time the "yeas" shall first rise in their places, then the "nays", then the abstentions.

(4) A senator is not entitled to vote on any question in which the senator has a pecuniary interest not available to the general public. The vote of any senator so interested shall be disallowed.

(5) Questions arising in the Senate shall be decided by a majority of voices. The Speaker in all cases shall have a vote. When the voices are equal the decision shall be deemed to be in the negative.

Rule 50 states:

A senator shall not vote on any question unless the senator is within the Bar of the Senate when the question is put.

(2) Without leave of the Senate a senator shall not speak to a question after the order has been given to call in the members to vote thereon.

(3) With leave of the Senate, the vote of a senator may, for special reasons assigned by the senator be withdrawn or changed by the senator immediately after the announcement of the division.

I would now like to turn to the famous page 70 which has been quoted many times here in the chamber. I would like to put it on the record once again because it is very relevant to the questions of privilege. It states:

Voting in the Senate is described in rules 49 and 50.

At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked".

● (0415)

It says "whips", in the plural.

The doors will then be locked by the pages and the Speaker will call for the vote. The Speaker puts the

question again. All senators in favour of the motion rise, and the Clerk of the Senate records their names on the division sheet. All senators opposed to the motion rise, and the Clerk records their names on the division sheet. All senators who wish to abstain then rise, and the Clerk records their names on the division sheet. The Clerk announces the official result of the division, giving the number of "yeas", the number of "nays" and the "abstentions". The Speaker then declares the motion carried or lost.

The procedure on a standing vote on an amendment is the same as the foregoing, except that the Speaker reads both the main motion and the motion in amendment, and puts the question on the motion in amendment. He then declares the motion in amendment carried or lost and puts the question on the main motion.

The Clerk is responsible for recording the votes. He sends copies of the division sheet to the *Debates of the Senate* and the *Journals of the Senate* for publication.

That is as clear as anyone could possibly make it. That is why I wonder how a decision could have been made to hold a vote in this house, as in any other chamber, under the British parliamentary system, without the presence of both whips. I cannot conceive of such a happening.

Next month I will have spent 25 years in Canada's parliamentary system—19 of those years in the other place and six in this place. I have never yet seen a vote taken under these circumstances. I am appealing especially to the 23 new senators who have entered this chamber—whether they be Royals or others. Some of them have no parliamentary experience, but it has shocked me that the ones who do have parliamentary experience support what has happened in this chamber.

I have studied the system at Westminster on many occasions. I have been to many of Canada's provincial legislatures throughout my parliamentary career. Never once have I encountered anything to match what has taken place in this chamber. If this government stays in power much longer, I believe we will witness the destruction of the parliamentary system of government as we have known it and as it is known. Many of the decisions made in Parliament not only follow rules laid down and adopted by senators or members of the House of Commons or legislative assemblies in our provinces or territories, but also the precedents and conventions. We will remember this event for many years to come.

In the other place, I had the honour of being whip on many occasions. I was the Chief Government Whip in both a minority and majority government, and I was also Chief Opposition Whip. In all the years that I was present in that house, whether as a government or opposition whip, in a minority or majority position, not once in the hundreds of votes in which I participated was the vote taken without both whips being present, signifying to the Chair that we were ready to vote, with the members being present.

Senator Hastings: Would the honourable senator permit a question?

[Senator Lefebvre.]

Senator Lefebvre: Yes.

Senator Hastings: I appreciate his many years of service as a whip, including chief whip in a minority government, in the other place. Did he receive compensation for fulfilling the role of whip? If so, did that compensation come from the Government of Canada through the House of Commons, or did he receive it as an official of his party? Is a whip considered an official of the House of Commons or an official of his party? If he is an official of the House of Commons, in fulfilling his role where does he derive his authority and to whom does he report?

Senator Lefebvre: To deal with the historical aspects, the whips in the other place are named by the leader of the party. The Prime Minister of the day appoints a chief government whip, and the Leader of the Opposition appoints a chief opposition whip. There may be three or four parties in opposition in the other place, but there would be only one chief opposition whip recognized as such. If there are three or four opposition parties, they would be consulted. However, when the two whips—one representing the government and the other representing the opposition—come in the chamber, the votes are taken. We always hope that the other parties are included, but officially there are only two whips recognized by the Chair.

The extra payment to the whips in the other place comes from the parliamentary appropriations. The House of Commons budget is voted on and put forward by the government of the day, with the support of all members, of course. The extra payment does not come from the party to which you belong but from the taxpayers of Canada, as does your salary.

I would like to deal with the question of the official position of the whips. Now that I am no longer in a position to be seen to favour my own position, I have always felt that we, in the House of Commons and perhaps here as well, should have adopted the system in Westminster. The chief government whip over there becomes a member of the cabinet. The Prime Minister in Great Britain resides at 10 Downing Street. Next door to him, at 12 Downing Street, resides the Chief Government Whip. I was in that office many times discussing how they operate. He is a member of the cabinet.

Perhaps someday a Prime Minister will recognize this and name the chief government whip a member of the cabinet. Because he was not a member of cabinet, I found it very difficult at times to carry out my duties. Decisions would be taken and ministers would question me. Because of the knowledge I had of what was going on in the chamber while this person was in the cabinet, I would say, "I am sorry to say that you took the wrong decision." On many occasions, ministers had to change their request to bring forward a certain policy. As Senator Fairbairn knows, because of her association in the PMO for many years while I was government whip, changes had to be made at the last minute because the whip had not been present in the cabinet room when a certain discussion was held. Sometimes they would phone and ask my opinion, and the discussion would continue afterwards; but sometimes it was ignored.

When I first went to Westminster I was amazed at the difference in the operation between Great Britain and Canada. However, there have to be differences. We have evolved our own system from Westminster, but this is one aspect where I believe we have made a mistake by not adopting their line of administration.

Does that answer your question, Senator Hastings?

Senator Hastings: Senator Lefebvre, you, as a whip, received an extra consideration for your services. You, as others, were an officer of the chamber, with duties to fulfil to this chamber. That is why you were remunerated. Others who have duties to perform in the chamber are recognized and paid for fulfilling those responsibilities to this chamber or to the House of Commons.

Senator Lefebvre: The British parliamentary system can only operate efficiently and well when there is an understanding and acceptance between the opposition and the government. Eventually these two sides must agree on the business, otherwise it could not operate and there would be complete chaos.

In all the years that I was in the House of Commons, never once did I hear a complaint that one whip who gave his word to the other whip, whether he was the opposition whip or the government whip, went back on his word. If that happened, the whole system would deteriorate and you could not operate a British parliamentary system. The whips had to give each other their word that they would be present at a certain time and ready to vote, and that they were not trying to pull surprises or trying to undermine the relationship between them. This is completely foreign to me. What took place in this chamber is completely foreign to our system. This will remain a dark spot in our parliamentary history in Canada. Students of parliamentary procedure and political science will be discussing it as the Charbonneau decision in years to come.

I am happy that I was not involved. I would not want to lend my name to such a nefarious way of doing business.

To continue, we will go to . . .

[*Translation*]

Sauf prescriptions expresses, le présent Règlement ne restreint aucunement la façon dont le Sénat peut exercer et maintenir ses pouvoirs, privilèges et immunités.

[*English*]

2. Except so far as is expressly provided, these rules shall in no way restrict the mode in which the Senate may exercise and uphold its powers, privileges and immunities.

[*Translation*]

3. Nonobstant toute disposition du présent Règlement, avec la permission du Sénat, toute règle peut être, sans préavis, suspendue en tout ou en partie, à condition que soient bien précisées la règle ou partie de règle de même que les raisons de la suspension ainsi visée.

● (0430)

[*English*]

Notwithstanding anything in these rules, any rule or part thereof may be sus&pended without notice by leave of the Senate, the rule or part thereof proposed to be suspended, and the reason for the proposed suspension, being distinctly stated.

[*Traslation*]

4. Sont abrogés toutes règles du Sénat qui étaient en pratique jusqu'à l'entrée en vigueur du présent Règlement.

[*English*]

All rules of the Senate in force up to the day on which the present rules come into force are repealed.

[*Translation*]

5. In these rules, unless the context otherwise requires,

(a) "bill" means a draft Act of Parliament and includes both a private and a public bill;

(b) "committee" means a committee of the whole, a select committee, whether standing, special or legislative, or a joint committee;

(c) "Committee of the Whole" means a committee composed of the whole body of the senators;

(d) "Deputy Leader of the Government in the Senate" and "Deputy Leader of the Opposition in the Senate" mean the senators occupying, respectively, the recognized positions of Deputy Leader of the Government in the Senate and Deputy Leader of the Opposition in the Senate;

(e) "Government Leader in the Senate" means the senator occupying the recongized position of Leader of the Government in the Senate or a senator acting for that senator;

(f) "inquiry" means the procedure whereby a senator, after giving notice in accordance with Rules 43 and 44, calls the attention of the Senate to a particular matter for the purpose of informing the Senate of that matter or having it considered or examined by the Senate;

(g) "joing committee" means a committee composed of members of the Senate and of the House of Commons;

(h) "leave of the Senate" means leave granted without a dissenting voice;

● (0445)

(i) "motion" means a proposal made by a senator that the Senate or a committee thereof do something, order something to be done, or express an opinion concerning some matter;

(j) "one day's notice" means a notice given on any sitting day for a motion or inquiry to be made on the next succeeding sitting day;

(k) "ordered by the Senate" or any expression of like import means ordered by majority decision;

(l) "person" or any words or expression descriptive of a person, includes any body corporate or politic, and the heirs, executors, administrators or legal representative of such person, and words importing male persons include female perons;

(m) "petition" means a written prayer presented to the Senate, and includes all petitions whether relating to public or private matters, matters of general policy, or to redress of local or personal grievances;

(n) "previous questions" means a motion "that the original question be now put";

(o) "question", except in respect of the question period and a question of privilege, means a proposal presented to the Senate or a committee thereof by the Speaker or chairman for consideration and disposal in some manner;

(p) "rule" means any standing rule or standing order of the Senate;

(q) "select committee" means a committee composed of less than the whole body of senators and includes both a standing committee and a special committee;

(r) "shall" is to be construed as imperative, and "may" as permissive;

(s) "special committee" means a select committee other than a standing committee appointed to consider certain matters and to report thereon to the Senate;

(t) "standing committee" means a select committee appointed to consider and to report thereon to the Senate matters falling within the duties specifically assigned to it by these rules, and on other matters that may from time to time be referred to it by the Senate;

(u) "substantive motion" means an independent motion neither incidental to nor relating to a proceeding or order of the day already before the Senate;

(v) "two days' notice" means a notice where a sitting day intervenes between the day on which the notice is given and the day on which the motion or inquiry is made;

(w) "writing", "written" or any term of like import includes words printed, typewritten, painted, engraved, lithographed, photographed, or represented or reproduced by any mode of representing or reproducing words in a visible form.

6. These rules shall come into force on a day to be fixed by order of the Senate.

So, this further explains how we are regulated here in the Senate.

PART II
ROUTINE OF BUSINESS

7. (1) Unless otherwise previously ordered, the Senate shall meet for the transaction of business at two o'clock in the afternoon of each sitting day.

(2) On the first day of each session of Parliament, a bill is read *pro forma*, the Speech from the Throne is reported by the Speaker and a Committee of Privileges, consisting of all the senators present during the session, is appointed to consider the orders and customs of the Senate and privileges of Parliament.

8. When it appears, on notice being taken at the commencement of or during a sitting of the Senate, that fifteen senators, including the Speaker, are not present, the senators who may be in the adjoining rooms having been previously summoned, the Speaker shall adjourn the Senate until the next sitting day, without question put.

It is very important to remember this rule, honourable senators. Last night, a point of order was raised to ask for a quorum. I think rule 8 is rather, how shall I say, easy to get around. I think it should be given some serious thought and I would suggest, for instance, that when a quorum is called, the rules provide for a period of two, three, four or five minutes during which the government has a chance to gather its troops in the adjoining rooms, since the wording of rule 8 is rather confusing.

9. Whenever the Speaker, from illness or other cause, finds it necessary to leave the Chair during any part of the sitting on any day, the Speaker may call upon any senator to take the Chair and preside as Speaker during the remainder of such day, or until the Speaker resumes the Chair before the end of the sitting for that day.

10. Whenever the Senate is informed by the Clerk at the Table of the unavoidable absence of the Speaker, the senator chosen by the Senate under Rule 66(1)*a*) to preside as Speaker *pro tempore*, or, if that senator is absent, any senator chosen by the Senate, shall preside during such absence and shall thereupon have and execute all the powers, privileges and duties of the Speaker until the Speaker, or the Speaker *pro tempore*, as the case may be, resumes the Chair.

11. Every act done by any senator, acting as aforesaid, shall have the same effect and validity as if the act were done by the Speaker.

12. If, at six o'clock in the afternoon, the business be not concluded, the Speaker or the chairman of the committee leaves the Chair until eight o'clock, the Mace being left on or under the Table, as the case may be: Provided that, if at the said time, a division has been ordered, the Speaker or the chairman shall not leave the Chair until such division has been taken and any formal business immediately consequent thereon has been completed.

I had another newspaper article I wanted to bring to the attention of honourable senators. If you will allow me, I will read another article that once again illustrates why we, as senators, have a duty to do everything we can to prevent the passage of C-62.

[*English*]

The second article that I wish to put on the record is taken from the *Montreal Gazette* of October 10, 1990 under the byline of Mr. Peter Hadekel. The headline is "GST inconsistencies will confuse and anger shoppers", and with the Christmas season coming upon us I think it is relevant to have this person's impressions on record. Mr. Hadekel begins:

> Get ready for a brawl in the mall next January when the goods and services tax takes effect.
>
> Shoppers will be confused, angry and suspicious at the sticker prices they will see and clerks will be bombarded with questions about whether the GST is included or not.
>
> It's going to be downright ugly in the K Marts and Woolcos of the nation. And it's all because the federal government is giving retailers a choice of including the new tax in their prices or charging it at the cash register.

This is a government that told us that the tax would be highly visible. This is what they are doing now; they are allowing people to hide it. The article continues:

> There'll be no uniformity in the way retailers are going to price their products.
>
> Most major chain stores—who account for about 70 per cent of the volume in Canada—will charge the GST at the check-out counter, in the same way they now charge provincial sales tax, says Mr. Alasdair McKichan of the Retail Council of Canada.
>
> In Quebec, where a provincial GST will also be added to the purchase price, that means most big retailers will add a big wallop at the cash register.

● (0500)

> But smaller-scale retailers, who operate most of the stores, will generally *include* the GST in the purchase price.

Do you get the difference, honourable senators?

> McKichan says many of them can't afford to spend several thousand dollars on new electronic cash registers that calculate GST at the point of sale.

That alone could make comparison shopping a real nightmare for consumers. Let us admit that this government said they were going to make it less confusing and more visible to the Canadian shopper. Here is an expert in the field saying that this should make comparison shopping a real nightmare.

> They'll have no easy way to compare prices from one store to the next.
>
> And stores that include GST in their pricing may suffer from the fact that their sticker prices will appear higher than in stores that don't include the tax. Of course, all retailers will attempt to combat the public confusion with in-store signs and decals that say whether they include GST or not.
>
> Revenue Canada, in fact, will require merchants who include GST in their prices to post signs to that effect. They'll even offer to supply the signs free of charge.
>
> That's fine, as far as it goes. But it's still asking a lot for consumers to make the mental calculation of adding or subtracting GST when they want to compare prices.
>
> And it's not beyond the realm of possibility that some retailers may try to profit from the confusion by inching up prices.
>
> While most of the big stores will charge the tax . . . a few major retailers—including Woolco—have decided that the fairest way to play the game is to include the GST in the price. "They feel customers would be less resentful if they included it," says McKichan.

So retailers, as you can see, honourable senators, are trying to find ways of decreasing the resentment of their own customers, resentment not brought about by decisions made by Woolco or other stores but resentment building up in the Canadian people over decisions and policies brought about by the Mulroney government. The article continues:

> Woolco believes this will make life easier for shoppers and will spare them some nasty surprises when they actually get to the cash register.
>
> And in cases where a provincial tax is added on top of the GST, customers will be confused if they have to make two calculations, McKichan acknowledges.
>
> But many retailers havent decided what to do. They're watching their competitors carefully. They don't want to be caught advertising a more expensive product than the next guy simply because they're including the tax in their advertised prices.
>
> "We are offering to supply consumers with pamphlets that clearly explain that you have to compare apples with apples when comparing prices," McKichan says.
>
> According to consumer surveys done by the Quebec Retail Council, most shoppers would prefer to have the GST broken out separately on the sales slip so that the amount of tax is clearly visible, says council president Gaston Lafleur.

Honourable senators, one of the main announcements made by this government was that they would ensure that this tax

would be highly visible. You probably remember the way they attacked the MST, saying it was hidden and that when Mr. Wilson was going to bring in his tax it would be highly visible and everybody would know what is going on. We now see another example of how, when it comes down to the hard facts, this government wishes to hide once again.

> But this is a very complicated business for retailers, especially supermarkets. Food is exempt from the GST but many other goods sold in supermarkets, like bathroom cleanser or cork-screws, will be taxable, so it's not simply a matter of hanging signs in the aisles.
>
> The same complications arise for drugstores selling tax-exempt medical products.
>
> It's going to take a while for the public to understand what's happening to prices.
>
> While the federal government's new monitoring agency on the GST may help to explain pricing, it's a shame that consumers have to be saddled with such an inconsistent system.

So there you have it once again, honourable senators. This was to correct an existing tax that the Tories kept saying was hidden and confusing; but what they have done, of course, is to make it even more difficult for small business people to keep operating. It is another example of policies of the Mulroney government, aided and abetted by their friends opposite—supported completely, never dissenting, trained seals all of them, both new ones and old ones—helping to kill small business in Canada and making it increasingly difficult for the average Canadian to understand what is going on.

Yet they have the audacity to criticize Liberal senators who are trying to prevent the passage of one of the most destructive laws ever attempted to be foisted on the people of Canada. I would think that there would be one senator on the other side who would be independent enough to stand up and join us in condemning Bill C-62 as destructive for business, as I have shown once again by this article. This tax would make it not only difficult for business people to operate, but increasingly difficult for the average Canadian. You have just heard this article read. I wish you would all get a copy of it.

Those of you who know average Canadian shoppers should go and ask them if they are going to like it come January 1. If we do not stop this legislation, Canadians, when they go shopping, will find that some stores will advertise a certain product including the GST while others will advertise it without the GST. Then everybody will have to go around with a little calculator adding on the GST or removing it, trying to do comparison shopping. I find it very odd that none of the people opposite seem to be even remotely interested in these problems.

I had the honour of serving for two weeks on the committee chaired in such an admirable fashion by Senator Sidney Buckwold during its public hearings. I was at the hearings in the Maritimes, and then in Yellowknife, Whitehorse and Vancouver. These problems were brought to our attention at almost every meeting.

Let me read you some small excerpts from the report which was tabled by Senator Buckwold.

[*Translation*]

> I. PRICE EFFECTS OF THE GST
>
> A. Minimum Estimate
>
> (1) The Government estimates that introduction of the GST would result in a one-time increase in the Consumer Price Index (CPI) of about 1.25%. While several economic "think-tanks" concur with this estimate, it has been criticized on at least two grounds. First, the Government's 1.25% estimate assumes that the savings from removing the current Federal Sales Tax would be fully passed along to consumers. Many groups believe that this assumption is unrealistic and fails to take into account a number of special circumstances including inadequate inventory rebates and regulated or uncompetitive markets.
>
> (2) Second, the Government assumes that organized labour is either naive or is powerless to address a reduction in the purchasing power of its wages. According to the information received by this Committee, members of organized labour ware well aware that the GST would reduce their real income and are extremely skeptical about the Government's price estimate. This is already being reflected in new labour contracts that contain GST protection in the form of cost of living allowance clauses and fixed wage increases. To the extent that labour is successful in obtaining further wage hikes because of the GST, this will feed into firms' cost structures and result in higher prices. In the real world, expectations are crucial but there is no indication that the Government has built a wage response into its price impact estimates.

Another example of a government that has completely lost touch with the average citizen. I hope that among the Conservative senators who sat on this committee—we all heard the demands made by various groups—I hope that at least one of them will have the courage to rise in this Chamber and support our action.

> (3) A realistic appraisal came from the Chief Economist of the Conference Board of Canada, Mr. J. G. Frank who told the Committee regarding the Board's own price impact estimate of 1.4% and the Government's 1.25% forecast, "I would say to you, again candidly, that is a lower bound estimate. That is the minumum you can expect, and it goes up from there based on how those two assumptions are at odds with reality. "(45:43) These

assumptions, full pass-through of FST savings, no wage-price inflationary spiral, are key to the Government's estimates of the price impact of the GST.

And now, about the evolution of the FST.

(4) In estimating the impact of the GST on the overall price level, it is important to assess how the price of individual goods and services are likely to react. The application of the GST will affect relative prices by raising significantly the price of services and other items that currently bear no direct federal sales tax. The brief received from Informetrica Limited indicated that the GST would raise the price of recreational services by 8.0%, restaurant, hotel and tavern services by 7.4%, natural gas by 7.3%, electricity by 6.8%, women's and children's clothing by 5.9%, footwear by 4.8% and so on.

And now on to No. 5.

(5) In order to achieve a small overall price increase from introducing the GST, the prices of other goods currently subject to Federal Sales Tax must fall when that tax is removed. It has been suggested that the price of automobiles, furniture, and household durables that now contain the Federal Sales Tax will decline once this tax is removed. However, for this to happen, manufacturers, wholesalers and retailers will have to lower their prices to reflect the elimination of this tax. Much of the debate about the price impact of the GST centers on whether firms will actually pass on to consumers the savings from the sales tax reduction or whether they will simply increase their price markups.

Honorable senators, this is one more example of the confusion created by a government that does not want to listen to its citizens.

I would like to give another example:

• (0515)

[*English*]

When we held hearings in various parts of the country, one of the subjects that was brought to our attention in many, many regions was tourism, because of its importance in the areas of Canada. The report states:

The tourism sector employs 1.2 million Canadians and generates $24 billion in revenues. The industry is comprised mainly of small to medium-sized businesses and creates more new jobs than any other sector. It is Canada's second largest export activity.

Very few of us realize the importance of the tourism industry, and especially the fact that it is mostly small to medium sized and family-owned businesses. The very heart of our country is being destroyed once again by policies of the Mulroney government.

The report further states:

The Tourism Industry Association of Canada (TIAC) testified before the Committee and painted a bleak picture for tourism in Canada, one that will only get worse with the GST. Foreign visits to Canada are declining while Canadian trips abroad are increasing. Canada's share of the world tourism market is declining.

Most tourism trade is between Canada and the United States and residents of both sides of the border are aware of higher Canadian prices on a wide variety of items, most notably alcoholic beverages and gasoline. To the extent that the GST further heightens these price differentials, it will lead to an increasing deterioration in our tourism balance. This will put at risk 28,000 jobs and $500 million in spending in Niagara Falls, 48,000 jobs and $2,750 million in Vancouver . . .

Can you imagine, ladies and gentlemen of the Senate, you are putting at risk 28,000 jobs in the Niagara region, 48,000 jobs in the Vancouver region, and I have not heard any of you protesting.

Senator Neiman: Senator Lefebvre, I wonder if you happened to listen to *Morningside* the other morning when a group of reporters from Winnipeg described the smuggling that is going on. I am sure the Speaker *pro tempore* will be aware of the smuggling going on across the border through Deloraine and other points. They said it is amounting to thousands and thousands of dollars. The part of the program I listened to described in particular the smuggling of liquor and food across the border. One optimistic gentleman had attempted to come across the border with the equivalent of $12,000 worth of liquor in Coke bottles. This problem is occuring across Canada at all of our border points.

Senator Lefebvre: Thank you for putting that on the record, Senator Neiman. I had not heard about that particular instance, but you are quite correct that it is becoming more and more widespread. I am told that the underground economy is becoming more and more prevalent in Canada and that people are doing things not quite according to the rules and regulations, because they are fed up with the policies of this government which is making it more difficult for the average small business person to keep up.

The report further states:

The effect of the GST on tourism services can be seen by examining some of the goods and services that are con-

> sumed by tourists and contrasting the amount of GST paid with the amount of FST paid. The Statistics Canada Social Policy Simulation Database and Model provides an opportunity to compare the effective FST and GST content in a variety of expenditure categories. The tax content of expenditures in hotels and restaurants will increase by almost six times, from 0.9 per cent under the FST to 6.04 per cent under the GST. For recreational services the tax content would increase from 1.4 per cent to 5.4 per cent. The tax content in local and inter-city transportation would double under the GST, from 3 per cent to 6.4 per cent. These products are consumed intensively by tourists and the GST will significantly raise the cost, to both non-residents and residents, of tourism in Canada. Canadians will not be eligible for a tourism rebate. Foreigners will be eligible for a rebate on a select package of goods and services only.

In other words, of course we welcome tourists from other countries, but it is hard to accept that our Canadian citizens will not be eligible for the same consideration from this government as foreigners. The report further states:

> The provisions of Bill C-62 attempt to address some of the problems that the GST poses for foreigners coming to Canada, but it still leaves the problem of discouraging Canadians from travelling in Canada. In particular, this tax will apply to Canadians who travel domestically for recreational purposes but not when they travel abroad, although air travel to the United States will be taxed. Any existing price advantage to vacationing in the United States will be enhanced with the GST.

In other words, the policies of this government will encourage Canadians to travel elsewhere but in our own country. Another example of the uncaring attitude of the Mulroney Tories.

> The recommendation by TIAC to reduce the tax rate to 5 per cent and tax all goods and services, addresses this problem to a partial extent, but the GST, by its very nature, makes domestic tourism spending by Canadian households less attractive than foreign tourism spending.

In other words, Canadians, do not travel in your own country. Go to the United States; it will be cheaper.

> The federal government is attempting to alleviate some of the adverse consequences of the GST on foreign tourists in Canada. Under the provisions of Bill C-62, the government is offering a rebate to foreign tourists to Canada of the GST paid on accommodation in Canada and goods taken outside of the country. The minimum rebate will be $20 and can be claimed four times per year. The government has not yet decided the exact mechanism for the rebate's delivery. One possibility is to offer it at exit points such as duty free shops. Tourists would also be free to apply for the rebate after leaving Canada.
>
> This rebate mechanism is a means of treating tourist expenditures in a manner which is consistent with treatment of exports. Goods exported from Canada are zero-rated and there is no reason why effective exports by foreign tourists should be treated differently. Although foreign tourist spending in Canada can be viewed as an exported service, not all of these expenditures qualify for the tourist rebate. TIAC takes the position that any service which generates foreign exchange is an export and should be free of tax, not just spending on accommodation and goods taken out of the country. Outfitters and guides argued before the Committee that packages sold to foreigners should be treated in their entirety as an export and zero-rated.
>
> Numerous groups have suggested recommendations which they claim can be put into place with little administrative cost. For example, point of sale rebates can be granted for hotel accommodation on the basis of identification provided by guests. And if a rebate is to be granted at point of sale, no need for a minimum rebate exists. Consequently, the $20 minimum should be eliminated as was suggested by Tourism Vancouver and the Vancouver Hotel Association.

Just imagine being lined up in the morning at a hotel check-out waiting to pay a bill for two or three days' accommodation and the person in front of you, who is an American citizen, is checking his bill which states that the hotel room accommodation is $100 per night, or thereabouts. He asks, "What is this special GST tax that is added on?" The clerk will then explain to the gentleman that, if he can prove he is not a citizen of Canada, the GST, which is totalled every day and added to the bill and shown together with phone calls, meals and accommodation, will be removed immediately. Imagine you are sitting there and listening to this conversation. You are living in your own country, you are travelling in your own country, you love your own country and you want to spend most of your holidays in Canada. You listen to this conversation and wonder where have we gone wrong. Here I am, already paying income taxes and everything else and this person in front of me is having removed from his bill the 7 per cent GST on every item that was charged to him. Therefore, if his bill is $500 he will be given a gift of $35. Can one imagine the arguments that will take place at cashiers' desks in hotels? No wonder the tourists are being asked to apply after the fact—in other words, keep the tax hidden and do not let Canadians know that people from outside Canada will be getting a refund. Don't give it to them at the point of sale, for God's sake, then Canadians will get to know what we have

been trying to do to them. We have to keep talking about this to make sure that Canadians do know what is being done to them.

The report further states:

> In keeping with the principle that spending in Canada by foreigners constitutes an export and should be free of tax, the Guide Outfitters Association of British Columbia recommended that packages sold to non-residents should be entirely free of tax. Similar recommendations have been made with respect to tour packages sold to foreigners and conventions and conferences attended primarily by non-residents. On the surface such extensions of tax-free status could cost the government some tax revenue but all interested witnesses before the Committee noted the strong price sensitivity of tourism spending. The government might actually be engaging in false economy by trying to tax tourist spending.

That is another example of small business being very worried about the government's decision and the effects that this will cause to these people. This was brought to our attention on many occasions throughout the hearings.

Before closing, I wish to put on the record the many times the Funeral Services Association of Canada appeared before the committee, particularly the occasion in Halifax, and identified funeral services as an essential service that should not be taxed. The association stated:

> We believe that every Canadian has a right to a burial or a cremation according to the rites and practices of his or her religion and cultural heritage, and that Canadians find it offensive for the government to tax those services.

In this regard, the report further stated:

> Aside from its overall objection to being taxed, the Association raised an issue about the taxation of pre-paid funerals.

• (0530)

> Under a prepaid funeral arrangement, a price of a funeral is set and money is paid into a trust account prior to the death of the person. This money, and any accrued interest, cannot be obtained by the funeral director until the time of the person's death. Revenue Canada apparently acknowledges that while these funds remain in trust, for income tax purposes, they do not represent income to the funeral home. However, according to the Association, Revenue Canada is taking the view that "where a client prepays for funeral services the client is providing consideration to the funeral home and the GST will be payable." The Funeral Service Association believes that since no funeral has been supplied and no money has been received by the funeral director, there should not be any GST payable.
>
> The Committee also heard from the Ontario Funeral Service Association that it has been given a number of conflicting opinions from Revenue Canada on when the tax is to be collected and when it is to be remitted. Some of the questions left unanswered include:
>
> 1) Should the tax be collected at the time of the prearrangement or when the funeral service is provided?
> 2) Should the tax be remitted at the time of the prearrangement or when the funeral service is provided?
> 3) Should the amount of tax collected be based on the original deposit or on the amount in the trust account at the time of death, which includes accumulated interest?

As of 29 August 1990, three days before they were due to begin collecting the GST on prepaid funerals, representatives from the Ontario Funeral Services Association stated that they were confused about how to apply the GST. At that time, they were still being given conflicting advice from Revenue Canada on the matter.

It was quite eloquently explained to us that two people on the same day telephoning the same office to receive information on the GST were given conflicting answers. How do you expect the average Canadian to fully understand the implications when some of the 4,000 highly paid individuals who are being hired to implement this tax cannot even give the average Canadian a straight answer? This is what is going on in the country under this government.

[*Translation*]

i am sorry the people who support this government keep criticizing us because we are trying to use every means at our disposal to prevent this disastrous tax from being added to the tax burden of Canadians . . .

Senator Simard: Listen to this hypocrisy!

Senator Lefebvre: . . . and speaking of hypocrisy, we have the perfect example in Senator Simard who is now silent. He has no valid arguments against the facts I just mentioned here. He sits there, reading his paper, because he has lost all hope of arguing successfully against the facts . . .

Senator Simard: You must be dreaming!

Senator Lefebvre: No, these are the facts. You can read what I said tomorrow.

Thank you, honourable senators.

[*English*]

Senator Simard: I rise on a point of order. I will tell you Liberal senators something, just as I told your New Brunswick cousins for 15 years. By the way, I have spoken in the Legislature of New Brunswick. I spent a lot of my time, if not all of it, in cities and towns on radio and television, in basements and upstairs, where I met with people in New Brunswick denouncing the Grits of New Brunswick. That is why we won for 17 years. You guys just relax. We have at least another 15 years to go. While you say you are a diminishing plurality or, more exactly, a minority, I will not spend too much time speaking at 5 a.m. in the morning. We will go out in the trenches where you guys used to be strong.

[*Translation*]

. . . only the Liberal Party can save and represent Francophones. For seventeen years, we have proven the opposite was true in New Brunswick. And it will happen again!

In the federal government we have my member, Bernard Valcourt, who is a good example. He goes to Saint-Quentin, in Fredericton and Moncton, the Francophones vote for the Mulroney government. It is a government with guts.

We don't need any encouragement and we don't need you reading reports that are ten or twelve years old, including the Rules of the Senate.

We will go where it counts, talk to people and explain the advantages and the weaknesses of the GST. If there are so many weaknesses, why didn't you propose any amendments? I heard Senator MacEachen saying that perhaps a number of amendments might be considered. Last week (Senator Poitras, you were there), did they open the door wide enough to allow amendments? No, they said: "Keep quiet, we'll take care of that. The rule of the majority will decide". That is what Senator Frith told us last week.

In the five years I have been in this Chamber, he often reversed the decision of the Speaker because it didn't suit them. In committee, they elected the chairman. Senator MacEachen was in control through his straw men, obviously. He controlled both the chairman and the Banking and Commerce Committee.

Meanwhile, Senator MacEachen was away representing the Bank of Montreal, either in Montreal, Toronto, or Brussels.

We should have another talk about conflict of interest!

To get back to what I was saying . . .

Senator Lefebvre: You want to keep up this farce?

[Senator Simard.]

Senator Simard: Just listen, it will wake you up. Senator Frith wasn't even listening to you! It took some noise to make him sit up and take notice, just so he would realize you finished your speech. He thought you were still reading the Rules of the Senate or going your morning prayers.

This is just to say, Senator Frith and Senator MacEachen, that we will have a chance . . . we are starting to get sick and tired, not of working in this Chamber but of listening to this nonsense. Eventually, there will be debate . . .

Senator Lefebvre: On the same point of order . . .

Senator Simard: If you have a point of order, all right. We will have a debate, and we will talk about the GST and we will say what people told us as well.

Senator Lefebvre: This is ridiculous.

Senator Simard: Sit down! There is no point of order if you say there are no more rules here.

[*English*]

Senator Frith: You do not have a point of order.

Senator Simard: You have said that there are no more rules, regulations or procedures; no point of order either, yet you have raised points of order ten thousand times over the last two weeks.

Senator Lefebvre: That is an example of typical Tory arrogance. How many seats do you now have in the provincial legislature in New Brunswick with your Tory arrogance? Explain that to us. Go ahead and explain it.

Senator Simard: I am going to tell you something, buster. McKenna has been there for about three years. Everyone has said that he looks tired and fed up. And he has been missing national glory since Meech Lake. There is a rumour going around that he is considering quitting after the next election and could be replaced by Doug Young, a former member of the New Brunswick legislature, now a finance critic for the Liberal Party in the House of Commons and Mr. Chrétien's right-hand man who, by the way, did not go out of his way to offer his seat to Chrétien.

Senator Lefebvre: Who is going to be your candidate in Beauséjour?

Senator Simard: I am talking about your former New Brunswick leader, and also your ex-leader. However, that is another thing.

Senator Lefebvre: Why don't you have the guts to run against Mr. Chrétien if you are so good. Go ahead and try it.

Senator Simard: I will do better than that. Are you challenging me?

Senator Lefebvre: Yes, I am challenging you. Go ahead.

Senator Simard: All right. You resign your seat in the Senate tomorrow and I will resign my seat in the Senate. You take a riding in Quebec and I will trounce the hell out of you.

Some Hon. Senators: Hear, hear!

Senator Lefebvre: That is the biggest farce ever said.

[*Translation*]

I am very pleased to hear that. I will read to Mr. Bérard, tomorrow, that senator Simard finds that it is a farce that a man closes his sawmills. That is the farce that Senator Simard just said, that 350 jobs will be lost next week. Senator Simard finds that it is a farce. It is shameful, Senator Simard.

[*English*]

Senator Simard: He is now offering me to run in New Brunswick. Senator Robertson, you will remember when you were in the legislature with me in New Brunswick and you will remember the first thing the Liberals were saying, "Simard, you are not an Acadian, so there is only one place for you to go. That is to Quebec".

Senator Hastings: The Senate.

Senator Simard: They told me to go back to my friend Duplessis in Quebec. Now that I am in Ottawa they are telling me to go back to New Brunswick. Make up your minds.

Senator Lefebvre: Try and find a Tory to run against Chrétien.

Senator Simard: I am fed up with you Grits. I am staying here unless you resign and then I will join you. You pick your riding and let God decide.

• (0545)

Hon. Joan Nieman: Honourable senators, after this stimulating series of interventions, I hope you will forgive me if I appear to have lost the thread of the discussion I was about to embark on.

I should like to begin by saying that I am also one of the persons in the Liberal caucus whose privileges were very much violated by the acts of last Thursday. I was here when the bells started to ring. I went to the caucus meeting. After some discussion and exchange of views about what we could possibly do next to circumvent what was obviously happening in the Senate chamber with respect to the rules, I went to my office. I was doing work there when, sometime around 5.30 p.m., I received a call to tell me to come to the chamber immediately, that a vote was going to take place. By the time I arrived here, the doors were not locked; they had been opened again because the vote was over.

I find this absolutely deplorable. This is a shocking abberation so far as this chamber is concerned. The rules of the Senate are part of the laws and procedures of this chamber. Unless we can depend on the person who is supposed to interpret them for us to do that fairly and according to the plain language that is before us, then we can no longer have confidence in him. The Speaker made his ruling prior to the bells ringing and took the action he did that caused the vote, which was entirely illegal, in concert and obviously at the direction of this government. How can any other senators—the Liberal senators or the independent senators—have any confidence in future rulings he may make? That is why it would be most appropriate if he chose to resign his position.

I say that with a great deal of regret, because I have had respect and friendship for the Speaker over the years I have known him. The events that have happened here have caused me much sadness and worry. I am not proud of what has gone on here in the last week. I do not believe any person who has been party to it, those who have read about what has occurred, or have seen it on television, can be too happy with what has happened.

I mentioned in the early hours of last Friday morning that I thought the only good that could eventually come out of this is that there might be a push for a change in the way our Parliament is now conducted. I believe the article written by Don McGillivray in the *Ottawa Citizen* has been read here tonight. The heading is, "Dose of insecurity good for arrogant Tory government". Mr. McGillivray starts off by saying:

> Is a majority government free to do anything it wants, subject only to the decision of the voters in the next election?
>
> . . . Justice Minister Kim Campbell stated it succinctly on Sunday on television: "We have to introduce a tax. If you think we're wrong, turf us out at the next election."

Our Prime Minister has made that comment or something similar several times. Mr. McGillivary comments:

> It sounds democratic. The government is responsible only to the voters who get their say once every four or five years. The electors then delegate all power to a prime minister and his party.

This apparently is the way we are operating at the moment. However, I am quite confident that when the framers of our Constitution conceived and agreed upon our parliamentary institutions, they did not imagine that we would be operating the way we are today. Obviously there have been improvements in Parliament over the past 130-odd years, but there are many areas where I believe the parliamentary system has degenerated.

Senators are part of the system. We are part of that Constitution, and we have the democratic right and duty to carry out our duties until such time as the Constitution is changed. For many years I have been interested in how we are governed here in Canada, in our institutions, and how our democracy, as fragile as it is, seems to improve one year and then fall back in other areas and other years.

After being in this chamber for 18 years, I have come to the conclusion that we have to make some radical and serious changes to our parliamentary system. I arrived here just over 18 years ago, and after a matter of months I was quite disillusioned with some of the actions and procedures that I saw, particularly in the Senate. I must say that I felt sorry for the new senators, because if I was disillusioned with the relatively quiet and inoffensive occurrences that I was witnessing in those days, I am wondering how they can understand what this chamber is supposed to be about and what our parliamentary system is supposed to be doing for the people of Canada. I do not think we are serving Canadians well.

When I was first appointed, Senator John Connolly had been Speaker here for many years. I told him that one of my first speeches was going to deal with reform of the Senate. He said: "Now, now Joan, just take it easy. You have to stay here a little while and find out what's going on because this is a rather complicated institution and it takes several years to really understand it." Fortunately, I took his advice and kept quiet for several years. In the interval, I have come to the conclusion that in spite of what the political scientists, the media and many other people have been saying for years, it was not reform of the Senate that is required; it is reform of Parliament. We cannot simply reform this chamber in isolation, and the one good thing that may come out of that is the realization that people will understand that.

Senator Lavoie-Roux: Senator Neiman, will you permit a question?

Senator Neiman: Of course.

Senator Lavoie-Roux: I do not know you very well at this point, but I am sure I will get to know you better. You have been in this chamber for over 18 years. The Liberal Party was in power in the House of Commons and this chamber for many years. Why have you not had better success in your efforts to reform this chamber?

Senator Neiman: As you become more familiar with the background of this federal institution, you will understand the dynamics. In my view, the House of Commons has been one of the chief opponents of Senate reform, particularly of an elected Senate, because it saw that as derogating from its own powers.

I am not prepared to make a complete speech on parliamentary reform tonight. One of the greatest hurdles we have to overcome is the other house. I do not know whether you believe this chamber should be elected, but I have come to see that as the only way for us to go. However, the greatest hurdle is still our friends on the other side. I am not talking about one party; I am talking about the other place in general. Over the years the executive has gained more power and backbenchers increasingly have less power. That did not start with this government; it started many years ago. One of the problems is that backbenchers in the other place—and again I am speaking of all parties and not any one party in particular—feel that they have a less important role to play. They feel they are there simply to reinforce whatever the government of the day has decided to do. For us to try in isolation to have an elected Senate would mean that the backbenchers in the other place would have less power. There are many other things involved.

Senator Frith: Mr. Speaker, I call a quorum.

• (0600)

Hon. Brenda M. Robertson: Your Honour, shall we canvass adjacent chambers to bring in senators?

The Hon. the Acting Speaker: Honourable senators a quorum has been called. Rule 8 reads:

> When it appears, on notice being taken at the commencement of or during the sitting of the Senate, that fifteen senators, including the Speaker, are not present, the senators who may be in the adjoining rooms having been previously summoned, the Speaker shall adjourn the Senate until the next sitting day, without question put.

Having counted, I see a quorum. Please proceed, Senator Neiman.

[*Translation*]

Senator Lavoie-Roux: Honourable senators, I understood the answer the honourable senator gave me. It is true that the parliamentary institutions have evolved and the executive keep gaining more power, even in the legislative assemblies.

But my question is this: did the Liberal senators and the Liberal Party disagree while the Liberal government was in office for God knows how many years, about Senate reform would explain why no reform was ever achieved? Even if they had the majority both in the Senate and in the House of Commons, nothing happened. Do the members of the Liberal Party in the other place disagree with the Liberal members in this house, and was it the case when they both had a majority?

[*English*]

Senator Neiman: Yes, of course there was. I think that a lot of senators here at one point were not really persuaded that an elected Senate was the proper way to go. However, over the past 10 years senators have become more and more convinced that if this house is to survive as an institution, it will probably have to be elected. In spite of that attitude, that concept has never been a popular one with the people in the other place because they feel that their authority would be lessened. So if there is anything on the list of things to be done, Senate reform or parliamentary reform, because it would obviously involve both houses, is very low on it.

I believe that the events of the last couple of years have persuaded the Prime Minister, finally, that perhaps he should take some action, and I think that it has finally crystallized the Liberals in the same attitude. The Liberal Party has had that policy for years but has never done anything about it. It just explained—

Senator Simard: Why?

Senator Hastings: What has your Prime Minister done in eight years?

Senator Simard: We'll get back to you!

Senator Neiman: I suggest that you ask the people on your side. I am sure that many of your members would not be any more enthusiastic about such a prospect because they cannot yet envisage it. To be honest, we have not really worked out the dynamics. However, many people on your side, such as Senator Roblin, are proponents of an elected chamber. As I say, it may come to pass if the Prime Minister thinks that it is time that we made some changes, and if our side has arrived at a decision to make a commitment to push for it. I will not hold my breath. I have only a few years left here, and I am not confident that anything will happen before I leave. In the meantime, we must live with the system we have and use the instruments available to us properly.

In thinking about what has been going on here, I have been looking through notes that I gathered over several years with regard to legislative and parliamentary functions. I have here a reference from Dr. J.A. Corry, who gave a series of Massey lectures. The title of this particular lecture is "The Power of the Law." He was talking about the advances we have made in our use of law. He said:

> One of the great advances we owe to democracy is a greatly changed attitude to law and the laws. Law is now seen for what it is, a product of the human community created by it for its own purposes of maintaining the order necessary for social life.

I think of that point particularly in light of this acrimonious debate on the GST. Each side tries to advance its idea of what is good for our society, and I think that is a proper course for this chamber. Dr. Corry went on to say:

> The original impulse of the democratic movement was to enlarge individual freedom, so that rough criticism of existing laws, of the persons who make them and enforce them, cease to be an offence. That is what party politics is about.
>
> The objective is to maintain a private sphere of life where we can do what we like, say what we like, fight for what we believe in, try to get what we want, all within the rules of the game.

We have certainly been talking about rules in the last week. He goes on:

> Conflict,up to a point, is a sign of vitality. The difficult question is to determine at what point the essential legal frame of the community is threatened.

That is something we should also be thinking about in terms of what has happened here in the past week. He goes on:

> To be wholesomely effective or even workable, laws must keep in close touch with the community sense of right.

It has been made obvious that the Canadian community at large is outraged by the GST legislation, and, without doubt, believes that it is not right.

I have another article written by Dr. J. R. Mallory on the structure of Canadian Government. He was talking about Parliament, particularly the House of Commons. He said with regard to the House of Commons:

> The first of its functions is to act as an electoral chamber: to give a government authority, to sustain it and thus make stable government possible, and to withdraw confidence from a government which no longer deserves to rule.

He then said:

> The second function is to legislate.
>
> Its third function is to act, as John Stuart Mills said as the nation's congress of opinions and committee of grievances. The business of Parliament is not only the articulation of grievances, but the informed discussion of public issues before decision is taken. To Bagehot parliamentary debate had a reciprocal function. Not only did it provide a full discussion of alternatives before parliament acted, but, more important, it performed the educative function of making the voter aware of the general shape of the issues confronting the country so that his contribution on election day would be the better informed.
>
> The essence of our whole system of government is that it is a structure having at its basis freedom of speech and thought. Decisions reached in Parliament are the result of free discussion which takes place within an elaborate and sophisticated set of rules known as parliamentary law.

The Senate rule book is part of our parliamentary law. He goes on:

> Werenohl states the principles underlying parliamentary procedure as follows:
>
> 'The principles that lie at the basis of English parliamentary law have, however, been always kept steadily in view by the Canadian Parliament: These are—to protect a minority and to restrain the improvidence or tyranny of a majority; to secure the transaction of

public business in an orderly manner; to enable every member to express his opinion within the limits necessary to preserve decorum and prevent an unnecessary waste of time; and to prevent any legislative action being taken on sudden impulse.'

Senator Robertson: The honourable senator talks about the requirement of rules for the protection of the minority. Do you believe that such rules should apply to the committees as well as to the Senate itself?

Senator Neiman: We have to have the same rules in committees, and they have to be observed in the same way. If these rules do not appear—and I gather from your expression you think that they do not—to serve the purpose that you think they should serve, this is the place to debate the changes.

Senator Robertson: It was not the tyranny of the committee, it was the tyranny of the majority to which I referred, and I think you have confirmed that.

Senator Neiman: That may well have occurred and, if so, perhaps we should look at the rules again. That is one of our major complaints with what has happened. That is one of the reasons why this house has taken so long in dealing with legislation that comes from the other place. There have been numerous articles in the papers recently enumerating the number of times that the government has imposed closure in the other place to prevent further debate on matters, and it does so through, as we have said, the tyranny of the majority. It has its way to do it. Therefore, the only recourse we have on this side is to act as some kind of a counterbalance where we can—and we cannot always do it—by applying the same rules as they do over there. I have heard no criticism on that side of the chamber of the way the House of Commons has been operating, but the people have been criticizing and complaining about the fact that the so-call elected members have not been carrying out their duty to allow proper discourse and discussion over there.

● (0615)

Senator Robertson: On that point, Senator Neiman, if I may, in reality, do you see time allocation as very similar to closure? You are familiar with all of the rules, of course.

Senator Neiman: I wish I were familiar with all of the rules. I am ashamed to say that I do not know them as well as I should. In principle, I see no objection to time allocation. There does come a point in the parliamentary procedure where discussion probably should be brought to an end, but this has to be decided by everyone, and then I think it can be carried out. However, the fact is that, on the other side, because closure is really a very severe instrument, if we were to have anything like that on this side, I would hope that the use of it would be restricted and that the ways it could be used would be spelled out very clearly, because I think the government over there has abused that particular procedure.

Senator Robertson: On that point, Senator Neiman, I have not served there, and I do not think you served there either. There are two or three people here now who have served in the other place, but if you will study the rules in the other place, you will find that closure, in fact, gives more time for debate than does time allocation. I took it upon myself to ask the researchers in the Library of Parliament to go back and double check. I asked others as well. I suppose time allocation has a nicer sound than closure, although closure does give more hours of debate; but if you go back over the last six years, whether you want to call it closure or time allocation, it has been used about 24 times in the past six years.

Senator Hastings: Shame!

Senator Robertson: In the previous six years, time allocation or closure was used about the same number of times. The point I am making is that it is easy to say that those in the other house abuse closure; but, in my humble opinion, I do not see much difference between closure and time allocation, and the intrusion of closure or time allocation has not been that much different under either party. If you want to verify that, the data is there. I have researched it a couple of times. It is rather interesting.

Senator Neiman: I have not seen those figures. As I say, I am not familiar with the precise difference. Perhaps Senator Lefebvre knows.

Senator Lefebvre: I have a different impression entirely. My impression is that it has been used more in the past six years than at any other time in our history, but I will wait until we have the Parliamentary Research Branch of the Library of Parliament give us the facts. As I say, my impression is that time allocation and closure have been used more often by the Mulroney government than by any other government in the history of Canada.

Senator Simard: Don't listen to the Liberals. Get your facts straight.

Senator Neiman: In any case, honourable senators, I would be delighted to get the information and put it on the record as soon as I have it. To me, this is all part of a larger problem of the power of a majority government simply to dictate what will be done. The same thing happened when the Liberals were in power. In the past, as far as the Senate was concerned, there was a view that it should just do what it was told and pass bills without comment or without too much criticism. I feel that all of that has to change in the future.

I must say, in closing this part of my comments, that I was extremely heartened to hear a radio conversation between Peter Gzowski and three political scientists yesterday morning discussing what had been happening here in Parliament. For the first time, I think Mr. Gzowski began to understand the dynamics and problems in our Parliamentary procedure and the rightful position of the Senate in the legislative process. More importantly, it was the first time that I heard these three political scientists, whom I have heard before over the years and whom I respect, actually entertain the thought that it was not the Senate of Canada that primarily required reform, but that it was Parliament itself. I will be getting a copy of the transcript of that particular broadcast and I will be very happy to read parts of it into the record as soon as it is available.

I thought that I might bring to your attention, if you have not had an opportunity to read it, an article which appears in the *Canadian Parliamentary Review* for the Summer of 1990. Particularly for the new Senators, they will be hearing more about Bill C-21, which,is before us and about which there has already been some discussion, particularly by Senator MacEachen yesterday. This article is by Blair Armitage, who is a Committee Clerk in the Senate. The headnote is as follows:

> In June 1990 the Senate considered a motion requesting a conference with the Commons in order to discuss Senate amendments made to Bill C-21, An Act to amend the Unemployment Insurance Act and Immigration Department and Commission Act. The Commons had accepted some amendments, amended others further and rejected others. The Senate is insisting that the remaining amendments be accepted. Should such a conference materialize, it will be the first such occasion since 1947, when the two Houses met to resolve differences over amendments to the Criminal Code. This article looks at some political and procedural aspects of parliamentary conferences.

Honourable senators, I think it would be worthwhile reading the article. It is not very long, and I should read it into the record because I think all honourable senators will want to be more familiar with these conferences.

> We must first differentiate between "conferences" and "free conferences". Initially, the conference procedure was quite awkward. "Managers" acting on behalf of either House would meet, exchange written messages and withdraw, without a word spoken. If, after two such meetings no resolution had been reached, then a free conference could be held to allow the managers to discuss their respective positions without any restriction save for general directions given them by their respective House.
>
> This formal sequence was used once, in 1903, and found too cumbersome. In 1905 both Houses resolved that, in future, any conference could be a free conference and in 1906, incorporated these resolutions in their rules. Since the 1903 experience, all conferences have been "free".
>
> Since Confederation, fifteen formal requests have been made for a conference between the two Houses. On only one occasion, in 1924, was a request ever denied. On July 19, 1924, the Commons requested a free conference with the Senate regarding contested amendments to Bill 255, *An Act to amend the Pension Act*. The Senate rejected the Commons' request, remarking that it ". . . does not see the utility of a free conference at this late hour of the session". In fact, the session was prorogued later that same day. The bill, however, did receive Royal Assent. The Commons reconsidered the amendments of the Senate and subsequently agreed to them.
>
> In the other fourteen instances, only three times did the free conference mechanism fail to effect a successful conclusion and subsequent Royal Assent for the bill under discussion.
>
> No hard and fast rule exists for the size and composition of the management "team" representing either House. An examination of the political affiliations of managers sent by both the Senate and the Commons show several instances of teams of two, three, even four parties being represented. Only once has a one-party team been sent by the Senate. In 1940, the Commons named its managers in the same message in which it requested a free conference and the Senate felt obliged to respond in kind by sending an all-Conservative team, the rationale being that since the Commons was sending an all-Liberal team, the lines were already clearly drawn.
>
> Bourinot says ". . . [it] is not customary nor consistent with the principles of a conference to appoint any members as managers unless their opinions coincide with the objects for which the conference is held". In at least one instance, however, a senator acted as a manager, despite having moved a motion recommending that the Senate not further insist on its amendments. This would suggest that the Senate preferred to show solidarity when it came to its right to amend legislation.
>
> Essentially, then, conferences have been seen in the past as an effective means of formal intercourse between the two Houses on official business of Parliament. The British authority, *Erskine May,* contends that, in the United Kingdom, messages have made conferences obsolete but recent developments in Ottawa—no matter how they might turn out—demonstrate that close personal proximity with one's opposition in a bargaining situation tends to focus one's mind.
>
> In one instance, related by F. A. Kunz in *The Modern Senate of Canada*, this phenomenon is clearly highlighted. A Commons team, having been given absolute authority to take a very hard line, came back with a report which amounted to a complete capitulation, much to the jeering dismay of their colleagues.
>
> The only restraint on requesting a conference is that only the House in possession of the legislation involved may make the request.

• (0630)

> In Canada's case it has always been the Commons which has asked for the conference.
>
> The Senate, in its message to the Commons acceding to a request for a conference, names its managers as well as the time, date and location (which it has always supplied) of the conference.
>
> The number of managers sent has tended towards a pattern, but has a varied history. In early conferences, the Commons teams often outnumbered those of the Senate, sometimes doubling the number of Senate managers. In the period since 1925, however, equal numbers from either House has been the rule in practice, if not by formal resolution. These teams ranged from three apiece

to six apiece, with three being the favoured size on four out of six such occasions. This pattern of matching team sizes was established by the Commons, since it responded on five of six occasions with its list of managers matching the list provided by the Senate.

Determining the staffing requirements of the conference is based on deduction, since public records of these meetings do not seem to exist. Professor Kunz, however, provides us with a clue: he writes "In the end the controversial clauses . . . were redrafted by the Minister of Justice, the Deputy Minister of Justice, and the Law Clerk of the Senate in the presence of the managers." It might be inferred from this reference that such expert counsel as either side should desire would be permissible. Additionally, a recording secretary or clerk of the meeting would be required. It might also be deduced that meetings are not public. Therefore, official reporters would not be necessary, although interpretation services would continue as per policy for in-camera meetings.

The conference is convened at the time stipulated in the message from the Senate. When this time approaches, the names of the managers for the Commons are called out and they leave for the meeting. When the Commons managers are ready they await—standing and uncovered—the mangers of the Senate. The Speaker of the Senate, upon notification that the Commons managers await, reads aloud the names of the Senate managers who rise and depart for the conference. It is important to note that the business of both Chambers is suspended during the conference.

It is not clear whether or not adjournments of short or long duration are permissible. While no injunctions are written down against this practice, it would seem that, at the very least, long adjournments (overnight, for example) would be highly unusual. The fact that business in both Houses is suspended while the conference meets indicates a high degree of urgency, as does the fact that managers from the Commons are, according to the authorities, supposed to remain standing throughout the meeting. While it might be argued that the conference could be adjourned to accommodate the schedule of both Houses and that the Commons managers should be allowed to sit, the "feel" of the whole procedure seems to indicate an emphasis on the importance of the event and its urgency. Whereas in the United States conferences are held on a regular basis, without interrupting sittings of either House, conferences in Commonwealth parliaments are rare and suggest a conflict of some import.

Once convened, the Senate managers stand, uncovered, and receive the formal message of the Commons, which states its objections to the Senate amendments. When a conclusion is reached, either to agree or disagree, the conference is adjourned and the managers report their recommendations to their respective House.

If the recent motion requesting a conference passes and the Commons agree, it will be interesting to see the outcome of the conference. An examination of the results of these meetings indicates that the Senate either prevails or comes to a compromise with the Commons which usually confirms the intent of their original amendments.

Honourable senators, I find that article extremely interesting and I think it will be of some use to us in the coming weeks as we deal with the question of Bill C-21. I do not know if any of my colleagues here can add anything, because my throat is giving out at this point. Senator Frith, have you any comments you can make?

Senator Frith: I believe that Senator Kenny does.

[*Translation*]

Senator Simard: The honourable senator who has the floor and his colleague before him, Senator Lefebvre, have urged us to speak to the GST and examine the report of the Committee on Banking chaired by Senator Buckwold.

I would suggest that on both sides of the chamber there is hope that we will soon be able to begin dealing with item 5 on the order paper.

But until we get to the GST we on this side will try to convey as faithfully as we can what was said during the cross-Canada hearings on the GST, unlike the one-sided arguments we have been listening to for the past few days.

In the meantime, as I say, I should like to put on the record of this chamber an editorial on the GST signed by Alain Dubuc and published in today's *La Presse*. The heading goes like this:

> The homework of undisciplined students.

I am quoting Alain Dubuc:

> With their inelegant uproar the Liberal senators have managed to make people forget that their brilliant fight against the GST was the result of long work.
>
> During the summer the senators crisscrossed Canada and spent many days listening to what Canadians had to say about the GST. This on-site inquiry led the Senate Standing Committee on Banking, Trade and Commerce to put out a huge report of over 200 pages.
>
> People may have forgotten that the conclusions of the report prompted the Liberal senators . . .

You know, honourable senators, there are people who do not see any difference between the Senate and the Liberal majority in the Senate. Once again it does look like Alain Dubuc knows the difference. It is not the Senate that is blocking the GST. It is not the institution that makes all that noise and discredits our parliamentary institutions. It is the Liberal majority over there.

Senator Lefebvre: Thank you.

Senator Simard: I continue quoting Alain Dubuc:

> People may have forgotten that the conclusions of the report prompted the Liberal senators to block the GST instead of proposing amendments.

> How is it possible that this document, which has played a vital role in the ongoing crisis, has not been quoted, commented and analyzed?

And Alain Dubuc goes on:

> Reading the report might provide an explanation. If senators are undisciplined students, they are also students who botch their homework. The lengthy text of the Liberal majority is an endless, simplistic and partisan manifesto which contradicts everything we may have heard about the exactness and precision of senatorial research.
>
> In fact, when selecting groups anxious to give evidence on the GST . . .

A small digression, if I may. I can almost hear Senator Poitras say—as he did so many times in committee and elsewhere—that the Committee on Banking has been controlled, railroaded and manipulated by the chairman. No wonder a Montrealer like Alain Dubuc heard about it.

Senator Lefebvre: That is not true at all.

Senator Simard: Well then, Senator Poitras is mistaken, Alain Dubuc is mistaken, and the *Citizen* is mistaken.

Senator Lefebvre: Yes.

Senator Simard: So everybody is mistaken, except Senator Lefebvre.

Senator Lefebvre: And the Canadian people!

Senator Simard: I am not talking about the contents, I am referring to the manipulation by the Liberal senators. I will get back to that. I know this is long, I know it may seem very long to you. Perhaps it hurts a little, byt it is not all that long!

Listen, you all read editorials. You told us all about the world baseball league, about the National Football League and what have you. We are talking about the GST. You did ask us to speak to the GST issue. Alain Dubuc is talking about the GST. If I may, I will conclude:

> In fact . . .

Again, this was written by Alain Dubuc in his editorial this morning, Thursday, October 11, in *La Presse* of Montreal:

> In fact, when selecting groups anxious to give evidence on the GST, the senators made sure they got the anti-GST lobbyists and Western Canada over-representation by people dead set against the tax, like local labour unions.
>
> Therefore the bulk of the document is not a report but a catalogue. Still it has its use: identify the GST victims and stress the contradictions in the legislation.

We knew there were weaknesses but we were not even given enough time to read it, we had only two hours, you were there, Mr. Speaker. We did not even have two hours, let alone time enough to digest it and come up with amendments.

Senator Lefebvre: Did you read it since then?

Senator Simard: Yes, we read it. I fully agree with the comments of Alain Dubuc.

[Senator Simard.]

This is getting you down! It seems to me I let you speak as much as you wanted earlier today and last night as well.

● (0645)

Senator Lefebvre: Ever since you came in, you interrupted every single speaker.

Senator Simard: I wanted to tell you something, Senator Lefebvre . . .

Senator Lefebvre: So what's your story, Senator Simard?

Senator Simard: Senator Lefebvre, some of the staff outside were telling us:

> Senator Lefebvre has been speaking really well this week. He never talked as much in all his 20 years in the House of Commons.

Senator Lefebvre: It's true. I was busy with legislation.

Senator Simard: So why not let us get on with it? But back to our subject and Alain Dubuc.

I thought I would read some of this to you.

Senator Lefebvre: What did you accomplish in your life, anyway?

Senator Simard: Well, I fought the Grits in New Brunswick for 17 years! I don't have to do another blessed thing for the rest of my life!

Senator Lefebvre: Is that what you accomplished?

Senator Simard: Yes.

> The bulk of this document is not really a report but a catalogue. It is useful, however, in that it identifies the victims of the GST and draws our attention to the contradictions in this legislation. The senators' concern for detail borders on the trivial, however, when they take a close look at the problems of Newfoundland, worrying about the poppies, the sale of flowers via a wire service from outside or the impact of the GST on the cost of shipping Christmas trees from Nova Scotia.
>
> Where the report really goes on the skids is in the analytic part.

According to Alain Dubuc:

> In the summary of recommendations, the senators merely drew up a list of demands by all the various lobbies, without editorial comment, as though these parliamentarians had decided to abandon their responsibilities and turn into stenographers.

That is what happened on the 24th. That is what could have been avoided if the Liberal majority in the Senate, faced with the departure of Liberal senators and a shrinking majority, had not panicked.

Senator Lefebvre: Poor Tory ghosts!

Senator Simard: I continue. Be patient, Senators, we did not abuse the time of the Senate over the past 10 days. Senator Poitras, you did not find that we had abused the time of the Senate. Even if we spent one hour out of every ten days! From the very beginning, you alone have had the right to speak.

Senator Lefebvre: You have no defence. Alain Dubuc never read the report.

Senator Simard: That is again a gratuitous statement. What does he know about Alain Dubuc's reading habits and his analyses? What does he know? To my knowledge, Alain Dubuc does not report to Tom Lefebvre every morning!

When the time comes, I will read to you some more of Alain Dubuc's editorials. They could certainly do you some good.

I conclude, Mr. Acting Speaker:

> It would be no use looking for an analysis of the impact of the value added tax in the countries where it exists, for the senators did not look into that; or for a strict study of the economic impact, for it is non existent; or for possible alternatives, because they are reduced to another list, without conclusion.
>
> In short, the findings of the reports, which certainly must have cost Canadian taxpayer a bundle—

By the way, I add the amount of the bill. It is going to cost one million dollars to Canadian taxpayers. I continue with Alain Dubuc's statement:

> Is short, the findings of the reports, which certainly must have cost Canadian taxpayers a bundle, could have been foresen from the start. It is not surprising, therefore, that following this sad exercise, Liberal senators prefer to shout rather than discuss the situation.

it is signed "Alain Dubuc".

I will leave you with this; I thought it would be something for you to digest this morning before you had your breakfast. I am sure it will stimulate your appetite!

Senator Lefebvre, I warn yout that once you have ended your shenanigans, recovered your senses and your mind, we are going to deal with this report.

Senator Lefebvre: Can you do that?

Senator Simard: We will first analyze the report, and then we will tell you what you could have put into the report, if simply you had not panicked.

We will also tell you about the amendments which the Government accepted on the recommendations of the House of Commons Finance Committee. We will tell you also what Minister of Finance Michael Wilson is planning to do. I am not going to reveal any secret, for he went public and explained the reasons why it is important to adopt this bill as soon as possible, even if it meant some corrections at a later date on a number of things which could normally be considered and amended through regulations or administrative measures. Whether Senator Lefebvre likes it or not, Minister of Finance Michael Wilson will have the opportunity to table several other budgets before the Liberals assume again power in 1993, 1997 or Year 2001. Year 2001 may seem quite distant to you. I can understand that. You are not used to sit in the opposition. Anyway, we are going to talk to you a lot about the GST. Meanwhile, try to save face and find a way to apologize first of all to the Canadian public.

i strongly urge Senator Frith to apologize to the Canadian public for calling in the press, ssme of your political cousins, including Mr. Riis, of the NDP, and the others. You should apologize, Senator Frith, because you are responsible for the whole mess. We could not honestly blame Senator MacEachen, for he was in Brussels at the time. But you were here, Senator Frith, and the TV cameras had their sights on you. We could see that the whole weekend. We saw Senator Frith calling in the journalists. We saw Senator Hébert doing everything he could to be knocked down perhaps by a camera, a newspaperman or a security officer. There is nothing he enjoys more than playing the part of a martyr. Senator Frith, I do hope that together with your colleagues, including Senator Lefebvre who looks wide awake this morning, you will apologize to Canadians.

Today, I intend to write Senator Leblanc a formal letter asking him just how much that cost a day—

[*English*]

I intend to write a letter to Senator LeBlanc, who is chairman of the Internal Economy committee, and ask him how much this circus is costing Canadians. I hope that we will get those figures soon so that we can tell Canadians how much it is costing them, how much more the Liberals' education on the GST is costing us. I'd like to tell Canadians how much the last ten days has cost them and how much more it will cost per hour, per day and per week.

As much as I like Liberal senators, I do not want to play their game. We will be discussing the GST and Canadians will realize that it is not the monster that Liberal senators would have them believe it is.

Hon. Colin Kenny: Honourable senators, I would like to thank Senator Simard for significantly reducing the burden that was on me to bring us all to 8 o'clock. I will now continue, if I may.

Senator Fairbairn: We are all ears.

Senator Kenny: I am back by popular demand. There were some people who felt that I rushed through major issues raised during the sitting last night. Thus I feel obliged to recapitulate the first portion of it, and I will do that now. If I am going too quickly for any of you, just raise your hand.

The major issue raised during the hearings on Bill C-62 were with respect to the GST credit system. The system of GST credits is subject to the same indexation provisions that apply to the tax system in general; that is, the credits and threshold are indexed to the rate of inflation measured by changes in CPI in excess of three per cent. Thus, the real value of these credits will generally decline by three per cent. Virtually all opponents of the tax cited this feature as a major flaw in Bill C-62. Some proponents of the bill also commented critically on this feature.

The credits, in addition to other elements of the tax reform package, are designed to make the GST package progressive at the lower to middle-income levels. As the real value of these credits declines with inflation, this progressivity will diminish.

The government has responded to this point by stating that the FST credit has been increased at more than the rate of inflation. At issue is whether the increases were to offset higher tax rates or declines in real value of credit due to inflation.

Senator Hastings: I do not wish to disrupt Senator Kenny in his excellent dissertation. I welcome Senator Ottenheimer back to the Chair. He will recall last night, when he was acting as the Speaker of the Senate, that I called for a quorum. He undertook to study some precedents and told us that he would report to us later. I am wondering if he might like to report to us now, or would he like to take a little longer, or maybe even a trip to Westminister?

Senator Frith: Please take a full delegation of colleagues from your side if you do go.

The Hon. the Acting Speaker: I presume the honourable senator is referring to a quorum call yesterday which was made by a senator on my left. That decision was given by the Chair pursuant to Rule 8. I am not aware that there is anything pending to be done with respect to the matter. It is a completed matter.

Senator Hastings: With respect, you are right, Mr. Speaker. You did render your decision; but you said that you were going to check the precedents to make certain that your decision was correct. I am asking you now if you checked the precedents and if you would care to give them to us.

Senator Murray: What question?

• (0700)

Senator Frith: It was about the question of what takes place after a quorum is called and exactly how the notice is given under the section to those in the adjoining rooms. We accepted the ruling that was taken at the time. However, I thought Senator Ottenheimer had said that he took the advice from the Table; but it was not too clear. He did not have any real precedents to rely on and was going to look into it. In the meantime, he was going to rule that a quorum was here and we proceeded.

It is disappointing to find out that Senator Ottenheimer is not going to apply his talents and experience to clarify that issue, if it needs clarifying. However, if he is not, so be it.

Senator Kenny: If the Speaker is not going to give us more information, I will soldier on.

Senator Frith: Yes, carry on.

Senator Kenny:

> The credits, in addition to other elements of the tax reform package, are designed to make the GST package progressive at the lower to middle income levels. As the real value of these credits declines with inflation, this progressivity will diminish.
>
> The government has responded to this point by stating that the FST credit has been increased at more than the rate of inflation. At issue is whether the increases were to offset higher tax rates or declines in the real value of the credit due to inflation.
>
> **B. The Single Person's Credit**
>
> A unique feature of the GST credit regime is the additional credit made available to single adults. This credit is not available to those with incomes below about $6000 and the maximum value of the credit is available only to those with incomes in excess of about $11,000. Many witnesses decried the fact that the credit is not available to those who most need it. The House of Commons Finance Committee recommended that the single person's credit be abolished and any savings used to enhance the credit for the first adult in each family.
>
> **C. The Take Up Rate**
>
> Some witnesses argued that the GST is particularly onerous for the most disadvantaged of Canadians who will not file for a GST refundable credit because they have no taxable income. One suggestion was for the government to undertake a major outreach program to ensure that all Canadians eligible for the credit do in fact receive it.
>
> The take up rate for the refundable child tax credit is very high, about 96% of those registered to receive family allowance payments. This high take up rate can be explained by the personal characteristics of those who are responsible for children and the fact that the credit is relatively generous. It is possible that some transient individuals will not apply for the tax credit; however with a relatively generous credit such individuals have a strong incentive to inform themselves about the credit and apply for it. The Committee also heard evidence from native and social policy groups that illiteracy poses a serious problem for the take up rate of the GST credit.
>
> **D. Social Assistance and the GST Credit**
>
> Some witnesses expressed a fear that provincial governments will treat the refundable GST credit as income and reduce social assistance payments accordingly. This fear was expressed in several provinces although no evidence was presented that such would be the case.
>
> Social assistance is usually determined by calculating a family's financial needs and comparing this with the financial resources of the applicant for assistance. In no province—

[Senator Kenny.]

Senator Poitras: May I ask a question, sir?

Senator Kenny: When I am finished.

In no province or territory is the existing refundable child tax credit or sales tax credit considered as income for the purposes of determining social assistance benefits. In Saskatchewan, family allowance receipts are treated as income, but this is the exception, not the rule.

II. FST INVENTORY REBATE

When the GST comes into force on 1 January 1991, a very broad range of goods and services will be subject to this new tax. Some goods sold in that year will come from inventory acquired earlier, upon which the FST applied.

To avoid a double taxation of sales from this inventory, the federal government is offering a rebate of the FST on existing inventory at the end of the year.

These inventory rebates rates are not included in Bill C-62—they are determined by regulation.

These rebates do not vary according to trade level. The average FST content in a retailer's inventory would generally be lower than the FST content of the inventory of say a wholesaler or importer. The general rebate rate is 8.1% of the value of inventory. An exception is made for automobile dealers who get an inventory rebate of 11.9% (calculated as 13.5/113.5) because the FST for automobiles is applied at the wholesale level.

The nature of the FST makes it difficult to determine exactly how much tax is embedded in inventories. Rebate formula, while arbitrary, are likely to be an acceptable compromise for practical reasons. The Committee has heard some evidence of apparent inequities in the effects of these rules. Automobile dealers are not the only taxpayers whose inventories contain a tax far higher than the 8.1% level, nor are they the only ones who can easily calculate and identify the amount of tax in inventories. The Committee has heard from associations of cosmetics and toiletries firms, pleasure craft dealers and importers, all of whom claim that the rebate percentage penalizes them significantly and who also believe that they can identify accurately the amount of tax in their inventory.

• (0715)

Broadly based rebate rules will penalize some while overly compensating others. If the Government provides the higher rebate to the groups listed above, there is still an equity problem, although not as easily identified, among the remaining taxpayers.

The Minister of National Revenue has responded in a letter to the chairman to the comments of importers. He offered no additional relief, stating that importers have the opportunity to manage their affairs in light of the announced rebate rate so as to minimize any adverse effects.

GST and the Taxation of Food

The government has decided not to tax basic groceries. It is however taxing a wide range of food products. Those that are consumed outside the home and those that do not meet the basic definition of groceries. The committee has been informed that approximately 40 per cent of the food dollar is spent in restaurants or take-out establishments. Statistics Canada gives such spending a weight of only 29 per cent for purposes of calculating the Consumer Price Index.

Drawing the line between basic groceries and other taxable forms of food is bound to be arbitrary to some degree and can lead to tax inequities among competing products.

The Committee heard evidence of just such effects. The bill was originally to tax all cookies. It was amended in the House of Commons to treat as basic groceries all cookies sold in packages of six or more.

Senator Simard: Honourable senators, I rise on a point of order.

Senator Frith: You cannot rise on a point of order when we are on a question of privilege.

Senator Simard: On a point of privilege then. My privileges are being denied here and our Liberal colleagues are jumping ahead of us.

Senator Hastings: What is going on?

Senator Simard: Order Number 5 on the order paper will allow debate to take place on the GST. Senator Kenny is using the present debate to read and discuss the report that should be discussed on Order No. 5. This is my question of privilege, as we are expected to follow the rules.

Senator Frith: Your honour, Senator Simard is speaking on the question of privilege, and he will have to wait his turn.

Senator Simard: Never mind.

Senator Frith: He is not on a point of order.

The Hon. the Acting Speaker: Is the honourable senator on a point of order or a question of privilege?

Senator Simard: A question of privilege.

Senator Frith: He is speaking on this question of privilege, so he must wait his turn. However, Senator Kenny may be willing to cede his turn to him.

Senator Kenny, are you prepared to cede your turn on this question of privilege

Senator Kenny: What did you say?

Senator Frith: We are on a question of privilege and Senator Simard wishes to speak on it, a right to which he is entitled. Do you wish to cede to him at this point and then continue later.

Senator Kenny As long as I can come back to my point, that is fine.

Senator Simard: But before I continue with my question of privilege—

Senator Frith: You are on this question of privilege.

Senator Simard: I am talking on my question of privilege.

Senator Frith: Then you must wait until this one is finished.

Senator Simard: You said that I could proceed.

Senator Frith: Not on a separate question, but on the question with which we are dealing now.

Senator Simard: Then I am speaking on your question of privilege.

Senator Frith: Carry on.

Senator Simard: Take your pick.

Senator Hastings: Yes, it is the same nonsense.

The Hon. the Acting Speaker: Please proceed after you have acknowledged the graciousness of the honourable gentleman who ceded to you.

Senator Frith: All right; iron handed.

Senator Comeau: That's on the record, Staff.

Senator Robertson: Be careful, Staff, we might strike you dead.

[Senator Hastings.]

Senator Simard: It is early in the morning, but Senator Frith has said, with regard to my question of privilege, that it is against the rules to speak on it because the rules do not allow it. He must be referring to the house rules; yet for the past 10 days they have been telling us that there are no longer any rules here, that the book has been thrown away.

Senator Fairbairn: Since Thursday.

Senator Simard: So, Senator Frith, would you please show a little more consistency and tell us which rules apply? Is this a new rule that you have manufactured? Will you not answer the question?

Senator Frith: Are you asking me for a ruling?

Senator Simard: I am asking which rules you are applying when you question my question of privilege, because last week you and your colleagues threw the rule book away and said that it was no good because the rules had been broken, that Senator Charbonneau could not be the Speaker. You certainly demonstrated that there were no more rules when you opened the chamber door and let the media come onto the floor.

Your Honour, I don't know whether I had a question of privilege. I think my question of privilege is just as good as the question of privilege we are discussing. My question of privilege is this: Order No. 5 on the order paper deals with the Banking Committee report on the GST. We are on a question of privilege, and Senator Kenny is reading the famous, biased, Liberal—

Senator Robertson: Buckwold.

Senator Simard: —Buckwold whitewashed the report.

Senator Hastings: Baloney!

Senator Simard: The Liberal report. So it is correct that they can proceed while sitting on both sides of the fence—while raising a question of privilege and reading from a report that we want to study, hopefully soon, but evidently not for a few days. Should we let the Liberal circus go on? That is my question of privilege.

Your Honour, I do not want you to spend too much time on it. We are all tired. I think I have made my point. You do not have to rule on it—

Senator Fairbairn: What a relief!

Senator Simard: —because there are no rules. So have a good morning and let Senator Kenny resume.

However, I wish that Senator Frith would try to keep some order on his side. I understand that it is a big job, and especially when the gang leader is encouraging the troops. Again, I serve notice to the Chair that this morning I will be dictating a letter to Senator Romeo LeBlanc, Chairman of the Internal Economy committee, asking him for the figures on how much this circus is costing Canadians. We have been sitting here day and night at great expense. The staff is tired. Now there is a rumour in the hallways that new staff will be hired.

Senator Doody, are you aware of that?

Senator Doody: No.

Senator Simard: They intend to call on Senator Leblanc to supply new staff to pinch hit for the regular staff.

Senator Comeau: Price is no object!

Senator Simard: It is our duty to tell it like it is.

In any event, perhaps Senator Kenny will continue with a new document and show some fairness. We can read that report ourselves. Perhaps he could read the rule book.

Senator Hastings: He is not reading the committee report!

Senator Robertson: Yes he is; he is on page 33.

Senator Hastings: He is not.

Senator Kenny: Thank you, honourable senators. Once again, I must express my appreciation to Senator Simard. He is trying to help us through a difficult time to 8 o'clock, and my voice has not been up to its usual standard. I think we should award him an honourable membership to our team over here.

We were on cookies, so let us go back to cookies.

GST and the Taxation of Food.

The government has decided not to tax basic groceries. It is however taxing a wide range of food products, those that are consumed outside of the home and those that do not meet the definition of basic groceries.

The Committee has been informed that approximately 40 per cent of the food dollar is spent in restaurants or take-out establishments. Statistics Canada gives such spending a weight of only 29 per cent for purposes of calculating the Consumer Price Index.

Drawing the line between basic groceries and other taxable forms of food is bound to be arbitrary to some degree and can lead to tax inequities among competing provinces.

The Committee heard evidence of such effects. For example, the Bill originally provided for the taxation of all cookies. It was amended in the House of Commons to treat as basic groceries all cookies sold in packages of six or more. Chocolate bars are sold increasingly in family-sized packages which compete directly with chocolate covered baked goods: they have the same ingredients and appeal to the same market. Yet the tax treatment of the two differs in Bill C-62.

• (0730)

Soft drinks also compete with tax-free beverages such as mineral water, coffee and tea. Again these competing products are treated differently.

Several suggested amendments to the Bill were submitted to the committee amending Part III of Schedule VI which defines basic groceries.

I now move to "Agriculture, Fisheries and Tax Free Status":

Agriculture and Fisheries

Under the GST, food is zero-rated throughout the production chain. For fishermen and farmers this means that they are entitled to claim input tax credits and obtain a refund of tax paid on their production inputs. At the same time, there is no tax assessed on their output so that farm and fishery production remains completely tax free.

The special issue that arises for such tax free production stems from cash flow considerations. Farmers and fishermen must pay out an extra 7% on their purchases and then file with the Department of Revenue to claim a refund of the input tax credits. Although registrants selling taxable goods are in a similar position in respect to having to wait for a refund of their input tax credits, they nevertheless have the cash flow benefit of using the GST which they collect on their sales. This is a benefit that farmers and fishermen do not enjoy since their own sales are non-taxable.

The amount of time which farmers and fishermen must carry the extra 7% on their input costs before obtaining a refund will depend on how often they file a return. GST registrants making taxable and zero-rated supplies of $500,000 or less may file annually, quarterly or monthly. Registrants making taxable and zero-rated supplies of $500,001 to $6 million may file quarterly or monthly, while those with sales over $6 million are required to file monthly. Thus, if farmers and fishermen choose the quarterly filing option, they could wait up to three months between the time they purchase an item and the time they

file for a refund. Furthermore, the Government will not begin paying interest on the refund amount until 21 days after the registrant's return is received by Revenue Canada.

The Government proposes to deal with this cash flow problem by zero-rating at the point of sale a number of types of purchases made exclusively by farmers and fishermen. This will include combines, large tractors, fishing boats and commercial fishing nets. Representatives of fishermen and farmers told the Committee that the list of tax free items designated by the Government was inadequate and would not relieve their cash flow problems.

In Newfoundland, representatives of the Fishermen, Food and Allied Workers told the Committee that the best solution to the problem would be a system of GST-exempt identification cards for fishermen that would apply to a whole range of fishing-related purchases made by fishermen. In Regina, the Western Canadian Wheat Growers suggested that the problem be dealt with either by not collecting tax on any business related purchases by farmers or, at a minimum, extending the list of items designated as non-taxable at the point of sale. Both farmers and fishermen also pointed out that the GST system of paying tax on inputs and claiming these back later placed a significance compliance burden on them.

It should be noted that the list of items that are non-taxable at the point of sale is made by regulation and does not require legislative amendment to be extended. I now move to "Horses":

The GST treats the sale of horses as a taxable supply. In Toronto, the Ontario Racing and Breeding Council argued that including horses in the GST was discriminatory since it is the only form of livestock that is taxed. They noted that horsemeat is Canada's second largest red meat export to Europe. The Council also argued that the extra paperwork burden would end export sales to the U.S. and would lure breeders to the U.S. in order to avoid the "hassle of GST registrations, credits and waits for reimbursements". Horse breeders are asking that sales of horses be zero-rated along with the sales of other forms of livestock.

This could be achieved either by amending Part IV of Schedule VI of Bill C-62 or by including it in regulation, since number 10 of the same section provides for zero-rating of prescribed property.

Although there is obviously some benefit to horse breeders of having domestic horse sales zero-rated, it is uncertain what the proposed changes would do for export sales of horses since under the GST all exports are zero-rated anyway.

I now move to "Plant and Tree Nurseries":

The Canadian Nursery Association argued that plants and trees should be zero-rated under the GST since these help to control pollution. The witness claimed that planting of trees is one of the surest and least expensive ways of halting or even reversing the build-up of carbon dioxide in the air.

Whether or not plants and trees are worthy of special treatment is open to debate. A number of merit goods are taxed under the GST. The provisions for zero-rating are designed not for agricultural products *per se* but for production of basic groceries. Zero-rating of trees and shrubs could be accomplished through an amendment of Bill C-62 to include trees and shrubs in the list of zero-rated agricultural and fishing items or by including it in regulation as supply of prescribed property as provided under Schedule VI, Part IV, number 10.

I now move to "GST and Housing":

Under the provisions of Bill C-62, the GST is to apply to the sale of all new or substantially renovated housing. The sale of existing housing units is not subject to tax and . . . residential rents are exempt from the GST.

• (0745)

HOUSING REBATES

Purchasers of new residential units will be eligible for a rebate under most circumstances. Those purchasing a unit valued at $350,000 or less will enjoy a rebate of 36% of the GST paid, reducing the effective GST rate to 4.5%. Those purchasing a home valued above $450,000 will receive no rebate and for homes valued between $350,000 and $450,000 the rebate declines from $8750 to zero as the price of the house increases. These rebates are also available to purchasers of condominium units.

No equivalent rebate is made available for newly-constructed rental units. Witnesses have suggested that the GST makes home ownership relatively more attractive than rental accommodation . . .

TAXING LAND

Several witnesses have suggested that land should not be taxed. Some supporters of the GST . . . argued . . . that land should not be taxed because it is not consumed. Others have argued that taxing land discriminates against those who face high housing costs in southern Ontario and Vancouver.

Markets with high housing costs are associated with high land prices. Applying the GST consistently across all markets will cause homebuyers in Toronto to pay more

GST, but it will not distort relative prices compared to other markets.

They will all rise in price by the same percentage.

A . . . distortion does arise because the thresholds for the rebate are applied universally across Canada. A $400,000 home in Toronto might resemble a $300,000 home in Ottawa in all respects except location. The Ottawa home would receive the full GST rebate while the Toronto home receives only a partial rebate.

Current economic conditions have severely depressed the housing market . . . in southern Ontario . . . Removing the GST from the land component of house prices could offset some of the negative effects of high interest rates.

Land is a long-lived asset—it rarely depreciates. It has been suggested therefore, that land not be taxed because it is not "consumed". Land does . . . produce a stream of benefits which are consumed and the taxation of land could be seen as a simple and convenient way of taxing this stream of benefits.

To remove the tax on land, however, requires more than simply zero rating land. It would require that the GST be applied to the price of a house, excluding land. This raises questions about administrative complexity and enforcement since land prices vary by a large amount, even within the same communities.

GST AND SOFT COSTS

All services associated with the sale of a home will be subject to the tax. Real estate brokers have suggested that their services should be exempt since they are equivalent to the services of a stock broker—i.e. they sell an investment good to homeowners.

TRANSITIONAL RULES

An FST inventory rebate is offered for most goods purchased prior to 1991 but sold in the new year. This is to prevent the double taxation of such goods. For new homes, the FST rebate is limited to homes sold before 1 April 1991. No equivalent restriction applies to other goods which receive the FST rebate.

The committee heard evidence that the slow housing market might result in double taxation of houses built in 1990 and sold in the spring of 1991.

GST AND REMOTE REGIONS

Goods and services in the more remote regions of Canada cost more than they do in central Canada, largely due to the added transportation costs involved in shipping materials to these regions but also due to the lesser degree of competition and higher markups. The FST is imposed at a trade level prior to these transportation charges and local markups. The GST is imposed on the retail value of sales.

Tax reform . . . means that residents of remote regions will pay more consumption tax than residents of central Canada for the same goods and services. It also means that these residents will pay more tax under the GST than they did under the FST.

These points were made to the committee by numerous witnesses in Atlantic Canada and the Northwest Territories.

GST CREDITS

The GST credits are a part of a package designed to ensure that families with incomes below $30,000 benefit from tax reform. But a $24,000 income in Yellowknife or Iqualuit does not imply the same standard of living as in Edmonton or Ottawa. Thus a family in central Canada with this income is entitled to full GST credits, but a family in the north with the same standard of living would not receive full benefits . . . This violates the principle of horizontal equity.

GST AND TRANSPORTATION COSTS

Zero rating transportation from the GST will not provide general benefits to residents of remote regions. When they directly consume services such as airline flights to other parts of Canada, zero rating will reduce the cost of such services. But, when transportation costs are an input into a final product purchased by consumers, zero rating provides no benefit. This is because the GST is applied to the full retail price . . .

To remove the GST from the transportation component of goods, it must be applied to the retail price of goods, exclusive of transportation costs. This is administratively complex.

NORTHERN ALLOWANCE

It was suggested to the Committee that the northern deduction for income tax purposes be increased by at least 40%. It has the benefit of not requiring an amendment to this Bill. Such a suggestion would benefit those with taxable income but not the lowest income households who would benefit more from a revision of the tax credits.

TAX-FREE STATUS

One approach to relieving northerners of the added burden of the GST is to make all retail purchases in the

north tax free. This would more than compensate them for any added burden of the GST. It might also create enforcement and leakage problems; nearby communities, which do not benefit from tax free status, might have purchases routed through northern communities, genuinely or on paper only, to benefit from this tax advantage.

Social assistance rates in the north are based on need and actual spending up to some allowable maximum rates for a two-adult family are as follows. In Alberta, for food, it is $268. In the Northwest Territories it is $241 to $458 depending upon the area. For the Yukon it is $274, while for Alberta it is $430 maximum, including utilities. The maximum amount specified for utilities applies to the Northwest Territories. For the Yukon it is $475, plus utilities.

● (0800)

Charities and Non-profit Organizations.

The GST legislation provides that most activities undertaken by charities and non-profit organizations will be exempt from the tax. However, sales of a type generally made by commercial businesses will be taxable. Where supplies made by charities and non-profit organizations are exempt, the tax paid on the inputs used in these supplies would not be eligible for input tax credits. To offset the extra tax that these organizations will incur as a result of the GST, the Government proposes to provide a rebate of 50 per cent of the tax paid on inputs used to produce exempt supplies by charities and eligible non-profit organizations. To qualify for the rebate, non-profit organizations must receive at least 40 per cent of their funding from government grants.

As noted, sales by non-profit organizations that compete with commercial organizations are not eligible for exemption. The Committee heard from several non-profit organizations about problems with regard to their taxable status under the GST. S.A.W. Industries Inc. in Prince Edward Island explained to the Committee that while their wood-working business, PC Industries, which employs mentally handicapped persons, is exempt from the current Federal Sales Tax, its sales will be taxable under the GST. The change in tax status will place PC Industries' operation at a disadvantage in relation to its competitors that do not employ mentally handicapped individuals.

A letter has been forwarded from the committee to the Minister of Finance to draw this matter to his attention.

The Newfoundland and Labrador Command of the Royal Canadian Legion raised a problem with respect to the sale of poppies and wreaths which are manufactured by Vetcraft, a shelter workshop operated by Veterans Affairs. Poppies and wreaths are sold to the Royal Canadian Legion Dominion Command which sells them to provincial commands which, in turn, sells them to branches for a nominal profit.

According to the testimony of the legion, local branches will be subject to the GST on their purchases of poppies and wreaths. It appears that poppies should not be taxable since it can be argued that they are not sold but are exchanged for charitable deduction. Furthermore, the consideration involved is usually less than $5 and part VI of schedule 5 of the legislation provides that fund raising sales by volunteers of goods costing no more than $5 would be exempt from the GST. Wreaths, on the other hand, are sold for more than $5 and may not qualify for an exemption. The committee has sent a letter to the Minister of Finance drawing this matter to his attention.

With respect to the amateur sports community, goods and services provided through the private, for profit, sector, are generally subject to the GST. This includes all recreation and sports activities. In Canada, many such activities are provided by quasi-public bodies, designated as charities, registered amateur athletic associations and non-profit organizations. They will also have to charge GST on their services unless the activities are aimed primarily at children under the age of 14 years, or are for the benefit of mentally or physically disadvantaged children. Whether or not these organizations charge GST on the services they provide, they must pay the tax on the inputs they buy. The bill offers a rebate of 50 per cent of GST paid by charities and 50 per cent of GST paid by non-profit organizations which are dependent on government for at least 40 per cent of their funding. This rebate applies to the tax on inputs used to provide tax exempt services.

With respect to the GST on fees, the technical paper proposed that the GST apply to fees charged to those over the age of 14 years, whereas the bill now proposes to impose tax on the age for which a program is designed. It still uses 14 years as a threshold age. Virtually all representatives thought the age limit was too low. Teenagers are not adults. If the worthiness to society of such programs is a major factor in determining exemption from tax, an age limit of 18 years makes more sense, according to witnesses. Such was the recommendation to the House of Commons Finance Committee.

Concerning the 50 per cent rebate, Bill C-62 creates two classes of volunteer sports and recreational associations, those eligible for a 50 per cent rebate of GST paid on inputs and those ineligible for such rebates. Registered charities are automatically eligible for the rebate. Non-profit organizations must receive no more than 40 per cent of their funding from governments to qualify.

The Federal Government has been encouraging sporting organizations to become less dependent upon government while, at the same time, penalizing them for doing so. The House of Commons Finance Committee recommended that the threshold level be lowered to 15 per cent of government funding. Some witnesses suggested that the provincial governing bodies be treated the same way as the national governing bodies; that is, automatically eligible for the rebate. Others went even further, suggesting that all sports organizations be

eligible for the rebate and that the rebate be 100 per cent. The charitable status of an organization can be altered by an amendment to the Income Tax Act, which would affect more than its GST status, for an organization to be deemed, for the purposes of GST only, to be a charity. This latter approach would require an amendment to the bill.

Concerning the administration, the rebate for charities and some non-profit organizations apply to GST paid on inputs used to produce exempt services. These organizations must not only keep track of GST charged, they must be able to apportion input taxes. This is a task faced by all producers of goods and services. These organizations may find such accounting tasks particularly revolting.

Concerning registration fees and insurance, registration fees for sporting activities often contain, as a significant component, an insurance premium. Insurance is tax exempt, yet when it is embedded within a taxable registration fee, it is effectively taxed. This is a typical problem with exempt goods and services. If these organizations could segregate insurance from other elements of the taxable fee, it would continue to be exempt. Such a solution might be more costly to administer than it is worth.

I would like now to turn to the issue of small business compliance. A value-added tax can, in many instances, be a relatively inexpensive tax with which to comply.

• (0815)

IX. SMALL BUSINESS COMPLIANCE COSTS

A value added tax can, in many instances, be a relatively inexpensive tax to comply with. Such a tax can also be designed so as to be very difficult to administer and comply with. Some of the VATs in Europe have such a complex design. With a greater number of tax rates and more exempt products, the compliance costs associated with a tax regime can increase dramatically.

The Canadian Federation of Independent Business is particularly concerned with this issue, specifically as it affects the small business community. There is a great deal of evidence to suggest that compliance costs weigh more heavily on small businesses than they do on larger firms.

A. Some International Evidence

A recent study of the U.K. VAT shows that overall compliance costs have fallen by about 25% from fiscal year 1977-78 to 1986-87 demonstrating that experience with a taxation system can reduce the costs of compliance. This same study also showed that the costs for the smallest of firms rose over the same period. These very high costs can be offset by making use of the small traders exemption. Nevertheless, small registered traders still face tax related costs (0.78% of taxable sales) which are many times higher than those faced by large traders.

A study of American retail sales taxes shows that average compliance costs differ between states by a factor of almost 2, attributable mostly to differences in the tax base. It is the determination of the tax status of individual items which accounts for the bulk of compliance costs. As a consequence, food and drug retailers face the highest costs. Similarly, compliance costs increase as the taxation base in a state becomes narrower.

These characteristics are consistent with those found in a number of other countries employing consumption taxes.

B. The BTT Alternative

At one point the federal government gave serious consideration to a VAT alternative referred to as the Business Transfer Tax, or BTT. Under such a variant, traders would essentially calculate the difference between sales and purchases, and remit a tax which equals some proportion of that difference. Virtually all sales would be taxed at the same rate.

C. Zero Rating All Sales Between Businesses

In the agricultural sector, a wide variety of transactions are zero rated. Thus traders do not have to collect taxes on sales and apply for credits on purchases. They must keep appropriate records to ensure that required taxes are paid. It has also been suggested that such a rule apply to all non-retail sales between businesses.

Such a mechanism would not reduce paper burden for registered traders, although it would benefit those who suffer a cash flow penalty under the GST. It would also not reduce the number of traders who must collect and remit taxes, since virtually all firms make some sales at the retail level.

D. The Quick Method

The federal government has responded to some small business concerns by offering a quick method of determining the amount of tax these firms must remit to the government, expressed as a percentage of sales for various classes of business. Approximately 800,000 firms should be eligible to use this reporting method.

Firms which stray from the value added norm for their class can benefit, or be disadvantaged by this quick method of accounting. It has also been suggested to the Committee that such accounting rules have not worked successfully in other countries.

E. Dual Tax Regimes

With the GST, Canada would be unique amongst VAT nations by levying two distinct consumption taxes at the retail level. All of the compliance problems which may plague a VAT or the GST are amplified when combined with the existing provincial retail sales taxes.

Business compliance costs would be increased dramatically under such a dual tax regime. The two most costly aspects of complying with a sales tax are the determination of an item's tax status and the determination of the appropriate tax. Each of these tasks must be performed twice under the system which is to be in place in 1991.

The federal government has to date failed in its attempts to integrate its GST with provincial sales taxes.

The government of the province of Quebec has recently announced its intention to integrate with the GST, but this will not likely be done prior to the startup date for the new tax.

The CFIB has suggested a delay in implementing the GST until such time as three or four large provinces are ready to jointly implement a sales tax with the federal government.

X. TAX TREATMENT OF INDIANS

Consistent with Section 87 of the Indian Act, the GST will not apply to purchases made by Indians on the reserve or to purchases off the reserve that are delivered to the reserve.

A number of Indian Groups that came before the Committee took the position that they should be exempt from federal taxation with respect to purchases made both on and off the reserve. This position is based on their interpretation of Section 87 of the Indian Act, section 35 of the Constitution Act, 1982, and of individual treaties between the Crown and Indians.

Section 87 of the Indian Act provides an exemption to Indians and Indian bands in regard to: 1) their personal property situated on the reserve; 2) any interest they may have in reserve lands or surrendered lands. Some Indians believe that exemption from all forms of taxation is an aboriginal right and that that was the underlying rationale for section 87 of the Indian Act.

Honourable senators, I fear that my time is up.

Senator Frith: For now.

Senator Kenny: I hope to be back this evening. At that time, perhaps I will have an opportunity to carry on further.

Hon. Richard J. Stanbury: Honourable senators, I should like to speak more slowly, I hope, than Senator Kenny, because I know the reporters are getting tired.

I should like to put a few things on the record, because this matter has touched me very deeply. I was going to say that I begrudge granting the denomination of "Honourable Senators" to the other side of this house, but I have had a long association—over 23 years—with many of the people on the other side of this house and I feel I cannot allow one bitter experience to colour my life and their lives.

• (0830)

I am also aware of the fact that a number of people on the other side are as disgusted as I am with what has gone on. One of them has told me that he wished that he had the guts to withstand the pressures that are being brought to bear by his leadership. I cannot really understand a person like Senator Lowell Murray trying to justify what has been done in the house in the name of the GST.

There is no doubt about there being a conspiracy, a long-term plan. All one has to do is go over what has happened in the last few weeks to realize the extent of that conspiracy. We go back to Mr. Wilson's braggadocio about how he would ensure that Bill C-62 passed the Senate because he had a few tricks up his sleeve. Then we go on to Senator Ottenheimer's magnificent foundation that he built on the question of privilege, which ended up being a mirage. However, he sucked us in. He sucked the Deputy Leader of the Opposition into believing, or accepting for the moment, that that was the way in which matters of privilege should be dealt in this house. Of course, as soon as someone read the rules and realized that it was not the way in which this house handled matters of privilege, the Speaker disallowed the privileged matters on the other side and used that ruling to disallow their privilege on this side, which, of course, led to the motion to adjourn the house.

Then the bells were turned on. The Speaker then, on his own, without any authorization of any kind, and without notification to anyone, turned off the bells. When anyone inquired, it was made clear "Well, we are obviously not coming back for the weekend, so I thought it was better to turn off the bells and leave them off during the weekend so as not to bother the staff."

Senator Murray: Do you disagree with that?

Senator Stanbury: I disapprove of the clear conspiracy that was involved.

Senator Murray: Do you think that the staff should have sat here all weekend and listened to the assault while you were in Toronto?

Senator Stanbury: I wish you would keep your remarks to yourself while I am speaking. I agreed with turning the bells off. I thought that it was a very reasonable thing—

Senator Murray: Good, I hope that is on the record.

Senator Stanbury: —to turn off the bells at that time. However, when the bells were turned off the last time, I assumed that it was for that reason.

Senator Murray: Were you on your way to Toronto then?

Senator Thompson: No. Certainly I was sitting in my office and I never received a call to come here. I was right in my office.

Senator Murray: You are here, are you?

Senator Thompson: Yes, I am here. You bet I am here.

Senator Austin: Don't get personal.

Senator Stanbury: Why should I continue to talk when several other people are talking? I simply tell you that the conspiracy was an evil one. It began with Mr. Wilson and probably even before that. When I saw the government leader pull the original letter, supposedly the Speaker's letter, out of his file to confirm that there was a French version, I realized that probably the whole thing had been cooked up before Mr. Wilson made his little speech.

Of course, this last week the bells were stopped for a different reason. They were stopped for the purpose of denying the opposition a vote. They were stopped because of a conspiracy between the Speaker and the government whip and the government leader. There was no practical notice of the

resumption of events. The doors were locked earlier than the notice provided and the whole matter was a long-term plan, a plan of conspiracy which had evil intent from the beginning. There is clear evidence of a conspiracy in the disclosure by Senator Pitfield of his pre-warning of the lockout. So I do not think that anyone should doubt what was behind that whole event. It was quite a stupid tactic because, by that time, if you intended to allow the illegals or the "swamp" senators, or whatever you want to call them, to vote, then you had the majority anyway. So why did you not let us come back in, then force a vote and defeat us? I do not understand. Instead, you play dirty games and we end up with a bitterness in this house that will be difficult to eradicate. The only reason I believe that we can get rid of that bitterness is that I am aware of the kind of pressure that senators on the other side are experiencing, as I have had it expressed to me. I sympathize with them, and the kind of pressures those honourable senators are experiencing should not be suffered by any human being.

All of this was done in honour of a piece of legislation, the goods and services tax bill. The Conference Board of Canada tells us that it will drive us deeper into recession, will cause greater inflation and will punish the entire population of Canada. It involves a huge increase in the cost of living to the poor and the lower middle income people, and it is a punishment that should not be inflicted upon the people of Canada at a time of recession. It is a "made in Canada recession." The experts say that this recession is the result of policies of the Canadian Government, and for the government to inflict another punishment upon the people of Canada is just unthinkable.

We are doing the government a favour by delaying the implementation of this tax, because I believe that by now the government knows that it would be disastrous to begin the implementation of it on January 1. They are going to have to back away and they will not put it into force until at least June 1991. Perhaps we are being used as the tool to supply the excuse to delay the implementation of the tax. We know perfectly well that it will be disastrous when it is implemented, particularly if it is done in the middle of a recession. If it were a tax that the government had talked about, there might be some excuse. The government mentioned in the course of its original mandate that it would look at tax reform. It went ahead with phase one, the good side of tax reform, and then it said that after the election it would go ahead with the other side of tax reform. Of course, everyone knew what that would be, but people did not know that it would be the kind of thing that it is. The first time they talked about—

Senator Carney: Order please.

Senator Stanbury: Do you have a question?

Senator Carney: I am wondering whether you are still speaking to this question of privilege or whether you are debating the matter of the tax?

Senator Stanbury: I am speaking—

Senator Carney: If you would like to move to the debate, we are ready to do that.

[Senator Stanbury.]

Senator Stanbury: —to the question of privilege, and I would appreciate not being interrupted.

Senator Carney: I would also ask you to refer to rule 28, since you are making a point that the rules have been broken.

Senator Stanbury: I am doing exactly that and I—

Senator Carney: You have made the point—

Senator Stanbury: All right, go ahead and speak.

Senator Carney: You are charging the Conservatives with breaking the rules.

Senator Thériault: Have you finally decided to read the rules?

Senator Carney: Rule 28 says:

> A senator shall not speak more than once to any question or other matter before the Senate except in explanation of a material part of the senator's speech in which the senator may have been misunderstood, and then that matter shall not introduce new matter.

I understand that you have already spoken about four times on this subject. I suggest that you refer to the rules and try to follow them.

Senator Stanbury: In the first place, I have not spoken before on this matter of privilege. Secondly, your reading of the rules is quite wrong. There is a clear provision which says that on matters of privilege senators are entitled to speak as many times as they wish. We have been following that practice. A number of senators have spoken two and three times, and that is provided for in the rules. So please let me speak, and you can bring up your procedural matters later.

Senator Carney: Would you care to have me read the rule again?

Senator Stanbury: Please, I am in the middle of my speech, although I am willing to entertain questions.

Senator Carney: You are breaking the rules of the Senate.

Senator Stanbury: This is my first speech.

The Hon. the Acting Speaker: Order, please. I understand that a point has been raised, and I wish to dispose of it.

Senator Molgat: No, absolutely not!

Senator Murray: The Speaker is on his feet. Sit down!

Senator Molgat: I am sorry. I do not intend to—

The Hon. the Acting Speaker: There is no rule that precludes the honourable gentleman from speaking.

Senator Molgat: We are already speaking on a question of privilege—

The Hon. the Acting Speaker: So the honourable gentleman has the floor.

Senator Molgat: He has the floor.

The Hon. the Acting Speaker: That is exactly what I said.

Senator Stanbury: I intend to continue to speak.

Senator Molgat: Pay no attention to them.

Senator Stanbury: I want you to know about the kind of people whose rights and privileges you have destroyed in this action of the Speaker. If honourable senators wish to follow me, they will see that I am reading from the Canadian Parliamentary Guide, the spring edition of 1990. One of the members you have offended is the Honourable Willie Adams from the Northwest Territories. He was born June 22, 1934 in Fort Chimo, Quebec of Lizzie Adams at the Chimo Mission Schools where he was educated. He has 10 children -Mary Jane, Jesse, Harry, David, who was deceased in September 1983, Jimmy, Christine, Willie, Lizzy, Victoria and Isaac. He is an electrician, a member of a group that will be hit the most by the GST. As to his legislative career, he was summoned to the Senate on April 5, 1977. He was a member of the Northwest Territories Council from 1970 to 1974.

In his private career, he is a small business man. He is the owner of Kudlik Electric Ltd. and Kudlik Construction Ltd. at Rankin Inlet in the Northwest Territories. He is also the president of Polar Bear Cave Investments Ltd., and Director of Noble Peak Resources Ltd. His party is Liberal, his religion is Anglican.

Now, Senator Willie Adams is a perfect example of the kind of individual whose rights and privileges you have taken the liberty of destroying in this place.

Perhaps at another end of the scale, you have the Honourable Jacob (Jack) Austin, P.C., Q.C., B.A., LL.B., LL.M., Doctor of Social Sciences (Honourary). He is from Vancouver South, was born March 2, 1933, in Calgary, Alberta, and is the son of Morris Austin and Clara Edith Chetner. He was educated at the University of British Columbia, Harvard Law School, and the University of California at Berkeley. He was married on February 4, 1978 to Natalie Veiner Freeman, daughter of Harry Veiner, and he has three children: Edith Clare, Sharon Jill and Barbara Joan. He is a lawyer.

As to his legislative career, he was a candidate in the general election of 1965, sworn to the Privy Council on September 22, 1981, and was summoned to the Senate on August 19, 1975. He was appointed Minister of State on September 22, 1982, and was Minister of State for Social Development from 1982 to 1984.

In his private career, he was called the B.C. Bar in 1955, to the Yukon Bar in 1966, and was Associate Professor of Law at the University of British Columbia in 1955. He was a partner with Nemetz, Austin and Co., with the great Mr. Justice Nemetz. That was in Vancouver in 1958. He had his own firm in Vancouver in 1966 and was a partner in the firm of Andrews, Swinton, Margach, Austin & Williams in 1966, and was also Associate Counsel at Swinton & Co. He was Executive Assistant to the Minister of Northern Affairs and Natural Resources in 1963 and Deputy Minister of Energy, Mines and Resources from 1970 to 1974. He was President of Giant Mascot Mines Ltd. in 1968, Brameda Resources in 1970, and International Division, Bank of B.C. from January 1985 to November 1985. He was appointed Q.C. in 1970. He is a member of the University Club of Vancouver, the Canadian Club in New York, the Rideau Club in Ottawa and Le Cercle Universitaire d'Ottawa. His part is Liberal and his religion is Hewish.

Now, honourable senators, that is a very different background from that of Willie Adams, but his rights and privileges are just as important as those of Willie Adams.

Then, if you want a different kind of example, we can go to the Honourable Mark Lorne Bonnell, M.D., C.M., L.M.C.C.

Senator Murray: It takes all kinds.

Senator Stanbury: He is from Murray River, Prince Edward Island. He was born at Hopefield, P.E.I., the son of Mr. and Mrs. H.G.H. Bonnell, and he was educated at Prince of Wales Collegiate, Charlottetown, and Dalhousie University. He was married on July 6, 1949, to Ruby, now deceased, the daughter of Mr. and Mrs. John Jardine of Charlottetown, P.E.I. He has two children: Mark Lorne and Linda Florence. He is a physician.

As to his legislative career, he was first elected to the P.E.I. Legislature in the general election of 1951. He was reelected in the general elections of 1955, 1959, 1962, 1966, and 1970. He was appointed Minister of Health from 1955 to 1959, was the Liberal House Leader in 1965 and was Acting Leader of the Prince Edward Island Liberal Party in 1965. He was Minister of Welfare from 1966 to 1970, Minister of Tourist Development from 1966 to 1971, and Minister Responsible for Housing from 1970 to 1971. He was summoned to the Senate on November 15, 1971, by the Right Honourable Pierre Trudeau.

• (0845)

He has a private career as President of King's County Medical Centre, member of the King's County Memorial Hospital Medical Staff, President of Hamon Enterprises, Mayfair Theatre Corp. and Island Cablevision Ltd. He is an honorary member of the P.E.I. Tourist Association, a member of the Prince Edward Island Medical Society and the Canadian Medical Society. He was Past Master of St. Andrew's Lodge and Pilae Temple in Halifax.

His party is Liberal, and his religion is Presbyterian.

Now, we have had one senator from the North, one from Vancouver and one from Charlottetown, with entirely different backgrounds. Senator Bonnell's background is that of a medical doctor and as a provincial politician of great experience. Those are the people over whom you are prepared to ride roughshod in destroying their rights and offending their privileges.

There is now another kind of person in Canada, the Honourable Peter Bosa. He has described the riding he represents as York-Caboto. I realize that half of the caucus on the other side has been here for only a few weeks, but those of us who have been here for any length of time know that Peter Bosa has had an ongoing argument with the rest of English-speaking and French-speaking Canada concerning the name of that great explorer whom we call, in English, John Cabot, and whom the French-speaking Canadians call Jean Cabot, but whose real name was Giovanni Caboto. The honourable Peter Bosa has

made a point of emphasizing that name by putting it into his designation as a senator. So his designation as a senator is York-Caboto.

He was born May 2, 1927, in Friuli, Italy, son of Antonio Bosa and Angela Moro. He came to Canada in 1949. He was educated at the University of Toronto, and was married on July 20, 1968, to Teresa, daughter of Alessandro and Concette Patullo.

Senator Cools: You speak good Italian.

Senator Stanbury: I hope I do not offend anyone's particular culture because I do not know the proper pronunciation of some of these names. He was married at Boiano, Italy, and has two children: Angela and Mark. He is a businessman.

As to his legislative career, he was summoned to the Senate on April 5, 1977, and was a member of the Special Senate Committee on Constitutional Reform. That was a committee which I chaired, and which dealt with Bill C-60. The committee also went on to discuss the possible reform of the Senate and what might be done within the federal government to reform the Senate. We made a long list of those matters, none of which was ever taken up by federal governments, either Liberal or Conservative. I think that those who speak about the need for Senate reform should understand that the people who have been most anxious to reform the Senate, in order to increase its credibility, have been the senators who are already here, on both sides of the House. We have made great efforts to persuade our governments, both provincial and federal, as to methods that could be used to reform the Senate, up to and including an elected Senate, and different ways of doing the voting for an elected Senate. However, noone has paid any attention.

I recall that when Mr. Horsman of Alberta was making a speech in Toronto about the "Triple E" Senate, I was invited to the event, and also to a reception afterwards to chat with him about it. Of course, as he made his speech, and in our discussions afterwards, his whole line of approach was that "You senators are resisting reform. You are a terrible bunch of doughheads and greybeards"–

Senator Cools: Not I.

Senator Stanbury: —who are resisting reform. I presented him with four speeches I have made in the Senate since 1968 on Senate reform. Senator Fairbairn has been kind enough to give me a few of the studies, which point to what the Senate has done to try to persuade those who have the power to reform the Senate to so reform it. Why, once, only a few years ago, we had a Prime Minister who bravely started off with a resolution of the House of Commons to abolish the Senate; but he did not get anywhere with it. He did not take it anywhere. He did not follow through.

There have been, I would suggest, thousands of initiatives undertaken over the years to reform the Senate, and many of them have come from the Senate itself. However, as we all know in this country, the Senate is not in a position to reform itself. It is governments, federal and provincial, who may reform it. They find it almost impossible—well, impossible so far—to get together to think of a way of doing it; and there is a fairly good reason why that is so.

The reason is that no one wants to share power. The Senate has been seen as being powerless, and if there is to be a Senate that is effective, elected or equal, then the Senate will, of course, have power. It cannot be otherwise. It will have a political base. It will have people to represent, and it will be obliged to take part in the national debates.

Now, who is going to give up a piece of power so that the Senate can have that power? Provincial premiers have come to believe that they alone speak for their provinces. They do not even admit that the Members of the House of Commons, elected from their province, speak for their province. They certainly do not admit that the present senators who are appointed from their provinces speak for their province, so why would you think that the provincial premiers would ever give up any power to an elected Senate, or any kind of Senate, to speak for the regions or the provinces.

Why do you think the Prime Minister would want to give up to the Senate any of the power which he wields by reason of what we now have as an electoral dictatorship? The Prime Minister is not elected—he is elected in his own little Baie Comeau, or some place—but is appointed leader of the party by the delegates of his party. It is a very narrow group of perhaps 2500 people who get together in a coffee klatch and decide who the leader is going to be.

Because he becomes the leader, that elevates him into becoming the Prime Minister if the party wins that election. It has nothing to do with his being popularly elected by the people of Canada. He is appointed by his party to be their leader and then there is an election where a number of Members of Parliament are elected and if he is lucky he gets a majority. That is wonderful, except that from then on the majority in the House of Commons are his prisoners. He is the one who decides whether they become the chairman of a committee, whether they take a trip to Zululand, whether they become a cabinet minister, a parliamentary secretary, or anything. It is the Prime Minister who decides whether they get any recognition at all.

When he states that he wants to pass the GST without any changes and without any discussion, and that this is what he is going to do, and it will be his way or no way, what do the members of his party in the House of Commons do? Of course, they do what he asks them to do. If they do not, as two of them did not, they get kicked out of the party. It is a marvelous system. Talk about power. He is the one who advises the Governor General, the one who appoints cabinet and decides whether people are in or out of the cabinet, who controls the House of Commons and decides what pieces of legislation will go through and what will not. He is the one who has complete control of the system that we call democracy.

Are there any checks and balances in that system? I had always believed that we did have checks and balances in the system. As a matter of fact, our democratic system is not only

the Prime Minister, the cabinet and the House of Commons. Our democratic system involves a constitutional monarchy with many elements. The Queen is the Head of State and, under a constitutional monarchy, takes her advice from her representative, who is the Governor General. He is not now appointed by Her Majesty, but he was back in the days of Section 26. Now the Prime Minister appoints the Governor General. So the Prime Minister also has control over him, and we have had evidence of that in the last little while in the implementation of Section 26. The Governor General did not ask for any other advice. He just took the Prime Minister's advice that there was a deadlock in Parliament that had to be resolved, and therefore the Prime Minister would have to appoint eight more senators. Why was it not four? Did he ever consider whether four would be sufficient, or whether it was necessary to appoint eight? Did he ever consider the question of whether or not there was a deadlock, or did he just take the advice of the Prime Minister that that was the situation?

The Governor General has a responsibility to the Canadian people. He failed to exercise it in this case; but it is another example of the kind of pressure that the Prime Minister is prepared to bring on people to do his will.

I have talked a little about the constitutional monarchy, about the Queen as Head of State, and the appointment of the Governor General. We are willing to trust the Governor General to do something very important, but he is appointed. We then go down the list to the Prime Minister, and he is appointed by the delegates of his party. We then we go down to the cabinet, and they are all appointed by the Prime Minister. There is one little group that gets elected, and they are in the House of Commons. However, they have no control over anything, because the Prime Minister has them in his pocket and he controls them.

Now we begin to see whether there are some checks and balances in our system. There had better be, if you put a guy like that in power.

Suppose, at the last election, the Prime Minister had stated—which might have been normal for him to say—that we were going to improve our relationship with the United States. Then let us suppose that about the same time that he introduced the GST he had tried to put into effect an act to say that we were going to join the United States. He could say that he had discussed that measure during the election campaign. However, who is to stop him from having us join the United States? Where are there any checks or balances in our system? There are certainly no checks and balances down to and including the majority in the House of Commons.

We now come to a body such as the Senate, which has power under the Constitution. If one were to say that the Fathers of Confederation, or their British peers at that time, foresaw the possibility of a deadlock in government, one could also say that he foresaw an elected government doing some heinous act which somebody had to control, and that "somebody" was the Senate, and it was given the power to control it. It was given the power to pass, amend or reject legislation, and that is what we are doing here. An institution such as this has to do it when there is a situation where a thoroughly-hated government throughout the country tries to pass a thoroughly-hated piece of legislation. There are many reasons why that legislation is hated throughout the country. It will exacerbate our recession, which is a good reason right now, but, in addition to that, it will be regressive and will increase by 60 per cent the cost of living of lower- and middle class Canadians. It will reduce the cost of living of the upper class by about 6.5 per cent.

I will not make a speech on the GST now, because it will take a long time to explain all of the difficulties associated with the tax. However, the fact is that it is a bad bill, and I cannot understand why the Prime Minister would expend his good will—such as he had before this started—so lavishly and negligently on a lousy bill, instead of re-writing the bill and getting it into a condition where some of these terrible effects might be overcome.

The members of the Senate are appointed, and the Prime Minister says that we are an undemocratic, anti-democratic group of people and that he or the House of Commons, which he controls, are the "be-all and end-all" of our democracy. Of course, he has no understanding of the Canadian Constitution. He showed that a little while ago, as did the Leader of the Government in the Senate. He has no idea of the constitutional history of Canada or the impact of constitutional change in Canada. He does not understand that we do not have a government which has a "be-all and end-all" Prime Minister and a "be-all and end-all House of Commons", that we have a democratic system which is made up of many parts.

It is not only the Senate that has the opportunity, when necessary—and this is a necessary time—to block something ridiculous that the government wants to do. There is another check or balance, and that is the Supreme Court of Canada.

Here is a Prime Minister who has gone to all the trouble of using his pressure to get the Governor General to make these eight appointments, but he will not even submit the question to the Supreme Court of Canada, which is one of our few clear checks and balances on the power of government. He makes us bring an action, which we have to bring in a lower court because only the government can bring it to the Supreme Court of Canada. At the private cost of individuals, other governments, other senators, this matter has gone before the courts. However, the Prime Minister and the Leader of the Government in the Senate state that we must not wait for the courts to decide. They are willing to go ahead and make decisions that will affect the life and welfare of every Canadian without waiting to find out whether the people who are going to vote on it have any right to vote.

That is all the respect we have for the one check or balance which Canadians generally accept as being available in such a circumstance.

A government cannot be allowed to continue to operate in this way. When we have a dictatorship of this kind, we really must do something to curb its ambition and its ridiculous stubborness, where it says, "It must be our way or no way".

Perhaps one could say that is the end of it, that we do not have any more checks and balances. We do have. Our system is much more multifaceted than the Prime Minister suggests, when he says, "If I, as Prime Minister, and the elected House of Commons, say it has to be done, it must be done and nobody can stand in the way".

There are many parts to our system, and the only little slice of it that is elected is the House of Commons. Everyone else is appointed. There is the Auditor General who protects Canadians from their government; there is the Chief Electoral Officer who protects Canadians from their Members of Parliament; there is the Privacy Commissioner, with whom we have had a little controversy lately, whose job it is to protect Canadians against their government and against each other; there is the Information Commissioner who has similar responsibilities; and there is the Human Rights Commission, which has the responsibility to protect us against our government and against each other. There are many agencies which we have found necessary to build up around that slim electoral group that is controlled by a single person, the Prime Minister, to protect ourselves under our Constitution so that we are not subjected to this kind of dictatorial action, the effects of which we are now feeling.

It is the same with all dictators. When they get desperate enough, they will do anything. They will break the rules and do anything that comes into their heads. I expect there will be a lot more dirty tricks. I know it is not the individuals within the group, because I know many of them well enough to know that they would never submit to this sort of thing if they were not under tremendous pressure to do so. The fact is that when dictatorial people become desperate, they will do anything. That is what they did last Thursday, or whatever day it was when they decided that they were going to run roughshod over the rules.

● (0900)

Senator Murray: This is still Tuesday, by the way.

Senator Stanbury: What day is it?

Senator Murray: This is Tuesday.

Senator Stanbury: I have lost track of time.

Senator Murray: That is obvious.

Senator Stanbury: I have not lost track of what you did to us, and that is the important thing.

Some Hon. Senators: Hear, Hear!

Senator Stanbury: You know you did it to us, and you know you planned to do it to us. All I am saying is that these are desperate measures, which we understand, because when a dictator decides that he is going to do something, come hell or high water he does it, and he does not—and I do not normally use these terms—give a damn who gets injured in the way, and that includes the Canadian people.

Senator Barootes: You must be talking about Trudeau.

Senator Stanbury: You talk about Mr. Trudeau. I will go for your bait to the extent of saying that at least Mr. Trudeau referred matters to the courts and then observed what the courts had to say. I was interrupted at the point where I was telling honourable senators about some of the people whose rights and privileges have been offended. When I say offended, I mean offended. I am offended. I find that I am heart-sore for Canada: that there are people in government in Canada who do this ridiculous sort of thing. I was introducing to honourable senators the members whose rights you have destroyed and whose privileges you have offended.

Senator Comeau: Would the honourable senator entertain a question?

Senator Stanbury: Would you like to ask one?

Senator Comeau: Yes.

[Editor's Note: For continuation of proceedings see Issue No. 97E.]

THE SENATE

Tuesday, October 9, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 97D.*]

DISTINGUISHED VISITOR IN GALLERY

THE HON. JEAN CHRÉTIEN

Hon. Jerahmiel S. Grafstein: I would like to bring to the attention of honourable senators the presence in our gallery of a great Canadian.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): A great Canadian, whom I join with other honourable senators in welcoming to the gallery. This is the second time in a few days that he has been here. My only comment must be that he is either underemployed or excessively confident about the outcome of the byelection in Beauséjour.

Some Hon. Senators: Hear, Hear!

THE SENATE

STOPPING OF DIVISION BELL—SPEAKER'S LETTER—QUESTION OF PRIVILEGE CONTINUED

Senator Stanbury: The Hon. Senator Comeau has a question for me.

Senator Comeau: I was in the Chamber earlier this morning and I heard an honourable senator from the opposite side recite word for word very slowly the Buckwold bathroom report. I was wondering, since you are now reading a bunch of biographies, if you would not like to read the telephone book. It might be more interesting.

Senator Austin: You have not been following the debate. You have no idea about what he is saying.

Senator Stanbury: The honourable senator is very kind to point out what I am doing. I am doing it very carefully because, as you will notice, I have not found any senator on that side whose rights have been abolished or whose privileges have been offended. I am only assuming that they have the right to say whether or not their rights have been destroyed. As far as I am concerned, there are those whose rights have clearly been destroyed and whose privileges have been offended. I have selected very carefully the names of the people I have mentioned. If I had wanted to read the telephone book, as the honourable senator suggests, then I might as well have read the whole page from the guide that I am reading. I read one paragraph, which is at the top of the page, and I then went to another page to give another example.

Senator Comeau: Then why do you not read it in French.

Senator Stanbury: If you want me to take the time, I will read it in both official languages.

Senator Comeau: You might as well.

Senator Stanbury: What I was reading was the description of the Hon. Willie Adams, who is from the far north and who is one of our finest senators. When I read his background and what he has done in life in those far reaches of the north, I referred him to honourable senators as being the kind of person whose privileges had been destroyed in this ridiculous action. It is such a stupid thing to have done that I cannot understand why it was done in the first place. However, you did it, and because you did this stupid thing, you have caused no end of bitterness. It was unnecessary. You could have defeated us in a vote. There was no need at all for you to exclude us from the house. The trouble is that it was a long-range plan, something which had been planned for over two weeks. You did not have any flexibility to cancel it when it went wrong.

I have already described the Hon. Willie Adams. You all know him. You know that he is a fine Canadian, and that he is offended by what you have done.

I then went on to discuss the Hon. Jack Austin. I read his biography because, from an entirely different standpoint—that of the world of business and the federal government—he is unique in this house.

I passed over Staff Barootes. I guess that is reasonable.

Senator Cools: He is difficult to pass over.

Senator Stanbury: I then came to Peter Bosa. I spoke about the multicultural nature of Canada and of Peter Bosa as a representative thereof. I spoke of the fact that he served at the municipal level of government, at the staff level in the federal government and in the Senate of Canada for many years. Again, honourable senators know the type of person he is. They know of his excellent character and integrity. I cannot imagine how they could stomach the destruction of his rights and privileges.

I am now passing over some pages. However, if you would like me to read them all, I shall be glad to do so.

I spoke about the Hon. M. Lorne Bonnell, who has a great history both in the medical profession in Prince Edward Island and in provincial politics; and I was about to introduce to you the Hon. Sidney Buckwold, whom we all know is one of the brightest lights in Canada.

Some Hon. Members: Oh, oh!

Senator Stanbury: Sidney Buckwold, B.Comm. from Saskatoon, born on November 3, 1916 in Winnipeg.

Senator Comeau: May I ask you a question?

Senator Stanbury: Yes.

Senator Comeau: You were saying that your privileges had been offended when the bells rang and you were not able to make it for the vote.

Senator Stanbury: I was not told about it.

Senator Comeau: Could you tell me where you were at the time the bells were ringing?

Senator Stanbury: Yes, I was on my way—

Senator Murray: To Toronto.

Senator Stanbury: No, I was not on my way to Toronto. I was on my way to my hotel.

One thing I will tell the Hon. Leader of the Government is that he has not caught on at all. We agreed to stay here for the weekend. We were ready to do whatever we had to do during the weekend. There was a complete lockout without notice.

Senator Comeau: I have a second question. Since the rest of the senators of your party were at the caucus and, as Senator Frith stated, as reported in the *Debates of the Senate*, "We were in caucus trying to decide . . . ." how come you were not invited to that caucus?

Senator Stanbury: I was in the caucus, not that it is any of your business. I was in the caucus until it adjourned at about 4:30 p.m. or 4:35 p.m. We were to reconvene later. I decided that I had to get over to the hotel to rearrange for my rooms. Thus, I left to walk over to the hotel.

I entered the hotel, turned on the television to Newsworld, and immediately heard that the vote had been taken. I immediately got dressed and returned to the Senate. I arrived in time to hear Senator Frith begin this motion with respect to privilege.

Senator Comeau: I have one last question. I will read the statement made by your Deputy Leader. He said, "We do not know. I hope that some day the Senate investigates this blatant breach of privilege and find out the time the bells started to ring. I can tell you what happened with us. We were in caucus trying to decide".

Senator Grafstein: As a new senator, when did you know that the vote would be taken? He is a new senator. Let him tell us when he first knew that there was going to be a vote in the House at 5:30.

Senator Comeau: My whip told me.

Senator Grafstein: When were you told? At what time were you told? Was it before five o'clock?

Senator Comeau: At 5:15 or so. The bells were ringing and I was outside the chamber.

Senator Grafstein: When were you told, at what time?

Senator Comeau: When the bells are ringing, senators are being called for a vote. When the bells ring, I come into the anteroom and wait for the vote to be taken.

Senator Grafstein: Were you told before five o'clock?

Senator Thériault: Did you do that previous weekend?

[Senator Comeau.]

Senator Comeau: The bells ring, I know the bells are ringing, and I am here to vote. I do not listen to a whip who tells me to go away.

Senator Thériault: So you spent the weekend before in the anteroom waiting for the vote.

Senator Comeau: We knew you people were gone by then. You had told us that you were going.

Senator Grafstein: Then you called the vote. You knew we were gone and yet you called the vote.

Senator Cools: He communicated with the gods.

Senator Comeau: You can't take a question, can you. You can't take the heat.

Senator Stanbury: All you are doing is confirming that you waited until you thought that we had all left for home before calling the vote and then locked us out to be sure that we could not get in, even if we had not gone home. You then found out that we had not gone home, because we all turned up in the house. Anyone who suggests we did not—

• (0915)

An Hon. Senator: And they held it five minutes early.

Senator Stanbury: And you held it five minutes early to be sure we were not here. Of all the dirty tricks. This is not just a dirty trick, it is a parliamentary crime. If we had the means to lay criminal charges, that is what we would do. In civil life, this would be a crime.

I would like to introduce the Honourable Sidney Buckwold. He was born on November 3, 1916 in Winnipeg.

Senator Cools: He is a young man.

Senator Stanbury: He is the son of Harry Buckwold and Dorothy Freedman. He was educated at the University of Saskatchewan and McGill University. He was married on September 17, 1939 to Clarice Rabinovitch, daughter of Samuel Rabinovitch, Regina, Saskatchewan. He has three children: Jay, Judith and Linda. Clarice has been here a great deal to support Sidney.

As to his legislative career, he was a candidate for the House of Commons in the general election of 1963 and the byelection of 1964. He was summoned to the Senate on November 4, 1971 by the Right Honourable Pierre Trudeau. He was government whip in the Senate from 1973 to 1974. He is Chairman of the Standing Senate Committee on Banking, Trade and Commerce, and was Vice-Chairman of the National Liberal Caucus, 1979-80.

As to his private career, on graduation, Sidney Buckwold entered Buckwold's Ltd., a family business. He was alderman of the City of Saskatoon from 1953 to 1957 and mayor from 1958 to 1963 and from 1967 to 1971. He is a member of the University of Saskatchewan Senate and is on the board of directors of the Saskatchewan Power Corporation and Western Development Museum. He is the chairman of St. Paul's Hospital Advisory Board and is on the board of directors of the Alvin Buckwold Mental Retardation Unit. He is President of the Saskatchewan Urban Municipalities Association and

the Canadian Federation of Mayors and Municipalities. He is the Western Vice-President of the Zionist Organization of Canada. He served on the National Productivity Council from 1962 to 1963, and as an officer in R.C.A.S.C. from 1942 to 1945. He was named Saskatchewan Salesman of the Year in 1971 and, also in 1971, Saskatoon Citizen of the Year. He is the Hon. Colonel, North Saskatchewan Regiment. He is a member of the Liberal Party, and his religion is Jewish. What an outstanding Canadian. Think of the abuse you have given him over the last couple of weeks.

Senator Cools: He is an outstanding Canadian. His community is very proud of him.

Senator Stanbury: I hear that one of Senator Buckwold's gremlins, Senator Murray's assistant, is sitting in the Press Gallery. I am not sure that he understands it is a "press" gallery. However, from what I have heard he has done over the last few months in the way of harassment of the Standing Senate Committee on Banking, Trade and Commerce, I am not surprised. He has left now. He had the decency at least to listen.

I should now like to move to another example of a great Canadian with a different background. She happens to be sitting beside me now—the Honourable Anne Clare Cools. She was born on August 12, 1943 in Barbados, British West Indies. She is the daughter of Lucius Unique Cools and Rosita Gordon Miller. She was education at Queen's College, Barbados and McGill University. She was married March 23, 1986 to Stuart Rolf Calhoun. She is a social worker, which again is a different level in our society.

As to her legislative career, she was a candidate for the House of Commons in the general election of 1980. She was summoned to the Senate January 13, 1984 by the Right Honourable Pierre Trudeau.

As to her private career, she was a member of the National Parole Board from 1980 to 1984. She is an Executive Director of Women In Transition Inc., Toronto, a United Way member agency. She is a Founding Vice-Chairman and member of the Executive Committee of the Justice Committee on Spousal Abuse. She was a field instructor, Faculty of Social Work, University of Toronto, from 1977 to 1978; Social Service Departments, Seneca College, from 1977 to 1980, and Ryerson Polytechnical Institute, Toronto, from 1978 to 1980. She is a member of the Board of Directors of the Pauline McGibbon Cultural Centre, Social Planning Council of Metro Toronto and Advisory Council Family Mediation. She is a Canadian member of the Empire Club of Canada and the Royal Commonwealth Society of Canada. Her party is Liberal.

I should like to pay tribute to Senator Cools. When you look at the kind of humane and human service that she has rendered to the people of Canada throughout her life, we can be most honoured that we have her here as a member of the Senate.

There is another group of people who should be mentioned, one of whom is represented by the Honourable Eymard Georges Corbin. Senator Corbin comes from Grand-Sault. He was born on August 2, 1934 in Grand Falls, New Brunswick. He is the son of Georges Jules Corbin, deceased, and Marianne Bard. He was educated at the University of Sacré-Coeur, Bathurst, Coll. St. Louis, Edmunston and Séminaires des Eudistes, Charlesbourg, Quebec. He was married on July 31, 1965 to Yvette Michaud of Drummond, New Brunswick. He has three children: Sylvie, Louise and Isabelle. He is a teacher and journalist.

Regarding his legislative career, he was first elected to the House of Commons in the general election of 1968, and was re-elected in the general elections of 1972, 1974, 1979 and 1980. He was the Parliamentary Secretary to the Minister of Fisheries and Forestry, 1970, and to the Minister of the Environment, 1971 to 1972. He was the Assistant Deputy Chairman of Committees, 1982 and Deputy Speaker of the House of Commons, 1984. He co-chaired the Special Joint Committee on Official Languages from 1980 to 1982. He was summoned to the Senate on July 9, 1984 by the Right Honourable J. Turner. He chairs the Senate Liberal Caucus, and chaired the National Liberal Caucus from 1974 to 1975 and the Atlantic Provincial Liberal Caucus from 1975 to 1976. He was a delegate to the International Parliamentary Conference on the Environment in Bonn in June, 1971 and the United Nations Conference on the World Environment, Stockholm, 1972. He is an associate of Internationale des Parliaments Langue française, and was President of the Canadian Section from 1978 to 1981 and International President from 1978 to 1982.

As to his private career, he was a teacher in Grand Falls from 1957 to 1959. He was the Information Officer, Department of Youth, New Brunswick from 1961 to 1962 and the Assistant Director from 1963 to 1964. He was a journalist for l'Évangeline, Moncton, 1962 to 1963, and a broadcaster for CBC and CBZ in Fredericton and CBD in Saint John, New Brunswick, from 1964 to 1966. He was editor of Le Madawaska, Edmunston, from 1967 to 1968. He is Commander of the Ordre National du Lion du Sénégal and Ordre de la pléiade. His party is Liberal.

That, again, is an example of a great Canadian who has joined us in the Senate more recently and who has fulfilled a tremendous role, not only in his community but in the Parliament of Canada and in the Senate of Canada.

The whole range of democratic institutions that I previously mentioned, which make up our democracy, was designed carefully by the Fathers of Confederation and the statesmen who have adapted the Constitution since that time and created our Charter of Rights and Freedoms. It was never intended that an elected House of Commons, controlled by a dictatorial Prime Minister, should have the exclusive rights of looking after the welfare of the people of Canada. That was never the intention of the Fathers of Confederation or they would not have written the Constitution that they did. It was clearly designed to provide some checks and balances.

In an extreme case, such as we have now, the only check or balance that is left is the Canadian Senate.

The system has so many elements, and almost all of them are appointed. That does not make them undemocratic. They are appointed by the people who have been elected. To make it less than a dictatorship, the Prime Minister of the day makes appointments to the Senate which seem right to him at the time. The next Prime Minister makes another group of appointments, and so on. Nearly half of the Tory caucus has been appointed all at once within the last few weeks. But the Prime Minister of the day makes those appointments under our present system.

It was the intent of the Fathers of Confederation that all of the senators would not be appointed by the same Prime Minister and become a rubber stamp like the majority of the House of Commons. Our whole purpose is to apply our judgment. We have applied our judgment on some 300 pieces of legislation which have passed through this place since the Conservative government began.

Senator Molgat: Would the honourable senator permit a question?

Senator Stanbury: Yes.

Senator Molgat: I know he is a distinguished member of the legal fraternity. In the United States, quite a number of the judges are elected. This is a matter of some controversy.

You are speaking now about the numbers of Canadians who hold appointed position and yet have very important roles in the whole system. Has the legal fraternity in Canada looked at the question of electing judges in the country? Is it an issue within your group? Have there been studies in this regard?

• (0930)

Senator Murray: Honourable senators, before Senator Stanbury replies to that question, may I, on a point of order, remind honourable senators that they must speak from their seats. My honourable friend is sitting in Senator MacEachen's seat—

Senator Doody: Naked ambition.

Senator Murray: —and if Senator Molgat wishes to intervene he should return to his own seat.

Senator Molgat: I will be glad to do that, and I recognize the point raised. I was carried away by the oratory of my honourable friend—

Senator Murray: I appreciate that.

Senator Molgat: —and I have transgressed the rules in that regard. I noted Senator Doody's comment, and ambition has always been a reasonable pursuit and not unknown in political circles.

Senator Doody: But rarely do we see such a display.

Senator Molgat: I presume that I can remain in this seat as long as I do not speak.

Senator Murray: Honourable senators, I think that the rule would be that the honourable senator may remain where he is but that he cannot be recognized or speak from there.

Senator Molgat: Fair game; I agree.

[Senator Stanbury.]

Senator Stanbury: Thank you for the question, Senator Molgat. I am not the right person to answer your question because for about 23 years I have not been actively engaged in the practice of law or in legal organizations. I am sure there are those on the other side, and on our side, who could answer more accurately questions on what the Canadian Bar Association has discussed on the matter of elected office. I can say, however, that I have never detected among Canadians any desire to have elected judges, and I think that is because of the same principle I was discussing. We are all aware that no one Prime Minister names all the judges or civil servants. We depend for 99.04 per cent of our wellbeing on appointed people, but they are appointed over the years by different Prime Ministers and by different orders in council. The reason we have always had a reasonable balance and have accepted the judgment of these people is because it is understood that they have been non-partisan, that they have tried to be objective in their judgments. One of the saddest things for me in the Senate has been the change from the days when we were really non—partisan, when we sat together in committees and we worked together.

The initiatives for amendments came as often from those on the other side of the house as from our side, and we frequently made unanimous recommendations to ministers which frequently were accepted—until the change of government in 1984, when things began to fall apart and when government supporters began to say, "It must be our way or no way." Even with that, we have managed to process over 300 pieces of legislation in this house without amendment. About 18 pieces have been recommended for minor amendment, but the government has never accepted any substantial amendments. We now have a poisoned atmosphere in the house, to the point where we all feel partisan. I am sure that the people on the other side feel just as partisan as I do, except that they understand what they are doing. They know that they are acting against the interests of the people of Canada and of the Senate. We all feel partisan because of the acts of this government over the past number of years that have made it impossible for us to do our usual non-partisan job of improving legislation and getting on with the business of the country.

All that I want to say in conclusion is that, so far as I am concerned, the democratic system, this great broad democratic system that we have, belongs to the people of Canada, and Canadians are no longer willing to accept without question the dictates of the Prime Minister that are being imposed upon a captive House of Commons and now a captive Senate. It is not the Senate that has been raped; it is the people of Canada.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators—

Hon. Jack Austin: Honourable senators, is Senator Murray rising to speak to the question of privilege?

Senator Doody: Senator Murray has the floor!

Senator Austin: I am asking Senator Murray whether he is rising to speak to the question of privilege, because it is my intention to speak for the first time on that question.

Senator Murray: I appreciate what Senator Austin has said, that it his intention to speak for the first time on the question of privilege; but had for the past 43 hours or more we have a series of speeches relating to Senator Stewart's question of privilege. There have been very few interventions from this side of the house. I spoke some time before noon yesterday. I understand that in my absence during the night Senator Simard had a brief exchange with Senator Lefebvre. However, there have been very few interventions on this matter from this side. I would think that our customs, traditions and sense of elemental fairness would dictate that after these dozens of speeches and these hundreds of thousands of words that have been spoken into the record by those on the other side, when someone from this side rises to speak the honourable senator would be recognized.

It is true that Senator Austin rose a little after me to seek the floor, but he did not make it to his feet quite as quickly as I did. That says nothing about his fleetness of foot or how nimble he is; it is just that he had not been waiting as long as I have to get the attention of Your Honour to take the floor to say a few words. However, in a situation—

Senator Austin: Senator Murray, let me interrupt you for just a moment. I respect you as the Leader of the Government in this chamber, and when I saw you rise, I assumed that it was on the question of privilege. I believe that this house should listen to you as you speak on that question, but I shall insist on having my turn to deal with the question of privilege when you are finished.

Senator Murray: The honourable senator should do me the courtesy of hearing me out. In our parliamentary system, when two honourable senators seek the floor at more or less the same time, it is always open to one of my friends opposite to move that Senator Austin be heard, or, if Senator Austin had been recognized, it would be open for one of my colleagues on this side to move that Senator Murray be heard. However, that is an elaborate process that takes up a lot of time, and it is not a frequently used practice in this place, at least in my time here.

Some 44 hours ago we, on this side, returned to this chamber after the Thanksgiving weekend expecting and, indeed, having the right to expect, that we would be getting on with the business of this Parliament. We had an agreement with honourable senators opposite. On their behalf Senator Frith had entered into discussions with Senator Doody and me. He had consulted with his Liberal caucus and he had returned to this chamber, on their behalf and in their presence, to state that we had an agreement and to place on record the terms of that agreement.

Reference has been made on several occasions in the course of this sitting, which began on Tuesday at 2 o'clock, to that arrangement. We all know the terms of that agreement. The agreement was that we would begin Tuesday's sitting with the order paper, which starts with Bill C-28, and that we would work our way down to Bill C-39, Bill S-8—Senator Frith listed off these bills and made a comment on each of them. He indicated what he believed would take place, what the intentions of the Opposition were, how many speeches would be made, for example, on Bill S-8 and how quickly, for example, Bill C-39 would receive third reading, and so on. So, as I say, we are entitled to expect that, and we had a right to expect that the business of the Senate on Tuesday would go forward in the way we had agreed.

Anyone who has been following the progress of this chamber was entitled to expect that when we returned to this chamber at 2 o'clock on Tuesday we would be getting on with the business of the nation.

Senator Lucier: Without Charbonneau in the Chair!

Senator Murray: My honourable friends are wrong about that. There were no conditions. As I told the house earlier in this sitting, the name of the Speaker never came up in any discussions between Senator Frith and the two representatives of this side. It never came up, nor did Senator Frith attach any condition whatsoever relating to Speaker Charbonneau when he came to this agreement and when he announced it. The farthest we went is that we publicly agreed to disagree on the question of the ruling or rulings that had been made by Mr. Speaker Charbonneau.

Senator Austin: Honourable senators, Senator Murray is simply repeating the arguments he made earlier in the sitting, to which Senator Frith replied. The order of debate is in its normal form, and questions of privilege take priority according to our rules.

Senator Murray: I hear what the honourable senator is saying, and the last thing that I would want to do is to offend against the rule of repetition, because what we have had for the last 44 hours is such an excellent example of observing the parliamentary rules. Let the record show that I made that comment in a sarcastic vein. In any case, no one in this place who has been following the progress—"progress" is not the word; observing the events in this chamber—could possibly expect that the agreement announced by Senator Frith and Senator Doody on Friday left open the possibility that instead of getting on with the business of the Senate it would be open to honourable senators for the next 44 hours or thereabouts to engage in a filibuster, to engage in an obstruction on a spurious question of privilege. That is what has been happening. While I have not been in my seat constantly for the past 44 hours or so, I have certainly been here a good deal of the time. I have had reports from others on what has transpired in my absence.

However, to give honourable senators opposite a rest from their filibuster for a few moments and an opportunity to get their second wind, permit me to read a few paragraphs from *The Ottawa Citizen*. It is a description by Julian Beltrame and Jim Poling of Southam News of what happened yesterday. The Hansard will show it anyway. When the Hansard for this sitting eventually comes out, of course, it will have all of these speeches on these so-called questions of privilege. They will be there verbatim, and those readers who want to punish themselves by reading through this stuff will be able, even on a cursory reading, to see how very little any of this oratory, this

rhetoric, these interventions, had to do with anybody's privilege. However, for those future readers of Hansard who do not wish to punish themselves by reading through all the speeches, here is a summary—I think quite a good one—of what happened yesterday, put together by the Southam journalists:

● (0945)

> The senators kept talking Wednesday—about football, about soil conservation, about what the newspapers are saying, about an obscure 18-year-old property-rights issue in B.C.
>
> And in case nobody recalled what that issue was, Liberal Senator George Van Roggen was more than willing to oblige. For two hours, he re-read a speech he originally delivered in 1972.
>
> Liberal Senator Eymard Corbin expounded at length on the practices of Viking kings.
>
> The Liberal filibuster in the Senate, which last week produced pandemomium as Liberals ran rampant in the hallowed chamber of sober second thought, atrophied to tedium Wednesday as Grit after Grit rose to drone on about virtually anything and everything.
>
> Liberal Senator Michael Kirby—

who always takes advantage of any opportunity to—

Senator Comeau: Get himself in the press!

Senator Murray: Well, certainly, in any questionable practice by colleagues, he is one of the good guys, disassociating himself from the caucus. It reminds me of the incident during the last election when Senator Kirby was involved in an attempted coup against poor Mr. Turner; but I digress.

> Liberal Senator Michael Kirby admitted to reporters in an aside that he could no longer stomach the scene—

Senator Kirby: Mr. Chairman, Honourable senators, I rise to point out what I said to the press. When I left here, having served on the night shift the other night, I was on my way out of the chamber at about 8:15 or 8:30 in the morning, having just come off a 2-hour speech. I was asked where I was going, and I said I was going back to my office because I did not think I needed to be in the chamber since other senators had arrived. I said absolutely nothing about stomaching anything, other than I did say I was hungry and I was on my way to fill my stomach. There is no question I said that.

Senator Murray: Be very careful. They use tape recorders, senator. Be very, very careful.

> Liberal senator Michael Kirby admitted to reporters in an aside that he could no longer stomach the scene and was staying away as much as possible.

Senator Cools: Is he away? He seems to be here.

Senator Murray:

> Another Liberal, Joyce Fairbairn, brought in an air mattress to lighten the load; others read newspapers, yawned or broke the monotony by heckling.

Now, honourable senators, seriously speaking, this performance that we have witnessed for 43 hours or so—

[Senator Murray.]

Senator Thériault: I wonder if the Leader would permit a question.

Senator Murray: Honourable senator, when I finish my remarks, of course.

Senator Thériault: I wonder if the Leader will permit a question, yes or no?

Senator Murray: When I have finished my remarks.

Senator Thériault: Will he permit a question now?

Senator Murray: No, I will not permit a question.

Senator Thériault: Yes or no?

Senator Murray: No. Honourable senators, this is not a very edifying spectacle that we have witnessed these past 43 or 44 hours.

Senator Stanbury: It certainly is not.

Senator Murray: Seriously, taking up the time of Parliament, wasting the time of Parliament and the Senate, and obstructing the public business in this way, indicates contempt for all of us here, and, I think, a contempt on the part of Liberal senators for this institution and for their role in the parliamentary process.

Now, Honourable senators, privilege is a very sacred thing to parliamentarians.

Some Hon. Senators: Hear, Hear!

Senator Stanbury: You destroyed it!

Senator Lucier: Forty-three hours and you finally heard it! You finally got it!

Senator Murray: Is my honourable friend going to get his horn out? Where is the bell ringer? Where are the kazoos? Where are the horns?

Senator Austin: Is privilege only 43 hours long today?

Senator Murray: I will come to the point that Senator Austin was making in a moment. I will deal with the point that Senator Austin was just making in his question, asking whether privilege was only a matter of 43 hours. Of course, the answer to that question is no. However, honourable senators—

Senator Austin: So I will be allowed to speak?

Senator Murray: As I say, privilege is a very sacred thing to parliamentarians, but what has gone on here in the past 43 or 44 hours simply debases the whole question of privilege.

Senator Stanbury: What went on before was worse!

Senator Austin: Your behaviour debases parliament!

Senator Murray: It debases the very idea of parliamentary privilege. It is a charade.

Senator Austin: The Speaker's behaviour debases Parliament!

Senator Murray: Honourable senators, I have just read a brief summary of what is going on here.

Senator Cools: The *Citizen* is no authority.

Senator Molgat: We will gladly produce ours.

Senator Murray: I have just read a brief summary from the newspaper of what has gone on here for the past 43 or 44 hours. People who want to do more detailed research in the future will be able to read through the volumes of speeches that have been made, and one thing will be absolutely clear: this has been a time-wasting filibuster. This is a charade. This is obstruction.

Senator Molgat: Not at all! Not at all!

Senator Murray: This has nothing to do—

Senator Austin: Not true!

Senator Murray: —with privilege at all.

Senator Austin: Rights of the minority are about to be attacked again!

Senator Murray: Honourable senators, there is, in all or most of the parliamentary assemblies that most of us have ever heard of, a practice regarding privilege. Honourable senators know what that practice is. Honourable senators know that the practice is that, after a certain time—

Senator Kirby: There is also a practice of not calling a vote until the whips have come in. You ignored that practice.

Senator Austin: You want it both ways!

Senator Murray: And then, after a certain time, the Speaker decides whether he has heard enough, or the Chair decides whether it has heard enough in order to—

Senator Molgat: There is no such rule or practice!

Senator Austin: That is a rule that you made up!

Senator Molgat: There is no such practice.

Senator Murray: Honourable senators know perfectly well that is the practice in most of the legislative bodies—

Senator Austin: But not in our house.

Senator Murray: —that most of us have ever heard of, and, honourable senators, there was a ruling on that very matter.

Senator Molgat: There is no such practice in this house!

Senator Murray: Honourable senators, I beg your pardon. That is the practice in this house.

Senator Molgat: It is not!

Senator Murray: That is the practice, and that practice was confirmed in a ruling from Mr. Speaker the other day.

Some Hon. Senators: Oh, oh!

Senator Thériault: Get him to make another one!

Senator Austin: You are going to quote that as an earlier authority?

Senator Stanbury: We will accept nothing from that Speaker!

Senator Lucier: When you wrote that ruling, did you get it right for him?

Senator Murray: The ruling was never appealed by honourable senators opposite.

Senator Molgat: That is exactly what we are doing now!

Senator Murray: No, you are not. The ruling was never appealed and the practice that exists in almost every legislative—

Senator Molgat: It does not exist! It does not exist!

Senator Murray: —body and which exists in this place was, in my view, simply confirmed by the ruling from—

Senator Molgat: It does not exist and is not confirmed!

Senator Murray: —the Chair the other day.

Senator Molgat: Not so!

Senator Murray: And indeed, the practice was referred to—

Senator Molgat: No such practice!

Senator Murray: —and I have placed this on the record last week. Senator Frith, Senator MacEachen and Senator Olson, on September 25, very vigorously drew the attention of the Speaker to the fact that he has a duty in this regard. As Senator Frith put it at page 2239 of the *Debates of the Senate*:

> Your honour has a duty to decide when you have heard enough on this point of privilege to make up your mind—

Senator Austin: Senator Frith has risen in his place and said he was in error, and you know it well. He was in error, and I have quoted authorities in this chamber to show that is an error. Senator Ottenheimer introduced, in his question of privilege, a completely false argument on *prima facie*.

Senator Murray: Senator Olson has not said that he was in error. Senator MacEachen certainly has not said that he was in error.

Senator Thériault: I rise on a point of order.

Senator Murray: I am speaking already, honourable senators.

> Your Honour has a duty to decide when you have heard enough on this point of privilege—

Senator Molgat: Point of order!

Senator Thériault: Does the Leader know the way that points of privilege are dealt with in other parliaments?

Senator Murray: Absolutely.

Senator Thériault: You know, do you?

Senator Murray: And I would be glad to read *Beauchesne* for you.

Senator Thériault: I wish you would, because it is not how you are presenting it at all. You have never sat in any other parliament and you do not know. However, ask your deputy. He will tell you how they are dealt with.

Senator Murray: Honourable senators, I do know, and I have heard enough first-hand evidence from those who have sat in other legislative assemblies as to how points of privilege are handled; and if honourable senators wish, I can place on the record a number of citations from *Beauchesne*. I simply hope that you will give me a moment again to point out that

Senator Frith made the point, supported by Senator Olson and Senator MacEachen, who have not recanted for convenience's sake, as Senator Frith did. At page 2239 of the *Debates* for September 25, Senator Frith said:

> Your Honour has a duty to decide when you have heard enough on this point of privilege to make up your mind as to whether a *prima facie* case is made. You are not being asked to decide on the question of privilege, but simply whether a *prima facie* case has been made for a point of privilege. Your Honour should decide when you have heard enough. Do I take it that Your Honour is going to let this thing go on forever?

Then a bit later, he continued:

> Are you going to intervene at some point and say, "I have enough to decide whether or not there is a *prima facie* point of privilege"? In my respectful view, Your Honour, that is your duty.

And, a little later, Senator Frith said:

> Your Honour is saying that it is fine so long as it is within the rules. The rules or traditions to which Your Honour has referred require, as Senator Ottenheimer said, only that Your Honour make the decision as to whether or not you have heard enough to determine whether there is a *prima facie* case. That is all. I submit that you have heard sufficient to decide whether or not there is a *prima facie* case.

Senator Molgat: What page are you quoting from?

Senator Murray: From page 2239 of the Senate *Debates* for September 25.

> I suggest, Your Honour, that it is quite possible that they will think of some other reason for the filibuster—

This is early in the afternoon, I think, of September 25; but in any case, Senator Frith said:

> I suggest, Your Honour, that it is quite possible that they will think of some other reason for the filibuster, but, on this point, I think Your Honour has heard enough to decide whether or not there is a *prima facie* case.

And some honourable senators agreed. I suppose those honourable senators are on the other side. Now, honourable senators—

Senator Austin: And the point of privilege continued on.

Senator Murray: And honourable senators, what happened is that in due course Mr. Speaker decided whether there was a *prima facie* case of privilege, as I recall.

Senator Austin: He forced himself upon the Senate.

Senator Murray: Well, he ruled on the questions of privilege and the points of order after he had an opportunity to reflect on them. I do not know how much reflection is needed here, frankly, but it is not my job to instruct or to remind the Chair of all of that. The Chair and his advisors—and I do not envy them the task—will perhaps want to plough through these mounds and mounds—

Senator Lucier: We know who his advisors are!

[Senator Murray.]

Senator Murray: —of the speeches that are in the *Hansard* and decide whether there is any question of privilege—no, I must be careful—decide whether there is *prima facie* case of privilege on which a motion could be based.

• (1000)

Senator Grafstein: Would the honourable senator please point out in the rules where the words "prima facie" appear as they apply to privilege?

Senator Murray: I have already reminded honourable senators what the practice is in almost all the parliamentary bodies that most of us have ever heard of.

Senator Grafstein: *Prima facie* questions respecting privilege do not apply in the Senate.

Senator Murray: I will quote *Beauchesne*, which is often quoted in the house.

Senator Austin: *Beauchesne* is not relevant.

Senator Molgat: Would the honourable senator permit a question?

Senator Murray: Go ahead.

Senator Molgat: Would he agree that when our rules are clear we do not go to *Beauchesne*. It is clear in our rules that the first place we go to is our own rule book.

Senator Murray: Honourable senators, the rule is not clear.

Senator Molgat: Crystal clear.

Senator Murray: There is no way, according to our rules, in which you get to a *prime facie* case of privilege.

Senator Molgat: Read Rule 33.

Senator Murray: Of course I have read it.

Senator Molgat: Well, then, you cannot understand English.

Senator Murray: Absence some process intervening, then questions of privilege, spurious questions of privilege, could be used *ad vitam aeternam* to hold up the business of the house. That is why Senator Frith—

Senator Grafstein: Are you suggesting that Senator Stewart's question of privilege is scurrilous?

Senator Murray: I said spurious, and many of the speeches that were made on this side are on spurious questions of privilege. They are not questions of privilege at all.

Senator Austin: This is no spurious question of privilege.

Senator Murray: I just mentioned the speeches about the Canadian Football League, soil conservation, and an obscure 18-year old property rights issue in British Columbia. These have nothing to do with privileges.

Senator Austin: These are no doubt relevant to the arguments.

Senator Grafstein: These speeches have a lot to do with rules and respect for rules; so does football.

Senator Murray: To return to Senator Molgat's question, the reason that Senator Frith invoked the *prima facie* rule, supported by Senator Olson and Senator MacEachen, is that he was concerned that the questions of privilege were going to take up unduly the time of the Senate—

Senator Thériault: You used them when it served your purposes. That is what you did until you got the extra eight.

Senator Grafstein: You took an unprecedented action.

Senator Murray: There were several hours of questions of privilege relating to the conduct by the chairman of the affairs of the Standing Committee on Banking, Trade and Commerce. That is true.

Senator Austin: When there was a clear rule about committees.

Senator Murray: Senator Frith, supported by Senator MacEachen and Senator Olson, invoked the concept of *prima facie,* and referred to the rule and practice that exists in most of the assemblies most of us have ever heard of; *Beauchesne* was invoked, and the Speaker was called upon to make a decision as to whether or not there was a *prima facie* case.

Honourable senators, there are the rules. There is also common sense and respect for your role as parliamentarians—

Senator Stanbury: When did you learn that?

Senator Murray: —and respect for this house and respect for other parliamentarians as distinct from the almost contemptuous proceedings that have been taking place here for the last 43 hours. We had an agreement on Friday, and I am sorry that the Deputy Leader of the Opposition is not here.

Senator Stanbury: He answered yesterday.

Senator Murray: It was he who discussed it with us and he who put it on the record, and no reading of the honourable senator's words could lead any reasonable person to the conclusion that that agreement could possibly lead to a 43 hour or 44 hour filibuster, to an obstruction of parliamentary business, all under the guise of privilege. No reasonable person reading the words of Honourable Senator Frith—

Senator Austin: So you say.

Senator Molgat: That is not so.

Senator Murray: No reasonable person—

Senator Stanbury: There is not a reasonable person on that side.

Senator Austin: Where is Senator Simard, the expert, when we need him?

Senator Murray: My goodness, such heckling at such an early hour in the morning.

No reasonable person reading the words of Senator Frith outlining to the house and to the public the terms of the agreement could come to the conclusion that that agreement left open the possibility that, instead of getting on to the Orders of the Day sometime on Tuesday, 43 or 44 hours later we would still be held hostage to obstruction and delay and to a filibuster by honourable senators opposite.

No reasonable person reading the speeches that have been made in this house for 43 or 44 hours could have believed that this was possible in the terms of the agreement—

Senator Molgat: That is incorrect.

Senator Grafstein: It is in your hands now.

Senator Molgat: Let the record show that is not true.

Senator Doody: Get out the whistles, get out the bells, bang your desks!

Senator Grafstein: There is no obstruction here.

Senator Murray: Senator Grafstein says, "There is no obstruction here."

Senator Grafstein: You have to act. In order for the nation's business in this chamber to be conducted, you know what you have to do. You do not want to do it. You refuse to do the nation's business.

Senator Thériault: Get an apology or replace the Speaker.

Senator Grafstein: It's up to you, Senator Murray.

Senator Molgat: Erase the wrong rules that have been done in this house.

Senator Grafstein: The burden is yours. You call the shots.

Senator Molgat: Withdraw the wrong rulings that have been done in this house.

Senator Grafstein: Restore this house.

Senator Thériault: It won't work.

Senator Grafstein: If you are playing to the press, tell it correctly. You are the Leader of the Government in the Senate and its your burden. You know what you must do. You are afraid to do it. You know what you are doing and your colleagues know what your duties are. Each one of your colleagues knows what your duties are. Exercise your duties.

Senator Murray: Honourable senators, 44 hours into this circus—

Senator Thériault: 100 days if necessary.

Senator Murray: I hope the record shows that 44 hours into this circus—

Hon. Senators: Order, order!

Senator Murray: —honourable Senator Grafstein says there was no obstruction here. After we have heard 44 hours of alleged questions of privilege, stories about the Canadian Football League, which has a lot to do with privilege—

Senator Grafstein: The Canadian Football League has rules. The purpose of the speech was to demonstrate respect for rules. There are baseball, football, hockey rules, but not here.

Senator Murray: —soil conservation, and re-reading a speech, as Senator van Roggen did, that he made in 1972.

Senator Stanbury: Because it was pertinent.

Senator Grafstein: Relevant and pertinent.

Senator Murray: What has that got to do with anyone's privileges? It has nothing to do with anyone's privileges.

Senator Thériault: Because you never sat in any Parliament you do not know what goes on.

Senator Murray: Honourable senators, no reasonable person, reading the words that Senator Frith spoke on Friday when he announced the terms of our agreement, and then reading the speeches that have been made for the past 44 hours or so, could come to any conclusion other than that the agreement has been violated, dishonoured, and completely broken by honourable senators opposite.

Senator Austin: Totally wrong.

Senator Thériault: Not true.

Senator Austin: You don't have the courtesy to wait until Senator Frith is in the chamber to make that—

Senator Murray: Wait? He's off shift.

Senator Austin: You repeat your accusation. You don't even wait to have him present.

Senator Stanbury: It's another dirty trick.

Senator Murray: I have heard 44 hours of largely oratory, rhetoric and re-reading of a speech made in 1972, all under the guise of questions of privilege. As I have said, honourable senators, that practice debases the coinage of parliamentary privilege—

Senator Olson: You are the one who is doing that.

Senator Murray: I say, honourable senators, the time has come to move to put an end to this charade, to this contempt of the Senate and the obstruction of parliamentary business.

Honourable senators, pursuant to Rule 46(*c*), I move:

> That the Orders of the Day 1, 2, 3 and 4 be postponed until the next sitting of the Senate.

Senator Molgat: We do not accept in any way that that motion is in order; but, in any case, the least we should have is a copy of the motion.

Honourable senators, I want to point out to you that the rule is extremely clear, that the only motion that can be moved, and I refer to Rule 33, is a motion calling upon the Senate to take action on the question of privilege.

Senator Cools: Precisely. Your motion is out of order.

Senator Molgat: I submit that we should have that motion now.

Senator Austin: Honourable senators, I consider it outrageous that the government leader in the Senate attempts to move a motion during the course of a question of privilege which is based on a set of facts that describe one of the greatest abuses of a parliamentary chamber. We are continuing with the debate on the question of privilege and I wish to associate myself with the position that was taken by Senator Stewart in terms of the abuse of the privilege of myself as a senator and of many senators. Indeed, I would argue for all senators, because the abuse of the privilege of any one senator in this chamber is the abuse of the privilege of every senator in this chamber.

I consider that the government has to take credit for a very crafty manoeuvre, a crafty manoeuvre which began at the moment of sitting on September 25th when Senator Ottenheimer, who is now sitting in the Chair, rose up at 2 o'clock and stated:

> Honourable senators, I give notice that there is a matter of privilege I wish to draw to the attention of honourable senators. I am serving notice now so that I may pursue it at the appropriate time.

After a number of Conservative senators rose to make the same claim of privilege, and there was an introduction of some honourable senators, Senator Ottenheimer rose again, and his opening point was that the process of privilege is ruled by a statement in Beauchesne's *Fifth Edition* at pages 25 and 26. I will quote the same quotation given by Senator Ottenheimer. Citation 84(1) states:

● (1015)

> Once the claim of a breach of privilege has been made, it is the duty of the Speaker to decide if a *prima facie* case can be established. The Speaker requires to be satisfied, both that privilege appears to be sufficiently involved to justify him in giving such precedence (or as it is sometimes put, that there is a *prima facie* case that a breach of privilege has been committed); and also that the matter is being raised at the earliest opportunity.
>
> (2) It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question, whether the case conforms with the conditions which alone entitle it to take precedence over the notices of motions and Orders of the Day standing on the Order Paper; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the House itself.

Honourable senators, that rule has never applied to questions of privilege in the Chamber as I noted in an address which I made in this Chamber on October 4 quoting from an article entitled "The Powers of the Speaker of the Senate" presented by Norman B. Williams in December 1975. He said on page 10:

> It is firmly established that the Speaker of the House of Commons is "responsible for the due enforcement of the rules, rights and privileges of the House". By contrast, the Speaker of the Senate, according to the Rules of the Senate, is only allowed to "preserve order and decorum".

I mentioned rule 15. Mr. Williams goes on to state:

> When a Member of the House of Commons moves that a matter affecting the privileges of Members be referred to the Standing Committee on Privileges and Elections,

> the Speaker must first decide whether there is a *prima facie* case of breach of privilege.

Here he refers to *Beauchesne*. He then goes on to state:

> The Speaker of the Senate is not called upon to make such a ruling. The Senators by majority vote would decide whether the Senate would study a matter pertaining to its privileges.

He refers to rule 33. That has always been the practice in this Chamber with respect to questions of privilege, and that practice follows the practices that have been prevalent in the House of Lords for many decades.

The rule cited by Senator Ottenheimer from *Beauchesne* has never applied to this particular chamber.

Senator Murray: We have a ruling to confirm that it does. My friends have never appealed it.

Senator Austin: We have Speaker Charbonneau finding his way from that first reference by Senator Ottenheimer on September 25 in the Debates at page 2218 and a subsequent reference on September 27 at page 2289. Senator Ottenheimer is at least consistent in speaking on the question of privilege. I am quoting from the right hand column on page 2289 of the Senate Debates:

> I listened with interest to the historical analysis and resume with respect to the appointment of senators under the section 26 provision. I listened with great interest to the Honourable Senator Everett, and I think he is absolutely right when he says that the Chair will have to make a decision as to whether or not there is a *prima facie* case. If there is a *prima facie* case, the senator raising the point of privilege has the right to put forward a motion, which then has precedence over other motions. If there is no *prima facie* case, then that is the end of it.
>
> I would surely not subscribe to the suggestion that if no *prima facie* case is met, then this Senate, as an integral Upper House of the Parliament of Canada, can do nothing until the Supreme Court of Canada has made a decision.

Senator Ottenheimer has put a procedural rabbit in the Senate hat and then pulled it out three times, making the same argument, then quoting Senator Everett quoting Senator Ottenheimer on whether a *prima facie* case is to be made in this Chamber.

Clearly, when the Speaker made his so-called ruling he quoted no Senate precedents. He quoted no Senate authorities. Senator Murray came in and told us that of course, a precedent would not be a precedent unless it was created anew—

Senator Murray: I was quoting Senator Stewart of Antigonish-Guysborough.

Senator Austin: But with a different top spin on the argument. You are saying that it is in order to create any precedent, however spurious; but I am saying that by creating a fallacious precedent and arguing from that fallacious precedent is another form of error.

Senator Murray: My friend did not appeal that ruling.

Senator Austin: Honourable senators, it is clear that there has been a chain of events orchestrated by the Government and directed by Senator Murray to undermine the privileges of senators in this Chamber. I will not dwell at length on this question, but Senator Pitfield made a cogent and I believe unanswered argument when he spoke about the appearance of collusion between the government and the Speaker with respect to the process since this Chamber reconvened on September 25.

We have, on the question of privilege, a chain of events. My privileges to which I am speaking, the question of denying me the opportunity of notice of a new point of departure by the Speaker, denying me essential natural justice and fairness in the conduct and practice of this Chamber as directed by the Speaker, is embodied first, in a decision to call a vote contrary to all of the rules of this Chamber. Honourable senators have heard at length the practice and the rule as laid out on page 70 of our rule books with respect to the whips and the practice with respect to the whips in signalling the commencement of a vote.

The Speaker is not empowered under our rules to commence a vote unless and until the whips of both the government side and the official opposition side are in place and signal that both parties are ready to vote.

That practice has long standing and it is based in fairness. It is based in a sense of fairness in parliamentary practice. That fairness recognizes that governments change from time to time. The people change their minds and others are offered the opportunity to govern.

We cannot have the chaos of arbitrary rules by one group, then arbitrary rules by another. We cannot have a tyranny of the majority and advance the public business. We are here to advance the commonwealth of Canada. Our parliamentary traditions are insightful and in fact brilliant in recognizing the balances required.

As I said in my address on October 4, I regret and am deeply saddened by the practice of this government in removing that delicate balance of relationship between government and opposition that makes parliament work and without which parliament cannot work.

We are in great danger of seeing this Parliament not work because of the rulings of the Speaker with respect to the timeliness of a vote in this Chamber and with respect to notice to honourable senators as to when a vote would be taken.

Honourable senators, there is no natural justice in the practice in which the Speaker engaged. The Speaker arbitrarily determined that a vote would be taken. The record of argument here shows that less than half an hour of notice was given to honourable senators, and only then to some honourable senators. Senator Pitfield has pointed out the remarkable coincidence of all the Conservative senators being in this chamber and none of the Liberal senators being in it. Perhaps there is something to the argument that all honourable senators on the Conservative side were in the chamber. Perhaps

one could stretch the argument that they were eager, as an honourable senator said earlier, ready and willing to vote.

● (1030)

Honourable senators, it begs human judgment and experience to believe that all were here, that one was not absent, two were not absent, five were not absent, but that all were here. It is amazing.

We have had a number of stories of prior notice given to one or two independent senators. Certainly, there is the story attributed to Senator Molson being notified—indeed, consulted—about the practice before the Speaker began this process of arbitrary decision making. Having decided when the vote would take place, the Speaker wrote a letter dated September 27. In that letter, allegedly sent to the Opposition Leader and the Opposition Whip, the time of 5:30 in the afternoon is mentioned. Yet, honourable senators, in the Senate *Debates* it is recorded that the doors were locked at 5:25. Is that natural justice? Is that fairness? There is one error of parliamentary practice, one breach of fairness after another committed by Speaker Charbonneau.

How could any parliamentarian who believes in the practices that we have evolved over the decades and centuries accept the behaviour of Speaker Charbonneau? How could any of us accept that behaviour and ask any respect for a single member in this chamber? It boggles my imagination that senators on the Conservative side can defend that behaviour, that they can defend these breaches of our longstanding parliamentary privileges. I believe that the most outrageous form of grievance exists in this chamber with respect to the behaviour of Senator Charbonneau as Speaker.

Honourable senators know that our Speaker is the appointee of the Prime Minister by Order in Council. The Governor in Council appoints our Speaker. The Speaker's continuation as Speaker in this chamber depends on the pleasure of the Prime Minister. Even so, over the years there has evolved on the part of Senator Charbonneau's predecessors a practice of impartiality. They have removed themselves from participating in debates. They have removed themselves from their right to vote, which nonetheless remains. They have endeavoured to become non-partisan. They have endeavoured to earn for the office, as well as for themselves, the reputation of impartiality and objectivity. Can the events I have recited and which honourable senators on this side, including Senator Stewart, recited meet any test of impartiality and objectivity? Can any of those events be so described? Honourable senators, of course not, without any question not.

Senator Charbonneau blundered. He panicked. He was following a line of action which, in my view, was concerted from the beginning.

What was the game plan on the Conservative side? The game plan was to turn the Speaker of the Senate from an officer who merely presides at sittings of the Senate into an authoritative ruling Speaker. Why was that the game plan? Because, honourable senators, the government believed that it could not move its business through this chamber if it could not bring about a change in the rules. The Speaker was the first weapon of the government in this change of the rules. The Speaker had to be empowered, the Speaker had to be given authority over the rules. How to do that? Well, Senator Ottenheimer called the first play, *prima facie*. This argument about making a *prima facie* case and the request that the Speaker rule was a design to empower the Speaker to become a ruling officer in this chamber.

There is some argument in changing the role of the Speaker by the front door, honourable senators, but clearly not by the back door. Senator Molgat and I in previous sessions of the Senate have addressed this chamber asking the approval of legislation that would allow this chamber to elect its Speaker. Senator Molgat earlier in these debates said that he would reintroduce that bill, and it is sorely needed.

We have seen in the practice of Senator Charbonneau that an appointee is an impossible position when this House is divided. At the best of times the Speaker, appointed by a Prime Minister, would be suspected of partiality, would be suspected of a lack of objectivity, would be suspected of partisanship. But these are not the best of times; these are the worst of times. Our Speaker stands condemned by his partiality, by his partisanship in the Chair. The chain of condemnation hangs on the authority of the Prime Minister to appoint and maintain this Speaker in the Chair.

There is a case to be made for reforming the office of Speaker of this chamber. I wish that those on the government side would advance, and advance quickly, their support for a change in the office of Speaker, and the manner in which the Speaker is appointed so that the Speaker might play a role as a ruling officer in this chamber similar to that of the Speaker in the House of Commons. But no Speaker can become a ruling officer in this chamber as long as that Speaker is appointed by the Prime Minister and held in thrall by the government side.

Honourable senators who have looked at this issue may know that in the House of Lords the Lord Chancellor is not a ruling officer. The practice in the House of Lords has been to prevent the Lord Chancellor from becoming an officer who can rule. The Lord Chancellor is placed on the woolsack by the Prime Minister in the United Kingdom.

The Lord Chancellor is by practice in the House of Lords not accepted as someone who can rule on principal issues affecting the House of Lords. Our practices are modelled after those practices. There is a reason why we have the custom of saying "Honourable senators" rather than "Mr. Speaker". It is because we remind ourselves every time we use the phrase "Honourable senators" that the Speaker does not rule in the Senate and that the Speaker has no authority to rule in the Senate. It is the rule book that rules. The rule book exists by negotiation among honourable senators of the various political parties here. It is a set of rules evolved from practice, principles of natural justice and fairness in that practice. That is why the rules are so important to us. That is why we, on this side, must maintain the rules. The rules are all that stand between our rights as senators who are in the opposition or are

independent Senators and the anarchy of the government—the rule of the majority, the tierany of the majority.

• (1045)

Honourable Senators, these words are deeply felt on my part. I believe that our privilages have been vastly abused.

In my province, British Colombia, we had a very long-serving premier, W.A.C. Bennett, who coined a phrase that I have never forgotten:

> A man who does not stand for something will fall for anything.

Unfortunately, that phrase applies to Senator Charbonneau. He did not stand up for the accord which has governed this house. He did not stand up for our long-served principles. He did not stand up for our rules. He fell for anything because he had nothing to stand by. His partisanship is patent.

One way to resolve this problem is to have the government respond with a structural change in the role of the Speaker. That would be most welcomed on this side. I would suggest that government members consider Senator Molgat's bill, which was tabled in the last Parliament, and move quickly to amend this invidious and impossible role which the Speaker here has as a delegate of the Prime Minister.

Honourable Senators, what Senator Murray misses—and it grieves me that he does so—and what some of the people in the press miss—and it grieves me that they do so—is that Parliament's business is the business of protecting all members and being sensitive to the rights of an opposition.

When I spoke on October 4, I said that I had spent six months on a joint Senate and House of Commons Committee dealing with legislation to patriate the Constitution and to create a constitutionalized Bill of Rights in this country. The government, of course, did not want that hearing process to go on for six months. It was set originally for three weeks. However, the time for listening was extended because of the demand of Canadians to participate in that process and because the rights of the opposition—the Conservative opposition and the NDP—to put their arguments fully and completely to the Canadian people and to have those arguments well and truly presented were respected by the government. We have not seen a Mulroney government with such a temperature.

We have seen the government operate with "seamless webb" theories about constitutional amendments and in a huge hurry to pass them through the parliamentary process. We have seen them again in a huge hurry to pass a consumption tax—a general sales tax—and not accord Canadians a full opportunity to present evidence, or accord the other place the opportunity to fully debate the matter. They have used closure over and over again to pass that legislation through the House of Commons. Now a government in this chamber is seeking to use, bend and break every rule in our rule book in order to have its way.

This is a government that had no suggestion that amendments were possible to the GST until ten days before the use of section 26, a posturing about amendments. Any serious attempt to receive amendments to the GST legislation, Bill C-62, were brushed aside in the House of Commons. But the government would have us believe that they would be interested in receiving amendments. Of course they would not; of course the government is determined to find its way through the rules or destroy the rules of this chamber in order to have its way.

Honourable senators, there is interesting material about this chamber, its role and the role of the Speaker in these matters which I would like to draw to your attention. I am sure you will find it interesting and relevant. I am referring to a well-known study regarding this chamber entitled: "Second Chambers: A Comparative Study with Special Reference to the Senate of Canada" by Frank Andrew Kunz. This book is dated December 1960. I should like to refer to his conclusion at page 241:

> Similarly, Arthur Meighen wrote in 1937 that 'the Senate is worthless if it becomes merely another Commons divided upon party lines and indulging in party debates.' Instead he urged that members of the Senate must get away 'lift their mind far from those hard drawn lines of party or they cannot serve their country. They have to make up their minds to give every government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits and that the consequences of the failure to defeat it would be serious; not to stand stubbornly in the path of any government proposal unless it is brought there in their judgment to serve the ends of party, by largesse in this or some other part of the Dominion, rather than the true interests of the nation.'

There, in the words of a Conservative Prime Minister who served in this chamber as a senator and opposition leader, is the test. Let me repeat the test:

> (Honourable senators) have to make up their minds to give every government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits and that the consequences of the failure to defeat it would be serious.

Mr. Kunz goes on at page 242:

> And Mr. Nolan recalled in the House of Commons in 1954 that when he, as the President of the Provincial Political Association in Nova Scotia, once had asked Senator Meighen to address a provincial convention, Meighen told him that when he went into the Senate he felt he should divorce himself from all political work. Therefore, he refused to attend that meeting and he also assured Nolan that no other Conservative senator could go. 'It was the attitude taken and it should be taken by all senators.' To further emphasize the judicial character of the Senate, Senator Ailsworth favoured the adoption of legislation to disenfranchise members of the Senate so that they could more consistently take an impartial attitude when legislation came before them. This way, he

hoped, they would be in the same position as the members of the bench.

● (1100)

How far, honourable senators, we have travelled from those definitions of the Senate. Continuing the quotation:

> There is an organizational aspect of the Senate's impartiality never mentioned by its defenders: this is the practice that chairmen of committees of the Senate do not change with the change of government. At present, the chairmen of twelve of the Senate's 16 standing committees, not counting the three joint committees, are hangovers from the Liberal regime.

Honourable senators will remember that these words are dated 1960.

Senator Murray: Who is it?

Senator Austin: Did you miss the quotation by Senator Meighen?

Senator Murray: I missed the source.

Senator Austin: This is "Second Chambers: a comparative study with special reference to the Senate of Canada" by Frank Andrew Kunz. I have been referring—

Senator Murray: Honourable senators, on a point of order it seems to me that I presented a motion to your Honour and asked Your Honour to—

Senator Austin: There is no point of order; we are on the question of privilege!

Some Hon. Senators: Order.

Senator Murray: I put a motion—

The Hon. the Acting Speaker: Order, please.

Some Hon. Senators: Order.

Senator Murray: I put forward a motion.

Some Hon. Senators: Order!

The Hon. the Acting Speaker: Order, please.

Senator Austin: You are not in order.

Senator Grafstein: There is no motion.

The Hon. the Acting Speaker: Order, please. The Senate was debating—

Senator Murray: Senator Austin should resume his seat!

The Hon. the Acting Speaker: Yes. The Senate was debating a matter of privilege.

Senator Austin: It is the question of privilege.

The Hon. the Acting Speaker: I am speaking of what went before. The Senate was and is debating a matter of privilege. Senator Murray spoke on that matter of privilege. During the course of his remarks, he asked for and required a ruling from the Chair with respect to whether the Chair had heard enough evidence to make a determination on whether or not there was a *prima facie* case. He also moved a motion. The Chair did not put that motion; it has not put that motion but has been hearing Senator Austin. One of the reasons for so doing is that there was a debate on a question of privilege going on.

The Chair is now in the position where it must determine two things: number one, whether the Chair has the authority to rule on whether it has heard enough evidence with respect to a *prima facie* case. If the answer is negative, then obviously that is the end of that. If the answer is affirmative, then the question becomes whether the Chair has in fact heard enough to rule on whether or not there is a *prima facie* case.

Senator Austin: In the middle of an address!

The Hon. the Acting Speaker: Certainly, I am not ruling on the question of whether there is a *prima facie* case or not, which is a much more drawn out or further-down-the-line process. A point was raised by an honourable senator asking whether the Chair had heard enough to rule on whether there was a *prima facie* case or not a *prima facie* case.

Senator Grafstein: Sit down!

The Hon. the Acting Speaker: The honourable senator is now asking that such a ruling be made. I may seem repetitious but I want to make things clear. In my opinion, what I want to do is adjourn for about 20 minutes in order to discuss the matter with the officers at the Table and then come back and give my ruling on it.

An Hon. Senator: He's leaving the chair.

The Hon. the Acting Speaker: That is what I so do.

An Hon. Senator: No rules. Forget the rules.

Senator MacEachen: Your Honour, you had better hear a few points before you leave the Chair, because you are heading for great difficulty, great difficulty.

Senator Austin: There is no Chair; we stand adjourned.

Senator Grafstein: Do you mean that the Chair can make a point and then not listen to a response to his particular point and turn his back to the Senate!

Senator Stanbury: You're really making a mess!

Senator Grafstein: First of all, they lock the doors. Then whoever is in the Chair turns his back on the Senate when people want to speak!

An Hon. Senator: People have a right to speak.

Senator Grafstein: What is going on here? What is going on? Is this normal practice?

Senator Austin: Honourable senators, I was speaking—

Senator Grafstein: There is nobody in the Chair. He turned his back on questions that were being raised! He turned his back on us!

Senator Murray: The Speaker has left the Chair for 20 minutes to reflect on what he has heard.

Senator Grafstein: He has turned his back on the questions that were being raised!

Senator Molgat: I have the right to take the Chair in this Chamber, and I shall do so.

Senator Austin: Honourable senators—

Senator Murray: This is highly improper.

Senator Austin: Honourable senators, I was speaking when Senator Murray interrupted me.

Senator Grafstein: It is unbelievable! I hope that Senator Austin will put on record what happened here in the last few minutes so that there is a record of this particular conduct which again is unprecedented. Unprecedented! What is going on here?

An Hon. Senator: Dictatorial!

An Hon. Senator: We now have a speaker in the Chair.

Senator Murray: There is not. The sitting has been suspended by the Speaker!

Senator Grafstein: How can he say that he has heard enough without listening to—

Senator Murray: The Speaker has suspended the sitting, as he said, for 20 minutes, to consider the points that have been made!

Senator Grafstein: Without listening! He turned his back on senators.

Senator Murray: He left the Chair and said he was taking 20 minutes. The sitting is suspended.

Senator Grafstein: Put on the record what happened.

Senator Thériault: It won't work! It will not work, Murray!

An Hon. Senator: What are you doing?

Senator Grafstein: What are you doing here?

Senator Murray: The Speaker has suspended the sitting for 20 minutes!

Senator Thériault: It is not suspended, and you know that it will not work! You know that it will not work! You were told that Friday! The only way this Parliament will work is if you apologize and remove that speaker and expunge from the record that breach of privilege! You can go away for 20 minutes—

Senator Grafstein: The press had better stay here.

An Hon Senator: It won't work.

Senator Grafstein: The press had better stay here! Let them recount exactly what happened. Let them be witnesses, because we cannot have witnesses from the independent scribes because the Speaker has left the Chair. Let the press understand exactly what has happened here. The Speaker got up and left in the midst of points of order being raised by the Leader of the Opposition, and turned his back on the Senate. Those are the facts. If the Fourth Estate is to be here and is truly a Fourth Estate, let it act as a Fourth Estate. Let it make this record, because they won't believe us!

You members of the Fourth Estate, show your independence. You now have an obligation to this nation and to this Parliament! This is unheralded, absolutely unheralded in parliamentary history, where the Speaker turns his back on the Leader of the Opposition and won't listen to a contentious point while he interrupts a point of privilege! It's unheard of, unheard of! Shame! Absolute shame!

Senator MacEachen: Honourable senators, I should like to speak on this matter—

Some Hon. Senators: We cannot hear. The electronic sound system is not functioning.

The Senate recessed during pleasure.

At 11:08 a.m. the sitting of the Senate was resumed, the Speaker *pro tempore* in the Chair.

Senator Austin: Honourable senators, I was addressing the chamber when the sound system malfunctioned and I was cut off most inappropriately.

The Hon. the Speaker *pro tempore:* If I may interrupt honourable senators, I refer you to the rule book, rule 61(1), which is found at page 25. It reads as follows:

> At the commencement of each session, a Committee of Selection consisting of nine senators shall be appointed whose duties shall be to nominate
>
> (a) a senator to preside as Speaker *pro tempore*;
>
> (b) the senators to serve on the several select committees.
>
> (2) The Committee of Selection shall, within the first five sitting days of each session, present a separate report to the Senate in respect of its nomination of a senator to preside as Speaker *pro tempore* pursuant to paragraph (1)(a).

That was done properly at the beginning of this session. I was nominated and I was elected—I point out elected—by this Senate.

I refer you now to page 6, rule 10:

> 10. Whenever the Senate is informed by the Clerk at the Table of the unavoidable absence of the Speaker, the senator chosen by the Senate under Rule 66(1)(a) to preside as Speaker *pro tempore*, or, if that senator is absent, any senator chosen by the Senate, shall preside during such absence and shall thereupon have and execute all the powers, privileges and duties of the Speaker until the Speaker, or the Speaker *pro tempore*, as the case may be, resumes the Chair.

Honourable senators, the events of this morning were unprecedented events. Senator Ottenheimer was in the Chair, left the Chair in the middle of an honourable senator's speech—

Senator Murray: He left the Chair for 20 minutes.

The Hon. the Speaker *pro tempore:* The matter is totally contrary to all possible procedures in this Senate. Therefore, under the circumstances, I intend to remain in the Chair until such time as Speaker Charbonneau returns, in which case, of

course, as Speaker *pro tempore* I would leave, or until such time as the Senate decides to forcibly eject me.

Senator Austin: I will continue with my question of privilege.

Senator Murray: I have a point of order. What happened this morning—

Senator Olson: What makes your point of order more important than that of anyone else?

Senator Austin: This takes priority over your point of order. You interrupted an address which I was making.

An Hon. Senator: Sit down, Murray!

Senator Murray: I was rising on a point of order.

Senator Austin: That the government leader would rise in the middle of—

Senator Roblin: Honourable senators, since we have no agreement as to who should speak, it is in order to move that Senator Murray be now heard.

Senator Austin: You are interrupting me. I am on a question of privilege. There is no motion before this house, nor can a motion be introduced.

The Hon. the Speaker *pro tempore:* Senator Murray, you are rising on a point of order?

Senator Murray: Senator Roblin has made a motion.

The Hon. the Speaker *pro tempore:* Senator Roblin is rising on a point of order?

Senator Roblin: I was trying to assist the house in determining who should speak, because there seemed to be some disagreement.

Senator Austin: I was speaking. You cannot interrupt an honourable senator in mid-address.

The Hon. the Speaker *pro tempore:* Honourable senators, let us go back to where we were. The Honourable Senator Austin was in the middle of a speech.

Senator Austin: On privilege.

The Hon. the Speaker *pro tempore:* He was interrupted at that point by the actions of Senator Ottenheimer. I think all senators would agree that there can be no motion made during the middle of an honourable senator's speech. It would be in order at the conclusion, but not in the middle.

If it is a point of order regarding that matter, I am prepared to listen to a point of order.

Senator Murray: What happened this morning was that Senator Austin had indeed been speaking after I had presented a motion to the Chair and asked the Chair to put the motion. The Chair had not put the motion.

Senator Olson: He had no right to. Why should he put your motion?

Senator Murray: My friend says that I have no right to do that. That is a matter not for my friend to decide.

[The Hon. the Speaker.]

An Hon. Senator: The Senate decides points of order.

Senator Murray: Honourable senators, I have put a motion.

Senator Olson: There is no motion by you in front of this house.

Senator Murray: I was recognized on a point of order.

Senator Austin: I was recognized and I proceeded to speak relevantly to this question of privilege for many minutes. I was in mid-speech when Senator Murray returned to the chamber, got up and addressed Senator Ottenheimer and asked to put a motion—

Senator Murray: No, no.

Senator Austin: —to put a motion which cannot even be tabled during a question of privilege. This is an unbelievable attempt to muscle in, which certainly Senator Murray promised the press he would exercise against the privileges of honourable senators on this side.

The Hon. the Speaker *pro tempore:* Would you proceed with your point of order.

Senator Murray: From the point of view of the chronology, the fact of the matter is that Senator Austin and I rose at the same time—

Senator Olson: No.

Senator Murray: Senator Austin and I rose at the same time to speak. The Chair recognized me. Senator Austin knows that. If he disagreed with that, somebody could have moved that Senator Austin be now heard. Nobody did, so I spoke.

At the end of my few remarks I presented a motion. I think honourable senators are aware what the motion was.

Senator Olson: That is just wrong. That is a wrong chronology.

Senator Murray: No. I have it right, Senator Olson. Senator Austin has just told you I have it right. He may disagree later.

I made a speech. I made a motion that we proceed to the Orders of the Day and that Orders numbered 1, 2, 3 and 4 be put over until the next sitting of the house.

Having made a motion, I sat down waiting for the Chair to put the motion. Instead, Senator Austin and I think several other senators rose and began to make their speeches, certainly not on my motion, that had not been put, but on matters of privilege.

I rose and again appealed to the Speaker to do two things: One is to decide whether there is a *prima facie* case of privilege.

An Hon. Senator: You did not.

Senator Murray: That is exactly what I did. I asked the Speaker to rule whether or not there is a *prima facie* case of privilege. There were some comments from the other side to the effect that we do not do that in this house, et cetera. I pointed out that Senator Frith, supported by Senator MacEachen and Senator Olson over a week or so ago, were urging

Mr. Speaker in this house to intervene when he had heard enough.

Senator Olson: You misinterpreted what I said.

Senator Murray: When he had heard enough, the Speaker might intervene and say that he had heard enough to decide whether there was a *prima facie* case and that he would then rule or take the matter under advisement and come back later.

Senator MacEachen: May I ask the Leader of the Government a question? What did Senator Murray put to the Chair? What was the Chair expected to decide as to the subject matter of the question of privilege? Is it that there was no privilege involved in the ruling of Mr. Speaker Charbonneau? Is that what Senator Ottenheimer, as Acting Speaker, was asked to rule, that that did not constitute a *prima facie* case? I want to know what the subject matter of the ruling was to be.

Senator Murray: If you are asking me, my answer is that the first statement, or speech on the question of privilege was made by Senator Stewart, and he outlined his views on the matter. Since then there have been literally dozens of speeches, ostensibly on that question of privilege, but most of them on subjects as varied as the Canadian Football League, soil conservation, and a reading by Senator van Roggen into the record of a speech that he first made in 1972.

What is the question of privilege? If you want to go back to the original speech, supposedly on privilege, it would be the speech of Senator Stewart of Antigonish-Guysborough, which he made on Tuesday.

What I wanted Senator Ottenheimer in the Chair to do was what you asked Mr. Speaker Charbonneau to do a week ago. That was to decide whether he had heard enough to enable him to make a decision as to whether there was a *prima facie* case of privilege. There were some opinions expressed back and forth about whether a *prima facie* case of privilege counts for anything in this chamber, whether we have a process.

Let me say I argued also, as honourable senators did the other day, that in most other assemblies that most of us know it is the practice for the Speaker to rule whether a *prima facie* case exists or not, after which a motion can be put. Further, I said that that practice had been confirmed in this house by a ruling that Mr. Speaker Charbonneau had made the other day on this very matter.

After some discussion back and forth, Senator Ottenheimer rose to say that it appeared there were two matters at least that were before him. One was whether he had the authority to decide whether he had heard enough. The second was, if so, whether the *prima facie* practice exists in this house. I would not say it was heckling, but there was a noise level in the chamber. I did not hear much of the rest of what he had to say, except that he wanted 20 minutes to reflect on this matter, or these matters, and to come back and let us know what he had to say. We are at that point. Senator Ottenheimer left the Chair when the Leader of the Opposition came in asking to be heard and so on.

A few minutes later, after the sitting had been recessed during pleasure, Senator Molgat took the Chair and remained there. That is the situation we are in at the moment.

My contention is that Senator Ottenheimer, having suspended the sitting for 20 minutes, has now returned, I presume to tell us the status of our various points of order or questions of privilege and, indeed, the status of my motion which I put forward and would like to hear put. I think that he should take the Chair according to the practice we always follow in this place, and that we should hear him out.

• (1115)

En passant, I would like to reread the rule put forward by Senator Molgat to justify his simply taking the Chair and attempting to refuse Senator Ottenheimer the resumption of it.

Rule 10 reads:

> Whenever the Senate is informed by the Clerk at the Table of the unavoidable absence of the Speaker, the senator chosen by the Senate under Rule 66(1) (*a*) to preside as Speaker *pro tempore*, or, if that senator is absent, any senator chosen by the Senate, shall preside during such absence and shall thereupon have and execute all the powers, privileges and duties of the Speaker . . .

The fact is that no such notice was given to the Senate by the Clerk of the unavoidable absence of the Speaker. We followed the course that I have always seen followed here when the Speaker left, as he did some time after the beginning of this sitting on Tuesday. Various honourable senators at various times have occupied the Chair for various periods of time.

I do not think that the rule cited by Senator Molgat is at all relevant. In any case, I have given, to the best of my knowledge and recollection, I think, a fair and accurate recitation of what happened here this morning. I think the time has come for Senator Ottenheimer, who suspended the sitting and who has returned, to tell us the status of our various questions and motions. I think he should take the Chair and do so.

Senator Grafstein: Why did Senator Ottenheimer refuse to listen to the objection of the Leader of the Opposition?

Senator Murray: I do not know, except that Senator Ottenheimer had left the Chair.

Senator Grafstein: He was in the chamber!

Senator Murray: Well, we disagree on that matter.

Senator Grafstein: He saw Senator MacEachen come in and rise as he was about to make a point. But Senator Ottenheimer turned his back on Senator MacEachen and walked out. Why did he do that?

Senator Murray: Honourable senators—

Senator Grafstein: You were there! You saw it! You were sitting across the chamber! You weren't mute or dumb!

Senator Olson: There is some question on the latter point.

Senator Murray: I know I was here and I know what I saw.

Senator Grafstein: Did Senator Ottenheimer not see Senator MacEachen? Did he not turn his back on Senator Mac-

Eachen after he saw Senator MacEachen rise on a point? There are two sides to this chamber.

Senator Murray: Senator Ottenheimer was out of the Chair on his way out of the chamber.

Senator Grafstein: He saw him. He stood in his place and then he turned his back. You saw it, I saw it and the press saw it.

Senator Murray: Why is Senator Grafstein assuming that Senator MacEachen has been somehow silenced by this? Why is he assuming that Senator Ottenheimer, whatever it is he has to say, is not going to hear Senator MacEachen?

Indeed, senators, I would be able to reply to the Honourable Senator Grafstein if he would rise in his place for a change, be recognized, make a proper speech and abide by the rules of the Senate.

Senator Grafstein: You asked me a question. Let me respond.

The reason why it was important for Senator MacEachen and other senators to address this issue is because we are dealing with an unprecedented point of privilege that is on the face of the Senate *Hansard*. It is not some partisan procedure concocted by one senator or another. It is on the face of *Hansard*.

Senator Murray: I suggest, honourable senators, that the sitting had been suspended—

Senator Grafstein: It is on the face of the *Hansard* of October 4, 1990. It is on the face of *Hansard* in writing and it is important.

There is no controversy about the facts. Let me tell you what those facts are: A letter went out from the Speaker to certain senators to tell them to come to the chamber for 5:30 on October 4. The Speaker resumed the sitting at 5:25, and this appears at page 2343 of *Hansard*, October 4, 1990. There it shows that at 5:25 the Speaker said: "Let the doors to the chamber be locked".

Honourable senators, if that is not a breach, if that is not a lock-out, I don't know what is. And Senator Everett said on the record that he had to force his way in to vote after that time. Now, if that is not a breach of privilege, I don't know what is.

Senator Murray: Honourable senators, including Senator Grafstein, debated this at very great length—

Senator Grafstein: I have not debated this point.

Senator Murray: —last week. It finally degenerated into the bell ringing, whistle blowing, desk banging circus that took place here on Friday last. We thought we had reached agreement on how to end that, but that agreement has been breached and apparently thrown out the window by one side.

• (1130)

Senator Olson: No, that's not true.

Senator Stanbury: You only say that when Senator Frith isn't around.

[Senator Grafstein.]

Senator Murray: Having said that, honourable senators, we now find ourselves in a position where Senator Ottenheimer, who suspended the sitting for 20 minutes in order to reflect upon the points that had been made by Senator Austin, myself and, perhaps, by others, has returned to the chamber. And by all the practice that is known in this place he ought to resume the Chair to tell us what he has to say, to tell us the status of our various motions and so forth. That is the orderly thing to do.

Senator Olson: Just bulldoze away.

Senator MacEachen: Honourable senators—

Senator Ottenheimer: Would Senator MacEachen allow me to say a word? This might be helpful.

Senator MacEachen: Certainly.

Senator Ottenheimer: Honourable senators, there are two things I want to say. First, with respect to Senator MacEachen's entry into the chamber, actually I had already said whatever words I did say, to the effect: "I suspend the sitting of the Senate for 15 or 20 minutes". I was out of the Chair and off the platform when Senator MacEachen entered, or when I saw him.

Senator Grafstein: Not so! Not so!

Senator Ottenheimer: The honourable gentleman has his opinion, but I do think we can take one another as being truthful. I am not lying. I did not say, "when he was here;" I said, "when I noticed him" or "when I heard him". This is not like a horse race. There is no photo finish.

I was then of the opinion that I had left the Chair and was down off the Speaker's platform when Senator MacEachen came in, or when I saw him, or when I heard him say something to the effect that he wished to speak on this. I did not think I could then go back into the Chair. That is the point I wish to make—not to argue, just to make.

Senator Grafstein: Would Senator Ottenheimer just answer one short question?

Senator Tremblay: Wait a minute!

Senator Grafstein: Was Senator Austin not still standing, asking—

Senator Doody: He is coming to that.

Senator Ottenheimer: Senator Grafstein, I am coming to that. There were two points that I wanted to communicate to honourable senators, and not argumentatively. The first one I have come to.

The second one is this: As I recall the latter part of the events, Senator Austin was speaking on the matter of privilege. Senator Murray got up. I do not recall all of what he said, but he made reference to a motion he had made with respect to which he had previously asked whether the Chair had heard enough evidence to make a determination. There was inherent in that a previous question; that is, whether the Chair had the authority to make such a determination.

It was certainly my intention, on coming back in, if I could have resumed the Chair, to have heard Senator Austin. In the coming together of all of these events and the lack of an atmosphere in which one necessarily thinks or hears as one should think or hear, I realized that apparently Senator Austin had not finished his speech. I was indeed going to hear him before getting into the ruling. To say anything else would be hypothetical.

Those are the two points, one with reference to Senator MacEachen and one with reference to Senator Austin. That is all I wish to point out.

Senator MacEachen: Honourable senators, I appreciate what Senator Ottenheimer has said. The question of privilege that is before the chamber is one raised on the conduct of Senator Charbonneau. The point is that his conduct is objectionable and has abused privileges of members of the Senate.

Senator Stanbury: There is no doubt about that.

Senator MacEachen: That is the question of privilege, that in his ruling he has blatantly disregarded the practice and the rule of the Senate, and that even the lock-out technique was used in order to prevent members, for five minutes, from entering the chamber. That is the question of privilege.

It is directed against the Chair. Here we are asking the accused to exonerate himself. I think in this case that the Chair ought not to take upon himself the decision whether to terminate a debate which affects his conduct. It is unthinkable that the Chair should do that. That is my view.

The termination of the debate on the conduct of the Chair ought to be done by consensus of the house. The Chair says, "You are attacking me and I have heard enough. I terminate your right to speak. I terminate your right to speak by fiat. And not only am I able to do that, I am also able to determine whether there is any ground whatsoever in the validity of the debate. I have the power to terminate the debate and I have the power to decide whether there is any validity in what you say."

I do not know of any Speaker in any Parliament who would undertake that. This is what I object to. I am not entering the debate as to whether the Speaker should ever say, "I have heard enough." I am not entering the debate on the question of whether he ought to have the right to discover a *prima facie* case. I am not entering that debate.

What I am saying is this: when the Speaker is under attack by almost half the members of the house, ought he to have the right to end the debate and to say that he has decided that members' privileges are trivial? That is what is before us. I think that Senator Ottenheimer really should disqualify himself from entertaining a decision of that kind. It is against every principle of justice that the person against whom the grievance is raised is able to decide the time to be spent on debate and whether it is valid. That is my objection.

I say further that in this case we ought to proceed by consensus to decide when we want to terminate this debate rather than have the speaker terminate it.

• (1145)

We have a shadow hanging over Senator Charbonneau and now we will ask another member of the Senate, who is in the Chair, to undertake an act that is bound to bring more difficulty, more disdain, and more disgrace. I think that we should avoid that, especially when we said yesterday that the house was finally balanced. By a further decision of the same Chair, those members are to be denied to speak further and they are to be told that they do not have any grounds at all. I think that is wrong.

With all due respect to Senator Ottenheimer, he has been a firm advocate of the government policy in the house and on procedural questions.

Senator Bonnell: He sat in the caucus also.

Senator MacEachen: He has been in caucus every time these matters have been discussed. Can he transform himself into an impartial judge in that situation? I do not think it is possible for any of us to do that, namely, to say, "I shed for this instant all my partisan activities and views and I will now be a solemn, impartial judge." I do not believe it. If the Leader of the Government persists in this unnecessary move, then he will have further difficulty.

What does it achieve? By a fiat of the Chair you might succeed in ending the debate on privilege, but what have you achieved?

An Hon. Senator: Start a new session.

Senator MacEachen: Have you restored calm to the house? Have you restored moderation? You have created another grievance and have put another member of the Senate on the dock. You have not made it any more certain that you will reach the Orders of the Day.

Yesterday I made a suggestion to the Leader of the Government that he do something to deal with this ruling to try to reduce its amplitude and to put us on a new basis to go ahead. I think we should try that to see if we can reduce the tension rather than create new tension, which this is bound to do.

What will we do in this circumstance? Senator Molgat has taken the Chair. He claimed his right to take the Chair and takes the view that he can only be removed by the arrival of Speaker Charbonneau.

An Hon. Senator: Where is he?

Senator MacEachen: Or he will not leave unless he is physically ejected by the constables. Isn't it a sand situation that we are in?

What if Senator Charbonneau comes in? Will he then undertake the job of ending the debate about his own conduct? I think this debate on privilege will end. Of course it will end—there is no question about that. We do not need this debate on privilege to say, "You might as well hear it on this subject as another." By trying to force the pace you will add to the tension, the trouble and the immoderation.

I think that Senator Murray should suspend his pressing on this point today. Just let it sit and do not ask Senator Ottenheimer to produce a verdict on this point for the reasons that I

have stated. Let the debate go on. You can terminate it, but you will have bad consequences for the atmosphere of the house, which is beginning to improve.

Some Hon. Senators: Oh!

Senator Fairbairn: It was.

Senator MacEachen: It is beginning to improve.

Senator Austin: I was civil.

Senator MacEachen: I think it has improved. The atmosphere is decreasing, but you will increase it if you persist. Why can't you wait? Take another 24 hours and let this sit and see what happens. But do not press the issue today. That is my advice.

Senator Murray: Honourable senators, it is the good fortune of the Leader of the Opposition and the misfortune of the Senate that he was not here last week to have applied these soothing words to the Senate.

Senator MacEachen: Well, I am doing it today.

Senator Murray: I take that point and I am glad to hear the soothing words today. Unfortunately, he was not here last week when we made an agreement on how we would move out of the situation we were in. The agreement was read into the record by Senator Frith. I dealt with it again this morning. No reasonable person reading the agreement could come to any conclusion 46 hours later but that the agreement had been dishonoured, abrogated unilaterally and thrown out the window.

An Hon. Senator: Come on!

Senator Olson: You are getting a little miffed.

Senator Stollery: You could not say that with Senator Frith in the house.

Senator Lucier: You know perfectly well that agreement was with Charbonneau out of the Chair.

Senator Murray: I was not trying this morning—

Senator Lucier: You know that, too.

Senator Murray: I am not trying now—

Senator Doody: That is true.

Senator Lucier: You knew perfectly well that we would not come back with Charbonneau in the Chair. We told you that for seven hours.

Senator Murray: My honourable friend was here last Friday and saw me hold the floor for four hours or so under much more difficult circumstances than these. I am quite prepared to hold the floor for another four hours, if necessary, to make my point.

An Hon. Senator: That's okay with me.

An Hon. Senator: Until December 31 would be all right with me!

Senator Lucier: The people of the Yukon—

[Senator MacEachen.]

Senator Doody: No one interrupted Senator MacEachen. Senator Lucier, try to keep it down for a few minutes. Let us try to get this place back to some semblance of order.

Senator Lucier: That's all right with me.

Senator Murray: I am trying to make a couple of points. I was not trying this morning, nor am I trying now, to put an undue burden on whoever is occupying the Chair at a particular time. I am asking—after almost 46 hours of readings about the Canadian Football League; of speeches about soil conservation; of reading verbatim into the record at great length the report of the Buckwold committee; of discussion of the GST, some of which was quite interesting; of readings, by Senator Stanbury, of biographies from the *Parliamentary Guide*—

Senator Lucier: And soil erosion.

An Hon. Senator: And hearing about the honourable people whose privileges you have denied.

Senator Murray: —all of these under the guise of privilege—I am asking that the Senate decide to move to the Orders of the Day, which was what the agreement we made here last Friday was all about.

Senator Buckwold: It was an agreement with conditions.

Senator Murray: The motion I made is not dissimilar to—

Senator Austin: It is not quite consistent.

Senator Murray: —in fact it is quite similar to the motion that was made by Senator Cogger on Friday. I put that motion forward not with a view to putting any particular pressure on the occupant of the Chair—there is no reason to put any pressure on the occupant of the Chair—and not so that the Chair would decide, but so that the Senate could finally decide, so that we would not be held hostage indefinitely; and so that we would be able to get on with the business of the country that is before us.

Senator Cools: This is the business.

Senator Murray: The second point I want to make is that the Leader of the Opposition has, I think unfairly, stated that what we are trying to do here is put the Chair in a position to adjudicate his own case. On the contrary, no one is asking the Chair to adjudicate his own case.

Let me put it directly to honourable senators that if they have the courage to put forward a motion of censure of Mr. Speaker, all they have to do is give notice and that debate will get on. There will then be a vote in this place.

The things that have been said about Mr. Speaker Charbonneau—never mind his conduct in his official position, but about his person, in the course of these discussions this week and last have been absolutely reprehensible in every way. It is not just that I happen to have been and am proud to be a friend of 30 years standing of Guy Charbonneau that I make a statement like that. Things have been said in this chamber about the person of Guy Charbonneau that should never be said about a dog. Some of you people should be heartily ashamed of the things that you have said in this Senate about Senator Charbonneau.

Do not worry about offending his sensibilities or anyone else's sensibilities by putting down notice of motion or a motion for censuring the Speaker—at least that would be the formal, official, and if I may say so, honourable way to proceed. We will then debate it and, ultimately, we will have a vote.

Senator Olson: With or without the eight strangers?

Senator Murray: But do not talk—

Senator Olson: They are in here.

Senator Murray: There are not eight strangers in here, senator.

Senator Olson: They are here.

Senator Murray: This is nonsense. This is an insult.

Senator Olson: It is an insult to you, not to the people of Canada.

Senator Murray: It is an insult to the Senate and to those senators.

The Hon. the Speaker *pro tempore:* Order!

Senator Murray: There are no strangers in this place.

Senator Grafstein: What is an insult?

The Hon. the Speaker *pro tempore:* Order!

Senator Murray: There are no strangers in this place.

Senator Stanbury: Let the courts decide.

Senator Grafstein: And your counsel says that it is an important, complex constitutional matter. Is that the matter that we are talking about?

Senator Murray: Yes.

Senator Grafstein: Your counsel said that.

Senator Austin: And it is an insult.

Senator Murray: And Senator Olson has said that there are strangers in this place. That being the case, I suppose he will want to get up and repeat Senator Frith's motion of one or two weeks ago that strangers be cleared from the house. Is that his next move? Look—

Senator Olson: We need to find out if there are strangers according to the law.

Senator Murray: Yes.

Senator Olson: Let us try using the law for once.

Senator Murray: Thank you, senator. Yes, you can take your political argument into the law courts and we will see what happens.

In any case, I have suggested that, far from asking the Speaker to adjudicate that case, the honourable and proper thing for you to do is to ask the Senate to decide whether Speaker Charbonneau is guilty of all these horrendous things that you have been saying about him.

You could have appealed his rulings. I have pointed that out. You could have and still could change the rules if you do not like the precedents set by the Speaker's rulings last week.

Senator Olson: We don't do that; you do it.

Senator Murray: You could draft a new rule. I suggested that to you yesterday, namely, that you draft a new rule on privilege—

Senator Lucier: Mulroney drafted the last one.

Senator Murray: —if you did not like the precedent that was set by his ruling. But you did not appeal. You have not tried to draft new rules—

Senator Grafstein: The rules are adequate.

Senator Murray: —on holding a vote. You keep making these quite unworthy speeches about the person and the office of the Honourable Guy Charbonneau.

The time has come to fish or cut bait. If you have the courage, put forward a notice of motion—

Senator Steuart: After you people whitewash it. Don't hand me that.

Senator Murray: —expressing your views about Speaker Charbonneau. Perhaps you can find a more honourable and decent way of expressing your opinions than many of you have done in the last little while.

I will speak in favour of Senator Charbonneau, and I think my friends on this side will speak in defence of the person, the office and his rulings. We will then have a vote on the matter. All senators will have an opportunity to express themselves at that time.

Senator Lucier: When you ring the bells for that vote, who will decide when they stop ringing?

Senator Murray: That will be the proper official, if I may say so, and it will be the honourable way to proceed.

Senator Austin: Honourable senators, I believe I am entitled to resume my place in the order of the debate on the question of privilege.

• (1200)

I regret the tone the Leader of the Government took in response to Senator MacEachen, because I believe there is a genuine desire on our part to lower the temperature in this place.

The Hon. the Speaker *pro tempore:* Honourable senators, I believe there is a problem with the sound system.

Senator Doody: Yes, there is. It has been called to the attention of the appropriate officials. There is no translation available.

The Hon. the Speaker *pro tempore:* I suggest, honourable senators, that the Senate adjourn while these repairs are undertaken.

Senator Austin: And I will continue when the Senate resumes.

The Hon. the Speaker *pro tempore:* Is it agreed, honourable senators, that the Senate do now adjourn?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 1:45 p.m. the sitting of the Senate was resumed, the Speaker in the Chair.

Senator Austin: Honourable senators—-

Senator Frith: Honourable senators, may I ask Senator Austin to yield to me on a question of personal privilege.

Senator Austin: Certainly. I will continue after you have completed.

Senator Frith: Thank you.

Honourable senators, we are learning in these circumstances a great deal about our private lives because we always seem to have to explain where we were at a certain time when something took place.

The point I wish to clear up is the question of whether there was a breach of some agreement made among Senator Murray, Senator Doody and me. The reference to this agreement is found at page 2406 of *Senate Debates* of October 4, 1990.

I have been told by my colleagues that Senator Murray has repeated several times that there was some breach of the agreement. Honourable senators will remember that the Leader of the Government in the Senate took that position on an occasion when I was present. At that time I put on the record the fact that we were in the course of completing the agreement. I said that we were implementing the agreement. I said that the agreement we reached before last weekend was that we would permit Senator Cogger's motion to carry.

Honourable senators will remember that Senator Cogger's motion was to say that Orders 1, 2, 3 and 4 be postponed until the next sitting of the Senate. Just to put that into context, the point was to bring Order No. 5 forward. So the effect of Senator Cogger's motion was to have us go straight to the GST legislation, to put it in simple terms. The agreement made on that point was that Senator Buckwold would move the motion for the adoption of the report because the motion for the adoption of the report had not at that time been made. It was understood he would say a few words so that there would be, to quote the Leader of the Government in the Senate, "a clean launch" of that order.

So far, so good. I am sure all honourable senators will agree with that.

The second point was that we would start with a fresh sitting on Tuesday, and that the order paper would be restored to its state at that time.

Honourable senators will know that Orders of the Day come later than the top of the order paper. The clawback legislation is Order No. 1, Bill C-21 is Order No. 2, Bill C-39 is Order No. 3 and then there is the legislation respecting copyright, Bill S-8. This is all set out at page 2406 of *Senate Debates*. Then we were to deal with the legislation respecting provincial laws application to offshore areas.

When we started on Tuesday that is exactly what the order paper showed.

[The Hon. the Speaker.]

I have to underline again—so honourable senators will know what we are talking about—that we are talking about Orders of the Day, and that they come later than the top of the order paper.

The third point we covered was with respect to the question of privilege, and the question of everybody's position being the same.

I am at a bit of a disadvantage because I have to try to base my question of privilege on what I have been told, so if I am wrong, I am sure someone will correct me.

Those were the points we discussed in my office, and those were the points we discussed when the three of us gathered here before we got started. It was quite clear that we implemented the first part of the agreement, in that Senator Buckwold did introduce the debate on the report. That was done.

Then we had a fresh start. We were to start at the top of the order paper.

As I pointed out the last time Senator Murray raised this point when I was present, the time to deal with privilege is always at the top of the order paper. Any senator who has been here for any length of time knows that questions of privilege come at the top of the order paper.

I am repeating what I said the last time, but I thought that the matter had been laid to rest when Senator Murray raised this matter before and I stood up and said, in effect, what I have just said.

I was at home catching a couple of hours of sleep when I was told that things had taken place here and that I had better come back. When I came down here my colleagues told me that Senator Murray was saying—and correct me if I am wrong—that I had broken the agreement. Apparently the breaking of the agreement was related to something about whether Senator Charbonneau's name had been mentioned. He had not raised that point previously. The point he raised was that we were dealing with privilege and not going straight to the Orders of the Day. There was no agreement to go straight to Orders of the Day; the agreement was to go to the top of the order paper. So I thought that the matter was laid to rest and there was nothing more to be said.

Honourable senators, how could this come about? This has never happened in all of the time I have been here dealing with Senator Doody in his capacity as Deputy Leader of the Government. We have reached a number of agreements over the years. We have not had any difficulty in this regard in the past, although there was one exception last week, and I cannot recall exactly what it was, but it was not a material matter. I stood up and said that we had agreed to something and he said: "That is correct, except for one point." It had something to do with "session" rather than "sitting".

When one thinks of how long Senator Doody and I have been working together, our record is not bad. Up to now there has never been any repudiation of agreements by our side or their side.

So what record do we have on this last point? I will not go over all of the rest of it because that does not seem to be in dispute.

I have been told that Senator Murray said that Senator Charbonneau's name had never been mentioned.

Honourable senators, let me repeat what I have already put on the record. At page 2406 of *Senate Debates* I stated:

> Because of the way things were left on the record after the points of privilege that were raised, everyone's position will remain the same. Our position is that the vote on Wednesday should not be a precedent, and that such votes should be held in accordance with Rules 49 and 50. Proceedings for a vote are outlined on page 70 of the rules. As I say, our positions remain the same on that. Our position with respect to Speaker Charbonneau remains the same. I think that covers everything that we discussed.

In case there is any doubt, let me say again that our position with respect to Speaker Charbonneau remains the same.

I would expect that if I had misstated the position Senator Doody or Senator Murray would have stood up and said: "Wait a minute. Speaker Charbonneau was not referred to. He was not involved in this." So, let us look at the record to see if that happened. No, it did not. Senator Doody stood up and said:

> I should explain to our caucus—

That was necessary because the Liberals had had a caucus to discuss this, and I had gone back to the caucus and indicated what had taken place. The Conservatives had not had a caucus, so Senator Doody wanted to explain to his colleagues, understandably, what had taken place. He said:

> I should explain to our caucus that we did indeed have those discussions with Senator Frith, and the report that he has given is correct in every detail.

Senator Doody and I have had a six-year relationship, and Senator Doody in this case agreed that what I said was correct "in every detail", and both sides of the chamber assumed that what I had said was correct "in every detail" because of what Senator Doody said, as I would have assumed in reverse circumstances.

So I am looking for an explanation because this is the first time this has ever happened. This is the first time Senator Murray, in the same period of time, has ever repudiated an agreement or claimed that I had repudiated an agreement or claimed that Senator Doody had repudiated an agreement.

So I can think of no reason for this discrepancy, except that Senator Murray, as we are all aware, is under a great deal of pressure. He was here this morning when I arrived 5 or 5.30. He is in a very difficult position. We all make mistakes.

If the allegation is that Senator Charbonneau, or anything dealing with Senator Charbonneau, was not a part of the agreement, and I put that on the record, and Senator Doody said: "It is correct in every detail", I do not know what else I can say.

I cannot think of any other explanation except that Senator Murray forgot, and I understand how that could happen in the position he is in—to some extent the position we are all in, but there is nobody here under more pressure than he is.

That is the only explanation I can give for the fact that there seems to be a misunderstanding about the agreement, even though it was put on the record, was correct in every detail, was raised again when I put it on the record and not challenged, and then when I was away apparently this came up.

If I am wrong about what Senator Murray has said, then I am sure I will be corrected.

• (1400)

Thinking back, I cannot remember any situation that was clearer. The explanation can only be that Senator Murray misunderstood and did not rise to repudiate what I said at the time—nor did he the second time I dealt with it, or when I raised it for the third time. The only reason I can see for that is that he, like anyone under a great deal of pressure, can make mistakes.

Senator Murray: Honourable senators, I will take a couple minutes of your time because I have already stated my views on this matter on several occasions, and I—believe it or not—dislike repeating myself.

Senator Frith: I know how you feel.

Senator Murray: The agreement we reached was not only an agreement between the leadership of our two parties and the house, it was one on which the Liberal caucus was consulted. I believe all of us who were present were parties to that agreement.

If Senator Frith had said to us that they would pass Senator Cogger's motion Friday afternoon, proceed to have Senator Buckwold move adoption of his report then give us the weekend off, and come back Tuesday and see what happens, I would have known what he had in mind. I would have come back and consulted my caucus, and I would have been thrown out on my ear for ever suggesting such a thing.

Senator Frith did not do that. He came in here instead, and, at the invitation of Senator Doody and me, placed the agreement on the record. Not only did he say that we would be starting with a fresh sitting and at the top of the order paper—he could have sat down if that was all there was to it—he then went on to discuss what would happen, as he saw it, with the various items of legislation. He said Bill C-28 could be passed with a short debate; Bill C-39 would pass; he might have a word about Bill S-8; and then Bill C-62.

Honourable senators, as I said this morning—not once but several times and I will repeat it one last time for the record—I will content myself with what is on the record at page 2406 of the *Debates of the Senate* of October 4, 1990. Any reasonable person who reads that can come to no other conclusion than the following: on Tuesday we were going to meet, go through the routine proceedings and work our way down the order paper to the GST report, and Senator Buckwold would complete the speech he started so briefly on Friday night. If

you asked any reasonable person, upon reading this agreement, whether it could be expected that 48 hours after Tuesday's session had begun Tuesday's session would still be going on and that we would be consumed with lengthy speeches on alleged questions of privilege—speeches having to do not with Bill C-28, C-21, C-39, S-8 or C-62, but rather with the Canadian Football League, soil conservation, Senate reform and all manner of things under the guise of privilege—if that arrangement had been contemplated, the answer would have been no.

Some Hon. Senators: Hear, hear.

Senator Murray: I will leave what I have said on the record. The agreement is on the record. What Senator Frith has said is on the record, and, frankly, I suggest he is playing with words.

Senator Frith: Honourable senators—

Senator Balfour: Give someone else a turn!

Hon. C. William Doody (Deputy Leader of the Government): I do not have much to add. It has all been said. I want to say that the term "repudiation" is a strong word. Neither Senator Murray, myself nor Senator Frith repudiated the agreement we made on Friday. What has obviously happened is that I was far too naive in not being more specific in the wording of the agreement. I have had, as Senator Frith pointed out, the good fortune of being able to deal with my good friend across the way many times over the past six years. We have worked out many details—some contentious and some routine—to the satisfaction of both sides, and I would like to see that situation continue. I do not believe that this legislature or any other legislature can function unless there are channels of communication open between both sides where matters can be resolved.

Some Hon. Senators: Hear, hear.

Senator Doody: There are things that arise from time to time that cannot be resolved on the floor of the chamber. There has to be some good feeling and open-mindedness on both sides to resolve difficulties when they arise. If ever that truism was demonstrated, it was demonstrated in this place over the past week.

Senator Thériault: Right on!

Senator Doody: I must say one thing in my own defence in accepting the terms of that agreement. I offered to explain what the terms of the agreement were, as I saw them, to our caucus. Senator Frith had already done so, and I said his assessment of the situation was correct in every detail. I am not so dishonest as to suggest that had I known that I had agreed to 40 hours of debate on a question of privilege I would not have felt obligated to reveal this to my colleagues as a reason for having given them a weekend off. I do not think it would have been a deal I could have convinced them to accept; nor would my position as the Deputy Leader have lasted long had I accepted such a deal. That may well have been implicit in the agreement. If it was so, I did not realize it, nor would I have agreed to it at that time.

[Senator Murray.]

I can only say to honourable senators on both sides of the chamber that I will be far more careful next time, but hopefully the situation will not repeat itself and we can get back to the stage we were at before this unfortunate situation occurred.

Hon. Senators: Hear, hear.

Senator Frith: Honourable senators, I agree with what Senator Doody said about the need to maintain the openness of these channels, as they are sometimes called. I think we can close it by saying that we have no intention of changing that relationship. I am sorry and I understand how Senator Murray may have got into trouble with his caucus as the 40 hours developed. I can tell him—if he can sympathize with me—that if I had said that we would be debating C-62 for sure on the Tuesday, I also would have been thrown out of my caucus on my ear.

Senator Doody: Even if you had said Wednesday or Thursday!

Senator Frith: We would have all been thrown out on our ears. We should realize that there are a number of things we agree to, and one is that at no time did I ask for, anticipate or insist on 40 or any other number of hours nor did my friends opposite agree to any number of hours. In fact, they may have thought it was unreasonable for anyone to think, as an implication of the fact that we would be continuing with our point of privilege, that it would last that long.

I have found that we all tend to invoke the doctrine of the reasonable man when we wish to reinforce our interpretation or anticipation of events or agreements. Senator Murray says that no reasonable person would expect that to flow from this agreement. Others might say if you understood that there was no limit placed and it is a point of privilege, it could happen that that would be reasonable. One way or the other, we both feel the record justifies us and we have explained our positions. We understand each other better, and I think we should close this discussion with Senator Doody's statement and description: Let us hope that such an unfortunate result of an agreement and that this unfortunate situation—I think that is the word he used—does not occur again.

Hon. Senators: Hear, hear.

Senator Austin: Honourable senators, I am pleased that I am allowed to resume my question of privilege, which I began some hours ago and was much interrupted. I appreciate the comments of the Leader of the Opposition, the Leader of the Government and the two house leaders when they said that they are restoring, at least to some extent, the comity and the accord that is necessary in this chamber if its business is to be done.

The question of privilege raised by Senator Stewart (Antigonish Guysborough) relates to the unprecedented actions of the Speaker in determining when a vote would be held, who would be given notice of that vote, when the doors would be closed and who would be allowed to be present when the doors were closed. I said this morning—and I will not repeat it at length—that my privileges as a senator were denied by that behaviour and that the Speaker lacked, in his actions, any

elemental fairness or concept of natural justice and he abused the rules as they stand.

Honourable senators, when Senator Murray interrupted me in mid sentence this morning, I was referring to a work by Frank Andrew Kunz entitled *Second Chambers: A Comparative Study*. This paper has special reference to the Senate of Canada and is dated December 1960. Honourable senators will recall that the point I was making related to the way in which, by convention and precedent, the Senate conducted its business and the positions of senators in discharging their responsibilities as legislators. I mentioned the words of Senator Arthur Meighen in 1937. I will repeat those words because they are significant to the point I was making. He says:

> They—

meaning honourable senators

> —have to make up their minds to give every Government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits, and that the consequences of the failure to defeat it would be serious . . .

Honourable senators, there is additional material that I believe is highly relevant to the question of privilege. I move to page 243 where Mr. Kunz says:

> In 1919 Sir R. Borden's bill to do away with the Crow's Nest Pass Agreement on the rates of wheat and wheat-products failed to pass a Senate composed of a majority of Conservative Senators. The Bill was postponed until 1925-26, and then the Government of that day—

being Mr. King's government

> —refused to repeal it and it has remained the law of the country.

It goes on:

• (1415)

> By its impartial action—

by this he means the impartial action of the Senate:

> —the Senate saved prairie farmers $26 million per year for 29 years or a total of $754 million. 'What the Senate saved in 1919, the Prairie provinces, through their membership in both Houses of Parliament, have jealously guarded ever since'.

This chamber saved the Crow's Nest Agreement for the farmers on the Prairies. It was this Chamber that defeated a Government bill seeking to withdraw statutory spending commitments.

Mr. Kunz goes on:

> Again, in 1936 when Prime Minister King brought up the Bill to amend the Railway Act, there were 63 Conservatives, most of them appointed by Sir Robert Borden, and 32 Liberals in the Senate. Some of the Opposition Senators said they were determined to block the Bill because it did away with the Commission form of the CNR and put them under political directors. But a sufficient number of Conservative Senators maintained that the CNR had been losing upwards of $50 million a year and in the election Mr. King and his supporters had promised if they were elected they would bring in legislation that would put the CNR in a position where the deficits would disappear. The Bill was passed.

That Bill was passed by a combination of Liberal and Conservative senators.

I read on:

> During a Senate debate in 1945, Senator Euler reminded the House that the very first vote that he and nine other of his fellow Liberals cast in the Senate was against the Bill which proposed to apply the Farmers' Creditors Arrangement Act to the Province of Manitoba. They proposed an amendment that decisions should be subject to appeal. When that amendment was rejected by the Commons, the Senate insisted on it. The result being that the Bill died a natural death. And he added "It is to the credit of the Senate of Canada that its members have seldom availed themselves of their power to exercise a partisan spirit."
>
> In 1951 the fight in the Senate against a Government Bill passed by the Liberal majority in the Commons was headed by Liberal Senator Crerar, former Minister of Agriculture, who stated flatly: "There is no justification for the Government paying a single cent, and I say it as a farmer of Western Canada and one who will be a beneficiary through the 4 and one-half cents a bushel being added to the wheat payment." At the final vote eight other Liberal senators showed their political independence by opposing the Government and voting against the payment.
>
> It may be recalled that the Senate votes of 21 - 11 on the Estate Tax Act in 1958, already referred to, also cut across party lines.
>
> And referring to the controversial Naval Bill of 1973, Senator McIntyre said in 1951 that "If a similar Bill were to come before us today the Senate should again protect the Canadian taxpayers. The Senate showed its independence when it defeated the Naval Bill, and it has continued to do so throughout the years."

Then he said something which I believe is very much in doubt today:

> There are no party politics in this Chamber and I hope there never will be.

What we have seen is this Senate Chamber taking a number of actions to deal with spending bills and defeating those bills or deferring those bills or refusing to act on those bills. This is well within the precedents, well within the authority of this Chamber.

Let me make a few more reference to Mr. Kunz' paper:

> There are reasons to suggest that we can dismiss today the proposition that the idea of a Second Chamber is incompatible with the requirements of democracy. Indeed, it is perhaps the very requirements of democracy which call for the existence of a Second Chamber. It has been

> suggested repeatedly in this study that one of the "raison d'être" of a second chamber is to try to keep watch, through various legislative and executive devices, over the increasing power of the Executive. Now, as an objection to this notion, one may choose either of two arguments. On the one hand, one might admit that the real danger to the fundamental principle of Western liberalism, that is to the highest possible development of individual personalities, comes from the legislative and executive omnipotence of the Government, but one might refuse to agree that a Second Chamber is the most effective protection against such a challenge. Yet, the question arises: If not Second Chamber, what else? All proposals are welcomed. But there are none. On the one hand, one might reject the notion outright that an omnipotent Executive involves any danger at all, arguing that it may well be much more harmful if a government is restricted and cannot act promptly, than if it is completely uncontrolled. Consequently the argument in favour of a Second Chamber as a check over the Executive is immediately lost. However, I am sure few people would disagree that the lesson to be drawn from the first 60 years of the Twentieth Century clearly indicates that the greatest single source of danger to individual freedom is the power of an unrestricted Executive. True, to agree on the scope of this danger, one must prefer freedom to speed and effectiveness in governmental operations. Therefore, the problem in the final resort remains a question of value-judgment. However, what I am contending is that once it is agreed on that a Second Chamber is needed for the performance of protecting and controlling functions, it is inconsistent to divest it of all sources of power. It may be argued that Second Chambers are needless; in this case they should be abolished. But if it is admitted that they are needed, they should be powerful.

I think that case is incontrovertible and I find that the editorial mentioned by Senator Murray in his address to this Chamber in these proceedings is completely flawed. This is the editorial appearing in the Winnipeg Free Press under the title "Tyranny of the Bells".

Senator Molgat: Would the honourable senator tell us which copy of the Quorum that is?

Senator Austin: This is from our Quorum of Wednesday, October 10, page 22. It states:

> Canada should erect a statue on Parliament Hill to Senate Speaker Guy Charbonneau.

After that it goes on to argue that Mr. Charbonneau struck a mighty blow for the rights of Parliament. This, of course, is the question of privilege that is before us. He struck a mighty blow against the privileges of parliament, in my view.

The article's principal position is that the business of the government is the business of Parliament, that the business of the government is the business of the people. The argument says in part:

[Senator Austin.]

> The reason the bells are rung is to call the members to a vote. When one party demands a recorded vote, it is that party's clear duty to show up to be counted. If it fails to do so, the clear and obvious duty of the Speaker is, after a reasonable time, to get on with the business of Parliament.
>
> Why the Commons Speaker in 1982, Jeanne Sauvé, did not exercise her common sense and defend the rights of Members of Parliament to debate and vote on public business has always been impossible to understand.

Of course, the editorial writer does not understand the point that was made by Mr. Kunz, that freedom comes before efficiency; that the rights of Parliament come before the government program.

There is no basis of explanation, but clearly the argument is badly founded and is on the opposite side of the position of the same newspaper in 1956 during the pipeline debate. That is not to say that the Winnipeg Free Press is the only newspaper in Canada that is inconsistent in its editorial policy.

I would like to read a letter from a citizen, which appears in the Financial Post of today. It appears under the title "Senate playing proper role in debate". It is on the editorial page, page 12. It is written by Henry Berry of Toronto, whom I do not know. He states:

> In the constitutional turmoil of our day, is the Senate obstructing the will of the people as expressed through their elected representatives or is it protecting the people from their elected representatives and government?
>
> Elected politicians, party leaders, prime ministers and students of political theory know that our democratic system of government is also undemocratic, that our so-called representatives, once elected, often represent us no longer and that laws and policies can be imposed upon an apathetic, uninformed, powerless and often slumbering electorate without any fear of retribution until the next election.
>
> The elected government of any nation of several million inhabitants, in order to govern, has required the assumption that the majority of the citizenry are ignorant and uninformed, that policies at and between election be made by the party system, that elected members merely represent their constituency, that they are not delegates of that constituency and that they can therefore act independently of it but not independently of the party, caucus or cabinet.
>
> The last few decades have seen a growing dissatisfaction for these reasons and greater citizen participation in decision-making has become the slogan of the participatory democracy movement. Elected governments have shown that their authority must be limited by something more than a general election held every five years.
>
> The Senate is presently acting in a way to limit the power of the legislators. In the system of checks and balances that is government, a Senate or upper chamber has had a responsibility which has gone beyond that of the

mere vote getter. The Senate, in its ideal role, as an unelected body, not one influenced by the considerations of the next election, but as a body appointed by the elected, can take a larger view of issues and it can examine, suggest amendments and delay legislation it regards as unwise or intemperate. The institution of the Senate is one form of check on the elected government. A free vote in the House of Commons, in which individual members are able to vote according to the will of their constituency rather than at the command of their cabinet and prime minister is also a form of restraint of otherwise unchecked party authority.

Another useful check is that of the referendum. If the assumptions about democracy as they are promoted by the politicians and political parties at election time are correct, namely, that the populace are willing and intelligent enough to understand the issues and make an informed choice, the referendum is an instrument of truly participatory democracy which must come into use with some frequency.

Elected governments, when faced with wide-spread disapproval of their policies and intentions or when devising legislation that will significantly affect the nation, the lives and habits of its people, their traditions and values, their ability to work, to earn, to save, to secure their property and to conduct their business, should be required to consult the populace and to respond to the general will.

The Senate's action of the past few weeks in obstructing the passage of the goods and services tax, although drawn along party lines, has been in response to the will of the majority of Canadians.

Honourable senators, I submit to you that it is the duty, the obligation and responsibility of honourable senators to deal with these questions of damage to the Canadian governments and of an arbitrary government which cares not about the will of the people. We are doing our job in delaying legislation so that the arguments on the merits of this legislation can be seen and can be understood by the people of Canada. It is the job of the Opposition to oppose. If we did not have the witnesses who came before the Banking Committee, if we did not have the wide-spread evidence in the country of the unpopularity of this legislation, then perhaps the legislation should be allowed, however in error. But there is wide dissatisfaction with this legislation. It is our responsibility to deal with that dissatisfaction and to hold the government to account.

● (1430)

Honourable senators, my own province of British Columbia, as I have said in this chamber, is opposed to the GST legislation. A unanimous resolution of the legislature of the province of British Columbia has urged this Parliament and the senators from British Columbia in Parliament to oppose the GST legislation. I cannot do my job as a senator when I am deprived, in an arbitrary fashion by the Speaker, contrary to the rules of the chamber and to the rules of justice, of my opportunity to participate in this debate and to participate in properly arranged votes.

Hon. D.G. Steuart: Honourable senators, today I want to discuss, as all senators on this side are discussing, the fact that our privileges were breached in the most unbelievable and undemocratic way last week. In case anyone forgets—and sometimes I think some members of this house and some members of the press do forget—what brought all of this on was an unbelievable breach of the rules. I shall read from the rules in the hope that new senators opposite remember them. Some day they may be on the other side and may find someone trying to breach their rules—I hope to God not—the way the Speaker has breached ours.

At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote. The Speaker puts the question again. All senators in favour of the motion rise, and the Clerk of the Senate records their names on the division sheet. All senators opposed to the motion rise, and the Clerk records their names on the division sheet. All senators who wish to abstain then rise, and the Clerk records their names on the division sheet. The Clerk announces the official result of the division, giving the number of "yeas", the number of "nays", and the "abstentions". The Speaker then declares the motion carried or lost.

That did not happen, as senators know. One Whip evidently came in, and the Whip representing almost half of the members of the Senate did not come on.

Why did we not come in? We did not come in because we were not notified.

I want to refer for a moment to what Senator Pitfield has said. Senator Pitfield is an independent senator and he received notice. I never received notice. As I have said before, I do not think that should be dependent on the Whip—who wasn't even in his office, by the way, when that notice was sent to him—but I will deal with that in a moment.

Senator Pitfield said what I think is the most damning thing against the Speaker and against Conservatives, or some on that side of the house, that could be said. He said that he turned to a Conservative senator, indicating that he was going somewhere. The Conservative senator replied to him, "I wouldn't go too far because the Speaker is going to call a vote." As Senator Pitfield said, that proved, beyond any shadow of a doubt, collusion. There was a deal made.

I cannot remember, in all the long time I have been in the legislative assembly, in this chamber or paying attention—and that is ever since the second World War—ever hearing a charge, except on one occasion, that the Speaker took his

orders from the government. And we all know that infamous case. That man disappeared. He lost one of the great careers in Parliament. He left Parliament in disgrace.

Honourable senators, I think the same thing should happen here. I think the Speaker should do the decent thing. He is an embarrassment, unfortunately, to this chamber, to the Senate and to the people on that side of the house. I think he should do the decent thing and resign.

I now come to the question Senator John Stewart raised about the time at which the vote took place. He looked at his watch. He got down here and couldn't believe it because the vote was taking place three, four or five minutes before the time shown in the notice. Then, the next day, he checked the record and found out that, indeed, the vote had taken place before the time given in the notice. What does that prove? It proves, among other things, that there was collusion. It proves that this was a cooked up deal to deny us our privilege, the most basic privilege that we have in this chamber or in any Parliament or any legislature, and that is the right to vote.

It proves something else. It proves the absolute ineptness, the inability, of Senator Lowell Murray, the Leader of the Government in the Senate, and whatever small gang he has around him—and I certainly do not point to most of the people on that side—to handle anything. I am talking about his inability even to pull off a little, sneaky deal, you might say, in the middle of the night to force his will on an Opposition that is standing up against him. They should call that bunch over there "The Gang That Couldn't Shoot Straight". Every time Lowell Murray goes to shoot us, he shoots himself in the foot, and at the same time he shoots his Prime Minister in the head.

Honourable senators, let us look at his record. The Prime Minister has entrusted Lowell Murray with some tremendous responsibilities. One of the reasons that a great many people voted for the Conservatives under Prime Minister Mulroney was that he said he would bring peace and order to this country. He said that Prime Minister Trudeau had divided the country, had ruled by confrontation, and that he would bring the country together as a united nation.

At first, it looked like he would do it. He called the premiers together. He gave them practically everything they wanted. I remember the press describing the first federal-provincial conference presided over by Prime Minister Mulroney as a "love-in". There was nothing in the air but friendship and good will.

Let us look at the situation today. Is the Prime Minister going to pull this nation together and make it, in the words of his great friend, George Bush, a kinder, gentler nation? Honourable senators, the country has never been so divided. It has never been so close to falling apart or being pulled apart. Find me one province—it used to be Saskatchewan, but it is not any more—with the exception of Quebec, whose Premier is on the side of Brian Mulroney. You cannot find one.

The country has never been is such disarray. And the point man for the Conservative government and Brian Mulroney has been Lowell Murray.

[Senator Steuart.]

Let us look at the next job he was given, the GST. That is the centrepiece of the economic plan of Brian Mulroney and Mr. Wilson to pull this nation out of debt, although again, that is not what they told the people to begin with.

Senator Murray made a mess of the GST. He said, "I can't get the GST through the Senate because the Liberals have the numbers." The Prime Minister fixed that and gave him eight more senators. Well, now they say over there that they do not have a majority, they have a plurality, and they can win the vote if they get one. But he still cannot get it through. He is still in a mess. Every time he tries to make a move to get his way, he gets in deeper, he gets into a bigger mess.

He has this side of the house so riled up that, if we were not ready to fight before, we are now. If we were ready to put up a mere token fight—I never was and most of us never were, but that is what the public thought—I can tell you, and I will tell the public today, that there is no tokenism. We are here to the bitter end. We are going to fight this thing as long as we can. And I can tell you something—that is going to be a long, long time.

I wouldn't bet on January 1 if I were you people. I wouldn't even bet on January 15.

Then Senator Murray tries to pull his latest deal off and even misses on that. Would anyone with any common sense believe that we would have agreed to the deal that was supposedly made between Senator Frith and Senator Doody? Let us look at the other side of the coin. If what Senator Murray said was true, then tell me what we would have got out of it. Why would we have made such a deal? We were filibustering. We were outraged at what happened and we were holding out to get that unbelievable breaking of the rules expunged, to say that it never existed, that it is not a precedent. We wanted that changed.

We wanted the Speaker out, and we wanted some changes in the rules on the bell ringing so that there would be some order in here. We never got any of those things, so would we have agreed to stop the fight against the dictatorship of this Speaker? That is nonsense. Both sides gave a little. We agreed to begin the debate on the GST, but we never agreed to give up our right to keep on fighting over this question of privilege.

How did senators opposite think they would get away with it? Well, they thought the press would go along with them. They thought that the press generally has no use for the Senate as an institution, and I am afraid that that feeling is there with most of the press, as it is with most of the public. But Senator Murray guessed wrongly again, because some of the responsible press saw through this. Although they still don't like the Senate, and still think it should be reformed, done away with or elected, they said that what was done was wrong. The irony of it is that the Conservatives did not have to do it. They just had to wait a little while. If they had waited a little while, we would have got past this stage and on to the next stage. Whether they could have stopped us at the next stage I do not know, but they certainly would not have been

here debating this for 26, 30, 35 hours or I whatever length of time we are going to go.

I do not know why the Prime Minister does not change Senator Murray's responsibilities. I do not know how long he is going to hang on with a man who has proven that, no matter what he is given—Meech Lake, the GST, anything—he cannot handle it.

Honourable senators, can you imagine a man going across Canada on Meech Lake, to a province, for example, not in favour of the agreement—Newfoundland or New Brunswick—and, before he goes, he announces over and over again that the agreement is a seamless web, that there can be no change, not a comma, not a period? Of course, in negotiations he got nowhere. And of course, we went through that terrible display that went on for days and days over at the Conference Centre, before it finally collapsed. It took one lone Indian standing up in his legislature to say "No", and it took Clyde Wells to stand up and say "No" for us to find out the depth of bad feeling about Meech Lake in this country.

I have said that some of the press went along with the Tories. They still do. No matter what we do in the Senate, they attack us. That is up to them. I have a feeling that, if we had a competitive press in this nation, some of the people who write for newspapers would be lucky to carry them. But some of the responsible press in the country have seen what the Conservatives are trying to do. They have written editorials and columns to show them up.

• (1445)

Honourable senators, the press say that they want the Senate reformed. Well, who doesn't? They say they want the rules reformed. Who doesn't? The rules of the Senate were made for a far different time and a far different Senate from what we have today. But rules are not changed by an arbitrary decision. The rules of any institution are changed by setting up a committee of both sides to study the situation, to come back, to make compromises and then to reach consensus. That is the way rules are changed.

Honourable senators, people talk about an elected Senate. I have never believed in an elected Senate. I used to say to people, "In Saskatchewan we have 14 members elected," and I would hear people say, "We are not represented." You hear people in Alberta saying that they are not represented, because even though they elect 14 members to represent 800,000 people in Saskatchewan the public is saying, "They cannot do the job. How would you like to elect six more and send them down to see if they can do the job that the people that you sent down years ago cannot do?"

So I have changed my mind, because I have seen that under our system, if you elect a majority government, you in effect have elected a dictatorship for four or five years. There needs to be a system of checks and balances.

If we had an elected Senate today do you think for a moment that we would be debating the GST in its present form? They would have known that every senator in western Canada almost without exception, regardless of political stripe; every senator in eastern Canada, regardless of political stripe; and every senator in the north; would have been against it. They would have changed it. They would never have brought it in. They would have sat down with the Senate of the day, the elected Senate. There would have been give and take, and they would have brought in a tax reform that would have passed.

I will tell you something about the Liberal government that was in power. Do you think the oil policy or the energy policy would have been put in if there had been a free vote in the Senate or the Senate had been an elected body? I will tell you this: there would not have been a senator from western Canada who was Liberal who would have voted for it. There is a gentleman here, Senator Buckwold, who stood up against it. There were not many of us; we had no power and it went through. But, if we had had an elected Senate it would not have gone through the way it did.

There were, however, some good things about the energy policy as well as some very bad things. But the bill would have been reformed. In other words, if we had an elected Senate the government of the day would have to sit down with someone other than the cabinet or the few people—not so few anymore, actually—in the Langevin Block who are gathered around the Prime Minister of the day to decide what the policy is. They could call in their people from the backbenches and say, "This is the policy, like it or lump it." In the case of the GST, if any of them did not like it how did the government act? They threw them out of the caucus.

The Prime Minister and some of his ministers have attempted for six or seven years to bully the Senate, to downgrade the Senate and to call us names in the paper, out in the hall, and everywhere. They have threatened that they will do away with us.

I remember a colleague who stood up and said, "It will be the end of them and we will do away with them." He knew he was talking blarney; so did we. But the public thought that was pretty good.

Brian Mulroney now wants to change the Senate, and I would challenge him to do so. Let him bring in a bill in the House of Commons to have an elected Senate with a little more equal representation for the regions; let him pass it and send it here. Even if we wanted to, we could only hold it up for six months. But he has not brought it in.

Pierre Trudeau said he wanted to change the Senate; he never brought any changes in. Every Prime Minister since the nation started said that he wanted to change the Senate, but the Senate is still the same. The Senate has the power.

The Senate has not only the legal right, but in the case of the GST it has the moral right. Millions have written to us, phoned us and have appeared at our cross-country hearings and said, "Do not put this terrible tax on us." That is why we are here fighting. I don't understand why some of you who are taking your orders from Brian Mulroney are not standing up. I hope before this debate is finished—that is, when we get onto the debate of the GST—you will stand up and say, "Look, I have looked at it and listened. I have seen the tricks and the

way that you have denigrated and degraded the Senate. I have had enough. I will either vote against it, or speak against it, or I will not vote at all.

Senator Buckwold: There were two who did that in the House of Commons.

Senator Steuart: And what happened to them?

Senator Buckwold: They had the guts to do it.

An Hon. Senator: They were kicked out.

Senator Steuart: But at least they can sleep at night. I think some of you new members may have a little trouble sleeping at night—maybe some of the old ones as well.

I have been doing some reading on the role of the Opposition in Parliament—that is, in the House of Commons and in the Senate—and never forget that we are part of Parliament. We are the upper house of Parliament.

I discovered a paper by Gerald Schmitz, who writes for the Library of Parliament. I want to read some of the things that he has to say about not only the position of the opposition in Parliament but also the position and the role that politics plays in both the opposition and the government side. He says that a situation in which the activity of politics is devalued is bad for parliamentary democracy. He goes on to state:

> Parliament, after all, is fundamentally about debate—"rhetoric" in the classical Greek sense—and the transacting of the people's business in public. It is also about the right to dissent in a civilized manner.

I must say that last week we were debating, but not in a civilized manner. I hope that that does not happen again. But try and ram more of that down our throats and we will take whatever action we have to take to defend our rights and the rights of people in the future who will sit either on this side or on that side.

When our rights were abridged and were taken away from us, you members over there might not realize it but your rights were taken away, too. Someday you will be back over here. Some Liberals will be back over there and they will be in the majority. If they decide that they do not like something and they have that precedent that the Speaker, working with some of you people, tries to leave on the books, then you will be as handcuffed as we are. You will suffer and democracy will suffer. Mr. Schmitz goes on to say:

> The division between government and opposition is as old as political democracy itself. In Aristotle's Athenian polity the essence of self-government was that citizens were, in turn, both the rulers and the ruled. Government could alternate among different groups of citizens, and the minority could seek to persuade a majority of its point of view by peaceful (i.e., political) means. In an age of mass politics, direct citizen democracy has been replaced, with rare exceptions, by representative systems providing for periodic elections. In turn, these electoral contests are usually dominated by a small number of political parties which select their own candidates and leaders. What has not changed, however, in our modern liberal-democratic society is the hallowed principle that government must rest on the consent of the governed—

I repeat: "It must rest on the consent of the governed." This particular move that you have embarked upon does not rest on the consent of the governed, and you know that. You are getting mail and phone calls, and you are going home to where you come from and are taking the abuse. I see it happening all the time. He goes on to say:

> Of course it is not only in British-style parliaments that this sort of ongoing legitimate contestation for decision-making power takes place. Every pluralistic democratic legislature contains both supporters and opponents of the executive. And, in all parts of the world, these legislatures are confronted with the problem of "executive dominance" in the face of modern demands for more and more government services. The complaint is often heard that because of these pressures legislative politics is inefficient, ineffective, and in danger of becoming obsolete. Accordingly, we shall look at some of the countervailing powers available to oppositions in legislatures which, through their heritage in the British Commonwealth, look to the "Westminster model" of parliamentary democracy for inspiration.
>
> Although one speaks of a "model," British parliamentary practice has evolved over centuries and still rests entirely on convention. The emergence of a set pattern of government and opposition is of comparatively recent origin. There was a time when the subjects thought fit for parliamentary debate were severely limited, when opposition to the government's handling of affairs of state could be considered to smack of treason, and was hence dangerous. In the 16th and 17th centuries, the Member of Parliament who went beyond presenting private, local and special grievances or bills, to oppose the Crown, or even to debate such national issues as the right of succession, foreign policy and religion, risked imprisonment or worse. Of this period the historican Macaulay commented:
>
> > . . . every man who then meddled with public affairs took his life in his hand . . . It was, we seriously believe, as safe to be a highwayman as to be a distinguished leader of the opposition . . .

That was a long time ago. But I am telling you one thing, honourable senators: If you can break this rule one day and another rule the next day, then don't kid yourself: don't think it can't happen here. We are watching it happen here right now. Again, I urge everyone of you to stand up and oppose it as we are opposed to it.

I want to go on now to what he talks about regarding the opposition in modern day Canada. He goes back to the position of the opposition in the case of the thirty-second Parliament 1980 to 1984. He states:

> The first session of the first parliament of the 1980s set a number of seemingly unenviable precedents which tested the stamina of both the government and the opposition. The session was the longest on record (approximate-

> ly 400 sitting days), not least because of several episodes in which the opposition, as a last resort, employed its tactics in order to block the normal course of parliamentary business. Yet in the end, the session gave birth to a new Canadian constitution as well as many major pieces of legislation. From the point of view of the future role of the opposition, it is important to assess how parliament acquitted itself under the strain of these extraordinary circumstances.
>
> Parliamentary reform rose to the top of the agenda in Canada in the late 1960s, largely as a result of the frustrating experience with successive minority governments and the exceedingly long and acrimonious debate over the adoption of a national flag. However, the reform process itself became so vexed that eventually the government imposed a series of changes to streamline the rules of debate over the strenuous objections of the opposition. Then as later, there were critics who wondered what was the use of reform, if after all, "the function of Parliament as a whole is to ventilate, not to legislate." Still, most interested observers continued to believe strongly that parliament had to be more than just a place for fruitless "ventilation." In the wake of the bitter debates of the 1980-82 session, a special Commons committee was established with a mandate to review the standing orders and procedures of the House and to suggest further reforms.

● (1500)

I want to draw that to the attention of honourable senators opposite. That government was a Liberal minority government, yet it set up the Lefebvre committee.

> During 1982 and 1983 the Lefebvre committee produced a series of innovative reports. One of the most notable early recommendations to be accepted was the automatic referral of reports from government departments and agencies to the relevant Commons standing committees—

They did other things as well. Anybody who wants to go back and read the history of 1982 will find that the changes recommended by that committee were agreed to by the opposition. They met with the opposition; they debated with the opposition; they brought in committee reports and the rules were not changed until opposition members had an opportunity to play a role and agree to changes.

> Although the election of September 1984 left the opposition caucuses smaller and weaker than in the previous parliament, one of the first initiatives of the Mulroney government was to set up a special committee on House of Commons reform, with the avowed intention of giving more clout to backbench MPs. The McGrath committee tabled its first report in December 1984 and continued its work until tabling a major final report in June 1985. As a result of the committee's recommendations, changes to the Standing Orders were made on a provisional basis in June 1985 and February 1986. In June 1987 the entire reform package, with slight additions and modifications, was made permanent.

That was Prime Minister Mulroney in his early days, the great democrat. He listened to Parliament. He set up the McGrath committee, and he worked with both opposition parties. Nothing was brought in until there was consensus.

What a difference a few years makes when the same man that took those steps, when he had a powerful majority, now turns around and gives orders to the Leader of the Government in the Senate and one or two others of his henchmen, who then hand those orders to the present Speaker.

I can tell you that if something like this ever happened in the House of Commons the members would storm the Speaker's Chair, as they have did on another occasion, and they would not stop until the order was changed.

Throughout parliamentary history reforms have taken place after a consensus was reached. Nowhere can one find where they impose the guillotine rule, as they did here last week.

Make no mistake, whether that rule is expunged from the record this week, next week, next month or next year, it will go. It has to go. If it does not go, then there is no protection for the rights and privileges of honourable senators.

This paper shows that when the rules of the House of Commons have been changed, when the rules of the Senate have been changed—and they have been changed from time to time—those changes have been agreed to.

One can study the history of this institution and I do not think one would find a situation that we have seen in this last while with one man—we know he did not act on his own—to arbitrarily change the rules, the basic rules of this institution. That is why we are saying that he must go and that this rule must be changed.

I want to say something else about the legislation that has brought about this battle, the GST legislation. More and more of the provinces are falling into line. Some of the Maritime provinces, and now Saskatchewan, are agreeing to meld the GST with provincial sales taxes. That is happening because the federal government has seduced, once more with the taxpayers' money, the provinces. The federal government has told Saskatchewan to reduce its 7 per cent provincial sales tax to 5 per cent, put it on top of the 7 per cent GST, apply it to a wider range of goods and services, so that it will make more money.

When the GST matures after one or two years it will produce billions more dollars for the federal government. If the provincial governments piggyback on top of it, they will receive billions more in revenues.

The Canadian people are the highest-taxed people in the western world. Imagine what these taxes will do to our relatively competitive position under the Free Trade Agreement. We are already suffering under the Free Trade Agreement. We are not ready to compete with the Americans. If and when this goes through, the recession we are in now will deepen and lengthen.

The Free Trade Agreement is bad enough, but this tax, combined with the Free Trade Agreement, will hurt the Canadian public, will hurt the Canadian economy—the tourist trade, for example—and I think it should be fought with everything we have. We can fight it. That is our legal and moral duty. You people opposite cannot stop us. Be warned that the government is not going to stop us. We will not stop until the government backs off. There will be so much trouble implementing this that members of the government will look back and say, "Why in God's name did we ever try to foist this on the Canadian public."

Hon. Raymond J. Perrault: Honourable senators, I always enjoy listening to the spirited remarks of my fellow westerner, Senator Steuart.

Hon. Lorna Marsden: Honourable senators, I wonder if the Honourable Senator Perrault would allow me a brief moment—-

Senator Perrault: I would be most pleased.

Senator Marsden: —to read a letter that has been sent to all senators from His Worship, Mayor Art Eggleton of the City of Toronto. As everyone knows, Toronto is an important city in this country.

I will read the letter without comment. It states:

> "I am writing on behalf of the people of Toronto to urge you to defeat the proposed Federal Goods and Services tax.
>
> It is not without some trepidation that I ask you to overturn the decision of an elected house. However, the Senate has the constitutional right and the moral obligation to reject such ill-conceived measures as the GST, which threatens disastrous consequences upon Canadians and our already battered economy in general.
>
> The brief of the City of Toronto to the Standing Committee on Banking, Trade and Commerce on 18 July, 1990, which was unanimously supported by Toronto City Council, outlined our deep concerns regarding the GST: it will damage, to name a few, our valuable service, fashion, film, publishing and tourism industries; It will hit hard those most vulnerable in our community, for example, those who live in weekly-rent rooming houses will be compelled to pay a GST; and it will act as a serious damper on our economy, one that threatens to turn an economic downturn into a veritable tailspin.
>
> For these reasons, I urge you to take decisive action and defeat the GST.

That letter is signed by Art Eggleton, Mayor of the City of Toronto.

Senator Cogger: Could you explain how that relates to the question of privilege?

Senator Marsden: I thought that since the Mayor of Toronto had just issued this, it would be of great interest to all honourable senators.

[Senator Steuart.]

Senator Cogger: I thought the question on the floor relates to Senator Steuart's question of privilege resulting from the decision of the Chair last week.

Senator Marsden: Of course, all of that arises out of the goods and services tax.

Senator Cogger: If you want to read all of your correspondence into the record, and eat up more time, that is fine by me.

Senator Perrault: I think the senator's intervention was totally relevant to the point at issue here.

Senator Cogger: I asked the senator to explain to me how it was relevant.

Senator Perrault: You would not understand in any event.

Senator Cogger: Give me a try.

Senator Perrault: Honourable senators, I always enjoy listening to Senator Steuart from Saskatchewan, who at one time was one of the most effective provincial Ministers of Finance in this country. Isn't it interesting, as we discuss this matter of privilege, that his right to talk on a range of topics is questioned by certain members in this House.

I think that this debate has gone on too long. Personally, I think we have been here long enough; but there is one easy answer to the problem, which is that there must be a clear indication that the attempt of a few days ago to rewrite the Senate rule book, or indeed to abandon it, is not going to be a precedent in this chamber. That is the key question.

If there had been some indication over these many long hours on the government side that the government's action is not to be a precedent, progress could be made here; but there has not even been a defence on the part of any senator sitting opposite of the illicit action taken by the Speaker, not even an attempt to defend these abortive actions taken by him.

Honourable senators opposite have sat there and have not contradicted any of the points made by senators on this side. They have hung the Speaker out to dry. They have, obviously, tried to cut their public relations losses.

If we had an indication that this rule book, the traditions of this chamber, will henceforward be observed, we would not have any problem advancing the people's business. We could have debates on all of the matters on the order paper.

Honourable senators, I have been in three parliamentary assemblies in my checkered career, and I have the scars to prove that. I have been in public life for 32 years, and at times it seems much longer than that. With this background, I can see accumulating in this chamber and in the other place evidence of a lack of respect and a reverence for Parliament.

Do the Conservative senators really know how the system has deteriorated since 1984? Do they realize they have used closure on more occasions than all other Governments of Canada combined in the entire history of the country? Do they remember the ringing words of John Diefenbaker and other Conservative leaders when they condemned closure as almost a form of parliamentary AIDS? They damned closure and said:

"There can be no restriction on the right of members to speak and to state their positions."

When the bells rang for 17 days in the other place, the Tories trumpeted: "These are the bells of freedom ringing out. They are sounding the Conservative concern for human rights." Yet, what happened in this chamber the other day? The bells went for three hours and the Speaker said, in his judgment, work was being impeded and we all had to come back to vote—only the Speaker did not inform all of the members of the impending vote.

At the very least, do honourable senators opposite not think that the process was rather unusual? The violent reaction was not a Liberal ploy. The only elected member in this chamber, Senator Waters of Alberta, was also pounding his desk in indignation because he had not been informed of the vote. Do you support this kind of thing?

When Adolf Hitler requested special powers after the burning of the Reichstag in 1933, they had a debate the following day and Adolf Hitler allowed the opposition to vote. He got his special powers, but not before a number of the deputies had registered their serious concern about the effect of the proposed measure on the long-term future of Germany. In the Senate of Canada, for the first time in the history of this nation, the opposition was locked out of the chamber.

• (1515)

Some Hon. Senators: Shame!

Senator Perrault: That is what happened, Senator MacDonald, and you know it happened.

Senator MacDonald: Come on!

Senator Perrault: Sit down. You speak later.

Senator MacDonald: Not now?

Senator Perrault: Uncle Adolf gave the opposition a chance to vote but you did not.

Senator MacDonald: Your whip could have had all the time he wanted to get in here, and you know that.

Some Hon. Senators: Wrong!

Senator Perrault: That is not true at all.

Senator MacDonald: Senator Petten could have asked Senator Phillips for the two hours you needed to get your senators ready.

Senator Perrault: The overwhelming evidence indicates, without a doubt, complicity and collusion.

Senator MacDonald: You set up a straw man to go through three days of points of privilege.

Senator Perrault: Senator Waters, who is not associated with the Liberal Party, said it was done deliberately to him. You were all there.

Senator MacDonald: Come on! Senator Petten waved you away.

Senator Perrault: In Nazi Germany the opposition voted in 1933.

Senator MacDonald: For two hours.

Senator Perrault: In the Conservative Senate in 1990 the voters were denied an opportunity to express their opposition. That is what happened here.

Senator MacDonald: You set up a straw man.

Senator Perrault: That is what happened here. Some of you fought in World War II to defend the freedom of the Opposition.

Senator Cogger: Tell us about American football.

Senator Perrault: Where are your principles now? You would rather hear talk about football, because this hits too close to home.

Senator Corbin: At least they have rules in football.

Senator Perrault: If some of you fat cat corporate representatives went to an annual meeting of the board of directors of your favourite corporation—and many are represented in the ranks of the new senators—what would happen if you locked out the dissident shareholders and refused to allow them to vote at the annual meeting? Do you know how long you would be chairman of the board? I see one of the senators smiling over there. Use that analogy. Where is Senator Castonguay who supported, financially and otherwise, the free trade deal that you wrote, which has led to 160,000 unemployed men and women in Canada today? What would he do with dissidents at an annual meeting? If the word is out that some shareholders at this meeting are going to disagree, do you lock them out and have the vote five minutes before you promised you would? That vote was taken at 25 minutes after five, not 5:30. Were we expected to sit here and take this? Any Speaker with a sense of honour, tradition or reverence for the British parliamentary system would have resigned before yielding to government or opposition collusion. He would have left his position for the sake of unity and understanding in the Senate.

You say you want understanding. Did you hear the statement made today by Otto Jelinek, the Minister of National Revenue—who is an over-achiever if I have ever seen one? He made an obscene statement, an attack on the senators. All I can say is that Otto Jelinek is a far better figure skater than he is a cabinet minister, and he is skating on thin ice on this one. He is going to crash through the ice at any moment.

Senator Buckwold: Tell us what he said!

Senator Perrault: I am not going to repeat it. He is a pathetic excuse for a Minister of Revenue. As the Prime Minister said the other day, some people in this country should have their mouths washed out. Otto is a prime candidate. The Minister of National Revenue wants the Senate to cooperate with him, yet he is reduced to uttering blasphemies and obscenities. I fear that a lot of school children may have heard him talk that way and now think that if Uncle Otto talks that way, that is good enough for them.

The length of time that this point of privilege has taken is an insult to the Canadian people, some of whom are represented

in the galleries today. This has been a huge waste of public funds. The situation could have been easily resolved by the Speaker departing from the Chair and issuing a public statement to the effect that the position of the Speaker must be beyond partisan control and, if he does not have the support of the members of this chamber, he willingly would step aside so the business of Canada can move ahead. That is all we would need. But you are going to tough it out. You are using bully-boy tactics. Don't try to give us any reasons why he should remain.

Evidence was presented the other day by Senator Pitfield that showed collusion between the government and this position of the Speaker. Having demonstrated that, any court of Canada would have found the Speaker guilty on that count; but you members on the other side decide that he is going to keep coming into this chamber. As long as he keeps coming into this chamber, we are going to keep on talking.

Speaking of instructions, that brings me to my next point. The Conservative Party has issued a directive to all Conservative members of Parliament and senators instructing them what to say when they get in difficult positions. A Conservative with a conscience gave us a copy of this. It is the game plan by the spin doctors at Conservative headquarters about how to defend yourself when you are in impossible, indefensible positions.

Senator Buckwold: Read it right through!

Senator Perrault: The truth takes a fearful battering in this mean text. Truth is lying inert on the floor battered, bewildered and defeated. The message says that when the Conservatives are pinned down, tell the people that this is a question of democracy, the right of the elected government to carry on business on behalf of the people it represents. Don't talk about the GST in detail; don't talk about the fact that it is going to hurt the people in northern Canada, the west and in the Atlantic provinces. Did the senators from the Atlantic provinces find out how this would affect you?

Senator MacDonald: Why did you vote for it here in 1987?

Senator Perrault: You will have a chance to speak later.

An. Hon. Senator: Listen to him!

Senator MacDonald: It was discussed in the banking committee.

Senator Perrault: We will listen with rapt attention to you later.

Senator MacDonald: Senator Buckwold and Senator Kirby recommended—

Senator Perrault: Who has the floor here, friends? I am on my feet. You can answer me.

The official Conservative line is to go throughout Canada and say it is a question of democracy—it has nothing to do with the GST, which is a "minor background issue". Isn't that an interesting point? They are told to tell the people they are fighting for democracy when they pull the most undemocratic parliamentary stunt in the history of Canada since Confederation. You are going to have a difficult time trying to convince people that you are the protectors of democratic principles. You have disqualified yourselves from describing yourselves as defenders of democracy when you will do this to an opposition group in this chamber.

I will describe the document. Under the table of contents is shown "Our key message"; second, is "Questions and answers"; third, "The impact of the delay"; and, four, "Conservative quotable quotes." The Conservatives were handed this at their caucus meeting two weeks ago as they walked out of the door, according to our informant. The document says that these are the sub-messages you should try to convey to the Canadian people. Tell the people that this is not about the GST. Tell that to the United Church of Canada, the Catholics and all the other churches that say what a hardship the GST will place on the poor. Tell them it is not about the GST! Tell those people who live in the north that they are now going to have to pay an additional 7 per cent when they transport goods from Toronto to Yellowknife!

Senator MacDonald: Why did you vote for it in 1987?

Senator Perrault: Tell them that for the first time in Canadian history—the year we are battling illiteracy—that you have decided to put a tax on books. Tell them that economic authorities have predicted that there is going to be a 6 per cent increase in inflation induced by the GST if introduced on January 1.

There was a report today saying that the Canadian Manufacturers' Association, the Canadian Chamber of Commerce and the Business Council of Canada called an emergency press conference to say that the government's policies have been wrong economically and they are terribly worried about the introduction of the GST on January 1. Have you read that? How much convincing do you need?

Senator Cogger: How does that relate to the point of privilege?

Senator Perrault: It relates to the point of privilege because you have said in this document to keep on procedure.

Senator Cogger: But the Board of Trade held a press conference today—

Senator Perrault: Senator Cogger, we will listen to you later. Here are the sub-messages. We will go through this Tory document. This could be entered for the Pulitzer Prize award for fiction. It would not make it on a factual basis. The sub-message is:

> This is not about the GST, it is about unelected Liberal senators denying the elected government its right to govern.

Of course that is the line you have been delivering at every press conference. That is all you talk about in each press scrum. You say it is the Liberals, not the GST. Not one of you have mentioned what you are going to do to the country when this measure comes in. Yes, the role of the Speaker is the immediate question in this place, but the larger debate is precisely about the GST and what it may do to this country.

Then it says:

> The Senate is currently obstructing three other financial bills. This will add a lot of money to the deficit.

Tell the folks that. That is the guidance they have given you.

The Minister of Justice is from Vancouver, British Columbia. To be kind to the Honourable Kim Campbell, she has a credibility problem, which she is wrestling with but is being defeated by it. Recently she is reported to have said:

> We just had to act against the Senate Liberals while they have been holding up all sorts of bills.

What are the facts? I want the people in this chamber to hear the facts. Until this summer's parliamentary recess, 286 government bills had been passed by the Senate since the Tories came to power in 1984. 267 were passed without amendment by the Liberal majority in the Senate; another 19 were passed with amendment, including those where the House of Commons accepted some or all of the Senate amendments. Until the recess, only two bills had been delayed because the Conservatives had refused and contrived to refuse to meet in a traditional Commons-Senate conference to resolve differences. You know that device is available when there is a deadlock. Not one bill has been rejected by the Senate since 1984, and your spin doctors want you to tell the people that these financial bills are being obstructed by the Senate. You should be ashamed of yourselves that your national party is lying to the people of Canada.

Senator MacDonald: Talk about 62!

Senator Perrault: Senator MacDonald says "Talk about 62". I am ready to go. You stay where you are and I will get into 62.

These terrible Liberals who are trying to block legislation—which is a lie—want want to add to the deficit. I feel sorry for some of the naive Tories rushing out to the battlements with this kind of misinformation. It is going to be embarrassing for them. Let us talk about Bill C-69, because this is one you say we are blocking.

Senator Cogger: 62!

Senator Perrault: We will get to it. We want to have a comprehensive understanding of our position here. We do not want any misunderstanding. We are opposed to Bill C-69 for the following reasons.

Senator Lewis: What is 69?

Senator Perrault: Bill C-69 is the bill on the government expenditures restraint act. The Conservative Party likes to tell us that we are fighting for those folks back home. Cutbacks to transfer payments to all provinces for post-secondary education and health care and cutbacks to transfer payments to Ontario, Alberta, and B.C. under the Canada assistance plan will force the provinces, because of the essential nature of the programs affected, to increase taxes. This is a bill designed to switch taxation from the federal level to the provincial level. If the provinces decide not to increase taxes, they will be forced to make cutbacks. There have already been cutbacks to essential services such as medicare in Canada. In turn, hospitals will have to close beds, limit costly operations or find other reductions. Students will have to face higher tuition fees. Incidently, I hope the students of your areas have told you what a devastating impact the GST will have on them and their attempt to struggle through university, despite the fact that there is a Conservative government.

• (1530)

They are looking at overcrowded classes and other cost-cutting measures. This is occurring despite the fact that on March 24 Michael Wilson said: "Let us not make hospitals, universities and colleges a battleground between the federal government and provincial governments." Riotous applause greeted this statement. He said: "Let us solve these problems not on the backs of the hospitals and universities; let us solve those problems outside of that arena, my friends."

Since March 24, 1982, he has come in with a banana knife to clip off all the programs that will help the people in the areas I have mentioned. Is that Conservative integrity? Is that a government one can trust?

It is the third time since 1986 that the Conservative government has attacked the Established Program Financing since 1986. Cumulatively, EPF cutbacks between 1986-87, 1990 and 1995, amount to the astronomical sum of $31.2 billion, of which $22.2 billion should have been allocated to health care and $8.9 billion to post-secondary education. Is that why those fresh-faced new Conservative senators came here, to add their endorsation to this kind of draconian cutback to the services to the people of this country? Is that why you came?

Canada Assistance Plan cuts in assistance to the poorest in Ontario, Alberta, and British Columbia contradict the government's commitment to come to the aid of those who are in need. The only people who have had a tax cut since the Tories came to power in 1984 have been the millionaires of Canada, the very wealthy. They are the only ones who have had tax cuts. We will get that on the record, too.

Senator MacDonald: Take your time, we will wait.

Senator Perrault: That is fine. I hope you will.

Let us consider taxation in Canada. The Conservatives say the present system does not work and they need more money. Let us consider the profits and taxes of the seven largest banks since 1981. The aggregate profits amounted to $916 million in 1981 while federal income tax paid was $8 million, or a .87 per cent tax rate. In 1982 there were $951 in aggregate profits, with $7 million in federal income tax paid, for a .74 per cent aggregate tax rate. In 1983 there were $1.641 billion in aggregate profits, $41 million in federal income tax paid for a tax rate of 2.44 per cent.

In 1984 there was $1.865 billion in profits with only $17 million in income tax paid for a tax rate of 1.91 per cent.

From 1981 to 1984 inclusive, it is alleged that Canada's largest banks made profits of $5.373 billion and paid federal taxes on these profits at a rate of 1.34 per cent. It is alleged that persons at the wickets of the bank are paying higher tax rates than the banks themselves.

These allegations are appalling, whether they apply to the situation before the government came to power or afterwards.

I question whether we are properly developing the resources of our present tax system.

As we went across Canada with the tax committee, the message was clear. It came through clearly to Senator MacDonald. People said that they did not mind paying taxes because we have a large debt and a deficit, but they wanted to make sure the GST tax system is not regressive, that it is fair, and that the very wealthy would not get away with a lesser proportionate burden. That was the inspiring testimony of the several witnesses who testified before the committee this summer. They just want the tax to be fair.

Yet, how can one believe in the GST when Dalton Camp, the former adviser to the cabinet, was telling the *Toronto Star* a few weeks ago that the tax is regressive, of course, but the election is still a long way away and people will forget about how regressive it is. He said: "We are good at public relations."

Is that the kind of cynical attitude you want to support as Conservatives? Your public relations guru admits that it is a regressive tax. It will hurt young people and young families. It will hurt people on social welfare. It will hurt the poor more than the rich.

Bill C-69, the Canadian Exploration Incentive Program, faces elimination less than two years after it was introduced. It was a campaign promise that was implemented for a few months to help the Conservatives get elected and then withdrawn. The Minister of State for Forestry and Mines said on May 3, 1988, that 30 per cent will be guaranteed for two years until the end of 1990. The mining regions of the north and junior exploration companies will be the hardest hit by the elimination of this program.

They say that Bill C-21 is another bill being blocked by the Liberals. If we had sat down and used regular parliamentary methods to resolve our differences, through a conference between the government and opposition, it could have been resolved weeks ago. Instead, Mr. Jelinek has paraded around the country uttering his foul obscenities against the Senate. He and his colleagues could have done some intellectual work, but obviously he is incapable of doing that. He should send a substitute and we might reach a settlement.

We have been slowing Bill C-21 first because the government will not meet to discuss it. It cuts $1.5 billion from regular benefits. I say to my friends in Quebec that Quebec will suffer the highest loss, $507 million.

The federal government proposes to end the federal government's contributions to the unemployment insurance fund, which is $2.8 billion. Of course, that action brings to mind the so-called "level playing field" that the Americans want with Canada. Their definition of a "level playing field" seems to be for us to reduce many of our benefits, including social welfare, hospital plans, medical plans and government participation in unemployment insurance. I do not believe that is the Canadian concept. We do not mind paying for services if they are offered as they have been in Canada. We do not like the implications of the level playing field.

[Senator Perrault.]

The proposed Tory bill increases entry level requirements and reduces the duration of the claims. It will hurt workers living in those regions of higher unemployment, especially as Canada heads into a recession. One out of every 55 Canadians will lose their claims entirely, 775,000 Canadians will have their claims reduced, and we believe the government of the day does not possess any mandate to abandon a 50-year commitment to one of Canada's most important social programs. We want to sit down and work out an arrangement that will not tie up this legislation.

Bill C-28 deals with the clawback provisions. The committee heard much about that across Canada. It heard concerns from senior citizens about the effect on their incomes of the clawback provisions in Bill C-28. We have been concerned about this bill because it will take $1.7 billion from family budgets over the next five years, or $500 million a year by 1991.

Some time ago I read an essay in which the author said a Conservative who claims he is in favour of social benefits and progressive social programs is very much like a fat boy who huffs and puffs around the school yard in a program of compulsory athletics pretending that he is enjoying himself. Conservatives are not at home unless they can claw back a few benefits from the people, unless they can reduce medical care benefits or cut back on those people who are supposed to be "cheating" on their hospital care.

Family allowance benefits are already taxable, 30 per cent of family allowances are already paid back to the government. Within ten years close to one million Canadian families who now receive family allowance or old age pensions will begin to lose these benefits due to partial indexing, which is inflation at less than 3 per cent at the $50,000 threshold.

The clawback is an anti-family, anti-senior tax. The Conservatives are attacking the Liberals for stopping it and not allowing it to be bulldozed through the Senate. We would be absolutely delinquent in our responsibility to the people of Canada, especially the less privileged, if we did not slow this down and try to persuade this arrogant government that changes should be made. The clawback of family allowance and old age security is a major attack by the Mulroney government on the universality of these programs. Some of us are willing to stand up and fight it.

I suppose the GST is in that category of measures that are allegedly being blocked by the Senate. When we were attempting to have the Senate committee report tabled in this place, every effort was made by Conservative members to prevent debate. Even now they approach that task with trepidation. They know the weaknesses in the bill. We have yet to receive any indication from the government that it is willing to take out some of the unfair provisions.

I have mentioned the insanity of taxing cenotaph wreaths. Why did you include that? You know better. You do not want to hurt the veterans and widows. Why did you let some bureaucrat put that provision in the GST bill? Why not say

you will not tax wreaths that will be placed on cenotaphs to honour Canada's war dead on November 11? You know better.

Are you going to sit back and take it? One of your leader's favourite phrases is the "seamless web". We heard that the Meech Lake agreement was a seamless web that must not be touched. The supposedly "gossamer fabric" of that agreement must not be touched, not one strand altered.

And now we are hearing the same about the GST. Even if you would pull it back for a few months—

[*Translation*]

Hon. Paul David: Honourable senators, you seem to have forgotten that the Banking, Trade and Commerce Committee met on September 24. We received a 318-page report. I received the French version at noon. The committee met at 1.30 p.m. At 2.15, one of your members moved a motion to end discussion of the report by 7 p.m., while members had to take a position on the four options the report contained, a report we did not even have time to read.

You keep talking about democracy and Bill C-62, but you wouldn't give us enough time. In fact, you gagged us by imposing a 7 p.m. deadline. So I hardly think you should talk about . . .

Senator Corbin: I have a point of order.

[*English*]

Senator Perrault: You will have a chance to speak later in the debate. You will have an opportunity to speak to Bill C-62. I hope we get to that debate very shortly. I know you agree.

[*Translation*]

Senator David: You don't like my questions!

Senator Perrault: You can ask your question later.

Senator Corbin: You should speak from your seat, according to the rules.

[*English*]

As a matter of procedure, the rule states that if a senator wishes to speak he should rise in his place. The honourable senator is not in his place.

Senator Perrault: We will give you a fair opportunity. You will be able to speak later in the debate. I do not want to take a question, but will take a question when I am finished.

The Hon. the Acting Speaker: If Senator David wants to ask a question, he must speak from his desk.

[*Translation*]

Senator David: You will get a chance as well, since it's on the Order Paper, the same as Bill C-28. This has nothing to do with your point of order.

● (1545)

[*English*]

Senator Perrault: In any case, the concerns about Bill C-62, the goods and services tax, are basically that the GST is the wrong tax at the wrong time. Increasingly, this consensus is emerging in Canada's business community. Another concern expressed by the Conference Board of Canada was also expressed at the news conference given by the Canadian Manufacturers' Association and other organizations, which are calling for drastic spending cutbacks and are saying that inflation is going to be exacerbated by the GST on January 1.

Senator Cogger: Is the senator aware that the Manufacturers' Association supports the GST?

Senator Perrault: I know the attitude of the Manufacturers' Association, because some of them are going to benefit. Yes, I do, senator; and when we get to the formal debate on Bill C-62, let us examine that position very carefully.

Senator Cogger: But you have been talking about nothing but the GST for the last half an hour.

Senator Perrault: Well, make your speech, senator.

Senator Corbin: They can't speak. Their whip has told them to clamp down.

Senator Perrault: The line in this Conservative propaganda document is that this so-called "paralysis" of government by the unelected Senate is contrary to the principles of our parliamentary system. Honourable senators, the Senate is not acting contrary to the principles of the parliamentary system; its actions are part of the essence of a parliamentary system.

When Canada was brought into existence, it was felt necessary to have a second chamber which would protect the regional interests and which would be the ultimate guard of the people against capricious and arbitrary action taken by the House of Commons. The Senate has rarely exercised its ultimate power to veto or to stop a bill, but that does not mean that if circumstances of a serious nature exists the Senate should not exercise that power. This is what we have been doing.

Eventually we are going to come to a vote. Probably senators opposite have more votes than we do. The Senate has a responsibility, however, to sound the alarm in Canada about the ultimate implications of the GST as we see them.

Is it not significant that the city of Toronto, Canada's largest city, one that is in the very centre of Canada's industrial and business heartland, should write a letter of this kind to the Senate, pleading for us to stop the GST? Do senators opposite want to ignore that, as well? Do they want to ignore the views of the cooperatives and the credit unions?

They are quite right in saying that the present manufacturers' tax should be changed, but even the supportive Manufacturers' Association will state that there are certain imperfections in the GST that should be improved upon and changed. This is what we should be doing. We should be looking at ways to put into force in Canada a fair system of taxation which is going to help people at all levels.

Then this Conservative position paper—and I am sure that Senator Cogger probably helped distribute them at the door; he may have been in charge of the literature distribution section—

Senator Cogger: You already read these questions into the record on October 4, 1990 at page 2357 of *Hansard*. Why don't you change the menu, to paraphrase your own Senator Frith?

Senator Perrault: There is more to your document than that, although I realize that you want to get some exercise by jumping up and down.

One section of this document has to do with questions and answers. One question is: Why has the government stacked the Senate by appointing eight new senators? It says that the following is the way that loyal Tories should answer that:

> The Liberal senators have consistently obstructed legislative proposals in the Senate after they have been passed by the House of Commons.

The fact is, and this very much goes to the procedural questions we have been discussing in recent days and recent hours, the stacking of the Senate—and that is the Conservative word, that is not ours; the word "stacking" is your own—was illegally done. The fact that there are court challenges moving ahead is an indication of that. I understand from the news this morning that Ontario is going to make an appeal to the courts, as is the city of Toronto. These are not insignificant developments. Those of you with backgrounds in law know this to be a fact. You do not simply try to speed up the process and create eight new senators who may or may not have the entitlement to vote.

Senators opposite know the principles and traditions of this country. Why are they trying to circumvent the established procedures? Why were they so supportive of taking fast votes the other day? It wasn't so that they could get by all democratic obstacles before the courts could speak, or is that an unfair suggestion?

This is what the Tory document says about the actions of the Liberal party in the chamber:

> This is contrary to our system of government, in which responsibility rests with elected representatives in the Commons.

If there is a terrible mistake in drafting a bill and it comes to us, does this mean that we should say that, despite the fact that we know it is wrong and bad legislation, we should vote for it because the people's elected representatives have spoken? That is the argument currently employed on the other side.

Many of the editorials in newspapers are written by people who have never read the Senate report on the GST. They often take this position: Well, it is terrible. The GST is awful, but the people's representatives have spoken.

But should we really inflict on the Canadian people two or three years of economic damage until the next election? If we were close to an election, I could almost agree with arguments that the Senate should not impede progress of the GST, but we have three years to go. The havoc Conservatives could create in three years boggles the mind, and that is the concern.

Senator Corbin: Would Senator Perrault accept a brief question?

[Senator Perrault.]

Senator Perrault: Yes.

Senator Cogger: Are you in your chair?

Senator Corbin: Oh, yes, you can check the chart. I will ask the Speaker whether I am in my chair.

The Hon. the Acting Speaker: When you answer the question, would you take your seat, Senator Perrault?

Senator Corbin: We will set an example on this side.

Senator Cogger: For the first time.

Senator Corbin: Senator Perrault, is it not a fact that when this party, which is now the Official Opposition, sat on the government side you were the Leader of the Government in the Senate at one time?

Senator Perrault: That is right.

Senator Corbin: Is it not also a fact that this house stopped dead in its tracks legislation that had been proposed by the Liberal government of the day? Is that not a fact?

Senator Perrault: When I was Leader of the Government in the Senate we had many meetings and conferences with the government of the day, slowed bills down, met with government officials, conferred and obtained commitments of change. Indeed, we amended many of the bills. The senator is absolutely correct. This was never a rubber stamp operation when Liberals were in the government in the other place.

Senator Corbin: Did you not at one time stop dead in its tracks the Liberal legislation on transportation?

Senator Perrault: That is correct, and not only that but a bill relating to electronic surveillance. The Conservatives charge that somehow, when Liberal governments were in power, everything was expedited, yet we block everything done by the Conservatives. That is totally wrong.

I notice that some Conservative senators who have been here for a while do not add in their voices in that charge against us. I welcome the senator's intervention; it is true. In the other place, the honourable senator was a distinguished parliamentarian. He is recalling, accurately, some of the history of that place.

The second question posed by this Tory paper is:

> The government says that opposition to the GST is undemocratic, but aren't the Liberal senators only acting as Her Majesty's Loyal Opposition?

This is the question the Conservatives have in their document, a copy of which I am sure Senator Cogger has in his briefcase. This is old stuff to him. Here is the answer he is supposed to give: "This is not about the GST," reads the paper.

Senators opposite do not want to talk about the GST.

Senator Marsden: They are confused. They don't know whether they want to talk about it or not.

Senator Perrault: Yes, they are terribly confused. Then, to return to the propaganda scene, they say that Liberal senators are violating one of the most basic principles of our democra-

cy. Responsible government, the will of the House of Commons, must be supreme to the will of the Senate.

Do senators opposite mean to say that if the House of Commons were to pass a bill calling for every second blue-eyed Albertan to be denied a vote in the next election, we should approve? Do they mean to support the view that the Senate should say, "Oh, yes, because the people over there have spoken, we have to take the vote away from every second blue-eyed Albertan"? That is the insanity of the premise you are advancing. Honourable senators, I believe that the Senate should be elected and that there should be equal representation per province where possible. But it is here, it is legal despite its imperfect form, it is established and it is supposed to protect people's rights.

The Liberal Senate is operating within its designed role of opposing government bills that are hugely unpopular and are dangerous to the continued well-being of the regions of Canada. Both here and in the other place democracy is under assault. The use of closure was frightening in the other chamber. I said this the other day and I don't want to repeat it, but even Mr. Blenkarn, the chairman of the Commons committee, had pangs of conscience, and that is rare for him. There was closure of debate on second reading and time allocation at the report stage and at third reading. Is this in the Conservative tradition, Senator Cogger? Senator Cogger used to applaud Mr. Diefenbaker when he condemned closure used by the Liberals. How can Senator Cogger support it now?

Honourable senators, this is what the Conservative pamphlet, the prompt notes, the cue cards for the Conservatives, has to say: Tell them that governments are elected to make decisions on behalf of the Canadian people and are accountable to the Canadian people for their actions.

Senator Cogger: Have you got anything against that? That is quite true.

Senator Perrault: That is largely a correct statement, with the exception of those instances when an exceptionally bad or dangerous bill comes from the other place. Can anyone cite in history a bill that has come under more assault by the public of Canada than the proposed goods and services tax? It is a great revenue producer in Ecuador, Peru, Costa Rica, El Salvador, The Dominican Republic and the Ivory Coast, and you want it here in Canada?

John Bulloch said the other day that without any question it is the world's worst retail sales tax—the worst tax ever devised. He said that at the very least we should have six months to straighten out some of its imperfections so that it will not be so damaging.

Senator Cogger: What is your alternative?

Senator Perrault: There is not even a suggestion of a deathbed repentance or change. Senators opposite are marching Canada to the fiscal and financial electric chair and Liberals here are trying to be like the governor, making efforts to give the Canadian people a last minute reprieve.

This is also stated in the Conservative prompt sheet:

> The constitutional provision to appoint new senators has never been used before. After 123 years, doesn't this mean it is effectively null and void?

The Tory sheet instructs that this is the way good, obedient Conservatives should answer:

> Canada's leading authorities on Parliament and the Constitution have made it clear that the government is within its rights to use section 26 of the Constitution Act, 1967 to appoint new senators.

Well, honourable senators, it is now a matter for the courts to decide. That kind of upset the game a little bit, did it not? I notice that Senator Cogger has a clipping about the Toronto Argonauts in his hand.

Senator Cogger: No; I am prepared to quote it to you.

Senator Perrault: You will have a chance to listen and to speak, and I promise to be here when you speak. But I have been waiting in frustration for 16 hours, and I want an opportunity to speak.

Senator Cogger: We have been here for 50 hours, senator, 50 hours as of now.

Senator Perrault: Reference is made to the leading so-called constitutional authorities of Parliament. Can you imagine the process? This is something which I suggest is an affront to all of us. Here is a process where a former Cabinet minister, now Governor General—I am not attacking or criticizing him unfairly—is involved. Why would he not confer with Her Majesty's Loyal Opposition to find out whether it had some valid concerns about the appropriate nature of resorting to this ancient device of appointing eight senators? Why would he not consult with the Opposition? Would that not have been appropriate? Is it fair to place Her Majesty the Queen in the position of having to make these appointments when she had no real power or input into the process? Honourable senators, I think it is a misuse of the monarchy and I regret it very much. It was very wrong. How can you possibly say that there was a deadlock in the Senate when we had not even debated the bill yet? Perhaps, senator, you may have been able to make a persuasive argument that would have changed our minds and brought us all over to your side.

[*Translation*]

Senator David: I have no more illusions at all. In any case, you didn't give us enough time to examine a document like that in committee.

Second, the committee decided to reject it, so your party's intentions were clear, at 7 p.m. on the 24th.

Senator Perrault: Senator David, may I continue?

• (1600)

[*English*]

Would that not have been the logical thing? Do you think that if the Queen, on her own initiative and using her own powers, had made the decision, after being told that we had not even had a debate yet, but "we want eight new senators,"

she would have said "yes"? You know that she would not have said yes.

Her Majesty has an extensive knowledge of Canadian history—perhaps a greater knowledge than many Canadians. You could not establish the basic foundation for that request for Her Majesty that eight senators were required when we had not debated the matter in the Senate. Why didn't you wait? The courts may have interesting things to say about it.

Why not have a referendum on the GST and let the people decide? That is the fourth question in that Conservative pamphlet.

Senator Cogger: Government by Gallup poll.

Senator Perrault: The answer you are supposed to give is: "The people did decide. In the last election Canadians gave the government a mandate to reform the sales tax system."

The details were not discussed as part of that campaign. You know that. The Prime Minister made $100 million worth of promises. The day after the election he said, "We are in some economic and financial difficulties." What happened during the 24-hour period between the time when the votes were counted and when he made his first statement? He said:

> The government's intentions have always been clear and up front.

Government intentions have always been vague. The Prime Minister said that taxes would be reduced and benefits would be increased. He also said that he would give new meaning to the word "patronage." That is one promise that the Prime Minister has kept. No one can accuse the Prime Minister of breaking that particular promise.

We remember when he went on the television debate with Mr. Turner. He stated that he would give new meaning to the word "patronage." He said, "You had a choice." Do you remember those words? You had a choice also, my friends. He also had a choice to give us a new Senate. He could have advanced the legislation months ago for an elected Senate with equal representation of the kind they have in Australia. He had his choice and he chose his friends to bring to the Senate—24 add-ons since August 24.

Senator Cogger: When is the last time you looked at the Constitution?

Senator Perrault: May I continue quoting from this Tory-approved paper? It states that a white paper in June 1987 set out plans to replace the existing sales tax.

This is what you Conservatives are supposed to say. If you do not have a copy of it, I could lend it to you so that you could make copies of it in your Conservative office. On the day the election was called in 1988 the Prime Minister said that tax reform would be part of the campaign. That was vaguely expressed. He never got into the details.

The Prime Minister never came out to British Columbia and said, "We have decided that we will charge you 7 per cent tax on the transportation of goods from Ontario with the net result that you people in British Columbia will have to pay more for stoves, frigidaires and appliances than they are in Ontario."

[Senator Perrault.]

You never came out and told us that. You never went to Alberta and said that. Do you have any clippings from Alberta newspapers about speeches made by Brian Mulroney in 1988 saying that Alberta would get a sales tax? Not a word.

In the televised debate just before the last election the Prime Minister said clearly that the existing federal sales tax would be changed. He did not say how—in fact, he suggested that it was merely a cosmetic operation. Instead, it is being replaced and the attempt is made to replace it with the GST. This is a classic case of talking out of both sides of one's mouth.

From this document, whose format is like a catechism or a primer you would give to a student going to elementary school, Question 5 states:

> The government says it wants to get on with its agenda. So why has it bogged down in a fight about the GST?

That is the question that the Tories are supposed to answer by saying this:

> This is not about the GST.

And this is the fifth time that this phrase has appeared in the document. It states:

> This is not about the GST. It's about elected Liberal senators denying the elected government is right to govern.

Over and over again the theme is repeated. This suggests to me that a deliberate strategy was developed to wreck the reputations of Liberal senators in this chamber for the crass reason that the Tories wanted to get this bill through at any cost.

The answer? This is about the Senate using its role to its fullest potential in order to defeat legislation which Canadians in overwhelming numbers oppose, as do respected organizations. The churches have sounded a warning that this will be difficult for people below the poverty line, as have the cooperatives and the credit unions. I cannot imagine how an Atlantic senator could support a measure opposed by all credit unions and co-ops in the area where co-ops and credit unions were begun.

Senator Olson: But you will explain that to them.

Senator Perrault: I wonder how you can possibly stand up and say yes when you know it will hurt people belonging to these those organizations, because it is clearly so discriminatory and regressive.

Hon. Finlay MacDonald: You have given an assurance that I can stand up when you are finished, have you? You have given us that assurance, have you?

Senator Perrault: I will help you to your feet if you are physically handicapped. I would be pleased to do that.

Senator Olson: We look forward to an explanation from you.

Senator Perrault: The document then goes on to state:

> For 19 years, the Liberal majority in the Senate did not contest any measure proposed by the governing Liberals in the House of Commons.

That, my friend on the other side, is a deliberate falsification of the truth. It is not truthful. The record will demonstrate otherwise. It casts increasing doubt on the credibility of this document, which must have been knocked together by a fiction writer specializing in romantic "pot-boilers".

Senator Buckwold: They have a happy ending, though.

Senator Perrault: Yes, romance novels have a happy ending. That is the problem with the GST—it does not.

To say that we did not contest any measure is to acknowledge that you simply do not know what you are talking about. You should not allow accusations of that kind to be turned loose on an unsuspecting public.

The document states that since this government was elected in September 1984 the Senate has held up some 50 bills. That is an absolute lie. Some of the bills were kept a little longer for study and consideration. Many of the delays were caused by your own activities. To say that 50 bills have been held up is untrue.

Senator Oliver: That is right.

Senator Perrault: Senator, you have not been here. You do not know what you are talking about. Bring the record here and we will discuss it. But we have not held up 50 bills at all. You were supposed to be turned loose on the Canadian people to make that charge? You will be laughed at.

I gave the record a few moments ago. Only 10 bills were slowed down to be amended and improved. In almost all of those cases your government ministers were gracious enough to thank us for slowing them down and making needed improvements. Yet when you get on the political trails you say that we have held up some 50 bills. Senator, you cannot support that; you know that it is untruthful. You know that some of the ministers came and were gracious to the committee. You have some good ministers over there. They thanked us for our help. Why do you have to say this? Tory Question 6 asks:

> How exactly is the Liberal majority in the Senate obstructing government business?
>
> Apart from the GST, the Liberal senators are refusing to pass three other financial bills.

We have already dealt with that. Again I say that essentially they are also major money grabs where the dispossessed and the poor will be the main victims. We then hear, and I quote, "If Bill C-28 on high income recovery and large corporations tax is not passed, $2.5 billion will be added to the federal deficit." They say that Bill C-28 is a program for "high-income recovery". Do you know where they will get the money from? They will get it from the unemployed. They will get it from the men and women who are not working. They will take it out of their benefits. And you describe it as "high income recovery", for Heaven's sake!

Senator Buckwold: It's a clawback.

Senator Perrault: Aren't those incredible semantics? Your income recovery program will come out of the pockets of the unemployed. I should like to go down to the Atlantic provinces and sell that one. It is called high income recovery.

The other day your Minister of Finance, Mr. Wilson, said that the difference between a recession and normality is often just a technical matter of being a bit above or below the line. Do you remember that? That is a fancy way to say to someone who was just discharged from his or her position, "Listen, you are not really unemployed. You are just technically a bit below the line."

Let us remember that former Prime Minister, a Conservative, who said he condemned the rumours circulating around Canada that there were a lot of people unemployed and looking for jobs. He said that all those false stories were being circulated by a lot of people who are out of work. That is the Tory attitude. Just use these phrases. Bill C-28 concerns high income recovery, not a vicious clawback of entitlements.

The high income recovery program is premised on the fact that they can get money out of the low-income people. If Bill C-69 on government expenditure restraint is not passed, more money will be added to the federal deficit. This is stated in the document. This is the clawback provision.

People for years marked down, on a line in their income tax return, an amount that they thought would be a contribution to their retirement income, but the government wants to claw back much of that. That is not deprivation of social rights and social payments by the Tories—no, it is called "the income recovery program" and is designed to lead Canada back to prosperity once again. What nonsense!

The paper then states that the Liberals are saying that they are acting in the public interest by opposing the GST. The document states: "How do Conservatives respond to that?" The answer is to tell the press that the Liberals are being opportunistic and they know it. You have heard some of these phrases on the television and radio in recent days because the Conservatives have memorized them and are using them as directed. It then goes on to say that when Jean Chrétien was Minister of Finance 13 years ago he recognized the need to replace the existing federal sales tax. In fact, Jean Chrétien never expressed a need for the GST and all of its regressive features. This Tory tract goes on to say that the Liberals have no alternative to offer because there isn't one. Let me repeat that it says the Liberals have no alternative to offer because there isn't one, and that is why their position today is irresponsible.

• (1615)

Are we really being told that this is the only alternative open to the government?

The government says the manufacturers' sales tax is iniquitous, that it is wrong, that it has been preventing Canadian companies from exporting over recent years. Then why, for Heaven's sake, did the government boost it three or four times since coming to power? It was at 9 per cent six years ago and it is now at 13.5 per cent. The government is shedding oceans of crocodile tears when it says it is going to launch a fight against the manufacturers' sales tax because it ties the hands

of Canadian manufacturers when, in fact, Tories have boosted the tax by 50 per cent since coming to power six years ago.

If one of the new senators gets off this line of questioning, how will he or she answer that? This government never offered Canadians any alternatives. There was no discussion of other possibilities. What we needed long ago was a royal commission on finance made up of responsible elements of business and, yes, even members of the other parties, because we have a big deficit and a big debt and no government can avoid the problem, including an NDP government. It is irresponsible to attack a measure and not have alternatives; I agree with that. But to say there were no alternatives and the government had to go with the GST is not being honest. The GST is a tax grab, not tax reform.

I was reading an essay the other day that said that great tax reform capital of the Ivory Coast introduced a GST. The ruler of that country was not interested in tax reform; he knew the treasury was empty, so he introduced a GST in 1960. That essay states:

> The GST and its equivalents around the world are regarded by most governments as huge cash cows which can produce extra tax revenue at any time with a minimum of democratic debate. The Goods and Services Tax equivalent in the Ivory Coast has now zoomed to a whopping 25 per cent. The GST is regarded as a particularly attractive revenue-raising device by those governments either unable or unwilling to practise fiscal and financial discipline.
>
> Governments disinclined to attack problems of debt and deficit by the imposition of ability-to-pay taxes, by restructuring their spending patterns and by adopting tough and responsible fiscal policies opt for a GST as a regressive but much easier route to get their hands on even more taxpayers' money.

Isn't that great! If the government does not have the financial and fiscal discipline to put the house in order, it makes a money grab.

Senator Corbin: From what were you quoting and what is the date?

Senator Perrault: That quote is from an essay I read in an economic magazine. I do not have the page reference. I do not have the date.

Isn't this an incredible position in which to find ourselves-that is, being told that there is no other route but the GST.

Do honourable senators opposite not think it would be a good idea to start collecting taxes from some people earning over $500,000 a year? There are some who earn incomes in that area who don't pay any income tax. There is another list of people earning over $250,000 a year who don't pay taxes. Do honourable senators opposite not think it is time for a wealth tax, as they have in other countries of the world? I see a senator nodding his head in the negative. I suppose to a Conservative that might destroy incentive.

Are there no other routes?

Senator Cogger: What is your alternative?

[Senator Perrault.]

Senator Perrault: A businessman telephoned me the other day. He is with one of the largest companies in Canada. I am asking his permission to quote him publicly. He said: "We should, first of all, clearly earmark special moneys contributed by the taxpayers to reduction of the debt and deficit." He said there should be a special debt and debt reduction fund. He said that those who earn between $15,000 and $25,000 should pay 1 per cent additional short-term tax payment, and then it should escalate from that to incomes over $500,000 taxed at 7.5 per cent.

He said, "I do not care what governments say. We love this country. We love the country more than all of the political parties put together." We want to help Canada out of its problem. I asked him for an analysis of his plan. I asked him what the yield would be. He said, "I will work it out and send it to you."

The point I am attempting to make is that there are Canadians who want to do something about the deficit problem and the debt problem. We are together on that.

Senator Cogger: Whom are you quoting?

Senator Perrault: I said that a businessman telephoned me the other day with this proposal.

Senator Cogger: I am asking you what Mr. Chrétien's alternatives are to the GST. That is what I want to know, not some taxpayer's notion.

Senator Perrault: That will be announced in due time. I am speaking now as a senator now. The fact is that there are other avenues we can go down in an effort to solve the present problem.

When honourable senators opposite ask opposition senators to come up with alternatives, that is legitimate. However, we are not the government and we do not know how much money is in the kitty. Until you get there you do not know how much money is there. The same happened with the New Democratic government in Ontario. They say they now have a different perception of matters. That happens. The same happened to this government when it came into office in 1984.

All I am saying is that there has to be a better way to develop alternatives than to pass a measure which has been condemned so roundly by many groups as being regressive.

Senate Finance Committee members will recall the senior citizen who attended a committee meeting on the Prairies, I think it was. He said he was a veteran of the war and had always paid his way. He wanted to help battle the debt and deficit, but he wanted to feel that he was not being exploited, that he was paying his fair share, not too much and not too little.

I think Canadians believe that. I do not care how they vote—Conservative, Liberal, NDP, whoever—they want to solve this problem; but if the perception is out there that the tax system is not fair, then people are going to balk and resist. No good law can be passed without the essential support of the people of the country.

Honourable senators opposite know that, just as we on this side know that.

There are many good ideas out there. Together with others, I am attracted to the idea—apart from the GST or anything else—of making my own individual contribution, earmarked specifically for debt reduction, as would many other people. We have a problem and it needs solving.

I do not think we should make this simply a political battle. I hope we get to debate the GST within the next few hours.

Then the pamphlet says:

> "Opposition parties and others claim the Senate appointments are unconstitutional."

Again, we have the court challenge.

There is much more in these documents, but I will not burden honourable senators with more.

Are there no taxation alternatives? There were allegations made to the committee of a very disturbing nature. One was that since 1950 individual income tax in Canada had gone up from 50 per cent of total collected to 88.1 per cent and that corporate income tax had gone from 50 per cent down to 11.9 per cent. There was a comparison made available to committee members under the heading of "Personal Income Tax as a Percentage of Total Tax Receipts". In this comparison we have Canada at about 38 per cent, the United States at 36 per cent, and France at less than 15 per cent. Of course, there are other factors in the taxation picture. One cannot merely take these statistics as the only guide to the justice of a tax system, or determining whether it is progressive.

Under the heading "Taxes on Personal Income as a Percentage of Gross Domestic Product" we have Japan at 7.3 per cent—these are the latest figures, 1987—United Kingdom, 10 per cent; United States, 10.9 per cent; and Canada, 13.4 per cent.

We seem to have much of the burden of this government on those personal income tax rates. I suppose the question that arises from that is: Are there other sectors where taxation is not sufficiently high? I say that because we have to find the money.

By way of concluding my remarks, I should like to appeal to the Speaker to take the appropriate action. I am not being partisan. Those of us who have served in legislatures know that when a Speaker loses the confidence of the House, regardless of the reasons, he should graciously resign. I do not think the Speaker needs to be urged to leave. As one writer said, democracy means the protection of minority rights; it does not mean the imposition of majority privilege. That was the view we held in the House of Commons when the bells rang for 17 days. I would like to see a rule adopted in the Senate which would limit the time the bells can ring, because I do not think it is democratic to have them ring for four months. That would make a travesty of the system.

Senator Barootes: How long, five days?

Senator Perrault: Perhaps five days. I certainly do not think three hours is sufficient. I do not think the bells should be stopped over a weekend when we normally have Saturday and Sunday off.

They now have a limitation in the House of Commons, as I understand it. When the Senate Rules Committee next meets it should work out an agreement on this.

The tradition is that when a Speaker loses the confidence of all the members of the House, the Speaker removes himself. The senator now in the Chair is capable of replacing the Speaker, and there are other senators across the way who are also capable. What we saw the other day was a disgrace. That is why there was so much anger. Many people across Canada said they could not understand why we were putting on what they felt to be a show of this kind. I do not think that the "show" helped the reputation of the Senate.

As I said to one commentator today, what would inspire some senators who are members of the Order of Canada—and there are some across the way as well—and former premiers, such as Senator Robichaud, former members of cabinet, former MLAs, MPPs, to be so indignant? Because they regarded the Speaker's action as a basic affront to their rights and privileges. The opposition in this place exercised its absolute right to attempt to delay a vote on a motion, and, as Senator Pitfield said the other day, obviously there was collusion or some type of communication between the government and the Speaker.

● (1630)

The bells rang for a brief period of time, and then this action was taken to effectively remove the rights of several senators to vote. How could this happen? How could the Senate be reduced to this state of affairs? All of you belong to organizations. Surely it is not in our Canadian tradition to exclude dissident voices from meetings. This attempted parliamentary coup d'etat was in the dubious tradition of banana republics everywhere. It is not Canadian. Usually these actions are taken by insecure and frightened leaders attempting to fend off the inevitable expression of will of the people. Usually governments under seige, or organizations under seige, resort to these semi-dictatorial tactics as defence mechanisms; but that does not work in Canada. There has been criticism of the opposition's reaction to what might be described as an abortive parliamentary power play. But if this arbitrary action had been accepted—to use Churchill's words—by a supine and silent opposition, we would forever have enshrined a precedent that would have reduced this place to a hollow mockery of a viable parliamentary chamber.

We can use the analogy of a referee at a football game. If the referee happened to be from Vancouver and decided that when Vancouver Lions got the ball there should be four downs instead of three downs, and that the Lions were going to get that ball over the goal line regardless of what happened, do you know how long that referee would last in Vancouver or in any other Canadian city? Not long.

We should have known that this outrageous strike against democracy was in the works.

We remember the time when the Conservative Party condemned closure as undemocratic, unfair and a device to muzzle the opposition. As a matter of fact, some of the best parliamentary speeches within memory were made by John Diefenbaker on that very point. Some of us remember the screams of outrage from the Conservatives who told the Canadians that closure was tantamount to a political form of the black plague. They accused the Liberals of being dictators. There were impassioned attacks upon closure. I seem to recall that at one point Conservative MPs took the Canadian flag and draped it across a desk and proclaimed that they were the custodians of freedom in Canada. What about today? What a contrast! As I said earlier, since 1984 you have used closure more than any other government in Canadian history. Contrast that with the manner in which the rights were protected by previous Liberal governments. We did not take any action to restrict bell ringing on that occasion. We made a deal. We can sit down and make a deal here. Back then we decided we would split the bill. It was not a perfect answer.

Senator Cogger: You guys do not respect deals!

Senator Perrault: That is not fair. Look at the record. You are an old pro in this business, senator. Read those words again.

Senator Cogger: What page?

Senator Perrault: Page 2406:

> Because of the way things were left on the record after the points of privilege that were raised, everyone's position will remain the same. Our position is that the vote on Wednesday should not be a precedent . . .

That is exactly what we are talking about.

Senator Cogger: I will also quote:

> On Tuesday we will be starting with a fresh sitting . . .

For the last 50 hours you have been talking about a point of privilege. That was the deal.

Some Hon. Senators: Hear, hear!

Senator Cogger: We will not be making another deal to get this weekend off because you do not live with deals. You got home to Vancouver last weekend with a deal that afterwards you did not respect.

Senator Perrault: Come on! Maintain your Conservative cool.

Senator Cogger: Have you cancelled your flight to Vancouver?

Senator Doyle: You will not get away with it.

Senator Perrault: Senator Frith said as follows:

> Our position is that the vote on Wednesday should not be a precedent, and that such votes should be held in accordance with Rules 49 and 50. Proceedings for a vote are outlined on page 70 of the rules. As I say, our positions remain the same on that. Our position with respect to Speaker Charbonneau remains the same. I think that covers everything that we discussed.

[Senator Perrault.]

You may say that a difference of opinion exists, but I cannot think of any words that are any clearer than that. Our position is that the vote on Wednesday should not be a precedent. Why do you think that we have been speaking for hours? We do not want, and we will not accept, that the action on that infamous Wednesday night is to become a precedent.

Senator Cogger: Read the words of Senator Frith.

Senator Perrault: If your house leader would stand in his place and say that it shall not be a precedent and that you are going to observe the rules that are in a Senate rule book; if you would make that commitment, there would be no further problem. But you have refused to give that commitment.

Senator Cogger: When we make a commitment, we live with it, but not you guys.

Senator Perrault: We are not going to accept a situation where the capricious decision of a Speaker will decide what goes on in this chamber. You are going to have a long weekend if you think that is going to be the Liberal position.

Senator Barootes: You cannot stand to lose a vote.

Senator Perrault: That is ridiculous, senator. You are an old pro and you know that is ridiculous.

Senator Barootes: You cannot stand the thought of losing a vote in this chamber. You will not vote. You refuse to vote.

Senator Perrault: I will be pleased to vote when the occasion arrives. It will arrive.

Senator Cogger: We can vote on the motion moved by Senator Murray this morning.

Senator Perrault: But from the highest levels of your party—and I hope this does not offend you—

Senator Barootes: Try us!

Senator Perrault: —there has been an increasing impatience with democracy and an appalling lack of respect for tradition and precedents, both in this chamber and in the other place. I would think, knowing his capability as a writer and as a man of conscience, the former editor of the *Globe and Mail* in our midst would have written some editorials, had this occurred under different circumstances a few years ago, and would have condemned the party attempting to take away the right to vote.

Senator Doyle: No, no, no. Come on!

Senator Perrault: Oh, yes. Removing a person's right to vote would not coincide with the objectives of your publication.

Senator Doyle: That is a prevarication.

Senator Perrault: Contrast that with the manner in which rights were protected by—

Senator Doyle: Let us have a vote now.

Senator Cogger: There goes the weekend.

Senator Perrault: Contrast that with the way in which the rights of the opposition were protected during the time of a Liberal government. You suffer so badly in comparison. In

retrospect I presume that you regret the fact that the Tory bells were not cut off before 17 days in the other place.

Senator Doyle: That has been recognized. It cannot happen again.

Senator Barootes: Are you ready for questions now, senator?

Senator Cogger: Senator, can you go on for a couple more hours or would you like to move the adjournment?

Senator Perrault: I hope that we can come to some honourable solution to the differences that separate us.

An Hon. Senator: What do you propose?

Senator Barootes: Go ahead and tell us what your proposal is.

Senator Perrault: I have already given you some ideas. There should be no action to restrict the rights of the opposition. This debate will come to its normal conclusion, and we know, now that you have a majority here, that you will want to protect the rights of the opposition. However, some of us are disappointed that when it came to removing our right to vote the other day, some of you did not stand up and oppose it. Senator Cogger, Senator MacDonald and Senator Barootes should know better. I could not have walked in the chamber if a Liberal Government had tried that—

Senator Cogger: The answer was given by your own Senator Everett.

Senator Perrault: —and most Liberals would have felt the same way about it. We have a finely developed idea of what the system is all about. I cannot imagine how the Speaker could have written a letter in which he said that in, light of the failure of the mechanisms established by the Senate to assemble senators for division within a reasonable time period. Surely our friend and colleague Senator Charbonneau should not have written a letter of that kind when he knew the bells had only been going for three hours and that we were in a meeting down the hall discussing what we were going to do. He had no right to write such a letter.

May I paraphrase something he should have read to the chamber at that time: "In light of instructions which I have received from my old friend the Prime Minister, who is becoming frustrated, angry and impatient—

Senator Barootes: And you are asking for cooperation after reading something like that? You have nerve.

Senator Perrault: —with the process known as democracy—

Senator Barootes: Is it to inflame?

Senator Perrault: —I have been ordered to call back the Senate at unreasonably short notice so that a vote can be taken and, if possible, several votes.

Senator Barootes: You are a great arbitrator.

Senator Perrault: I know that the bells have only rung for a brief time, but Brian is a very impatient man these days. He can be one mean dude when he loses his cool.

Senator Barootes: Very funny. And then you ask for cooperation and understanding. Great!

Senator Perrault: Is it any wonder that the place exploded the other day when that was our perception of what had happened?

Senator Barootes: We never rang bells; we never blew whistles; we never rapped on desks.

Senator Perrault: Yours was a procedural ploy that has never been employed in the history of Canada.

Senator Barootes: Shame on you, then!

Senator Perrault: Senator Barootes, you are very vocal, as usual, but can you cite another instance where the right to vote was removed from the opposition?

Senator Barootes: If you want to inflame us, keep it up! We react too! We are human beings over here!

Senator Perrault: The same Prime Minister, who gave lavish lip service to Senate reform in his campaign—remember the speeches he gave about Senate reform—demonstrated his contempt for parliament by appointing many of his friends and demonstrating his contempt for the Senate and Senate reform in so doing. Loading the Senate with political pals is not the first step towards Senate reform. We should have realized that the Conservative spin doctors would attempt their silly coup in the Senate. I know the idea did not come from senators here, because I do not think that they are that devious.

Senator Barotes: This is not Sampson and the Temple! You cannot pull the temple down over your heads when you are losing. Your actions are going to result in the abolishment of this house and it deserves it.

Senator Perrault: How could the consciences of the senators be so dulled as to be willing collaborators in this attempted action against the Senate? We should have seen it coming. We saw Mr. Blenkarn in the other place and the tactics he adopted. We should have seen the signs when he bludgeoned the bill through the Commons, limited discussion and debate and cut off the opposition there. We should have known better. We were too trusting. He used closure as his main weapon, and he has been apologizing ever since for his rough tactics. He had a quote the other day in the newspaper. Mind you, it did not add to the intellectual resources of the nation, but what can one expect from Mr. Blenkarn? He said:

> We will do and the Prime Minister will do what has to be done. We are going ahead with this. There is no economic justification for the Liberal dominated Senate to block the GST legislation. Adding the tax quote does not fit the political program of the Liberal senators.

Talk about inflammatory statements! You say how can we expect cooperation when statements of that kind are made. Did you read the statement made today by the Minister of Finance to inspire cooperation on the part of senators? He should go back to figure skating as quickly as possible. Read it in tonight's paper.

Senator Barootes: Have you got the right minister? You have the wrong minister.

Senator Perrault: I am talking about Otto Jelinek.

Senator Barootes: He is not the Minister of Finance.

Senator Perrault: He is the one who made the statement. They keep on shoving him from post to post because he is having trouble coping. If I gave him the wrong portfolio, you will understand that it may have been my perception of his latest shift. Mr. Blenkarn continued:

> If I had my druthers and if the Prime Minister had his druthers we would abolish the Senate, but we are stuck with it.

Is that designed to win cooperation from the Liberals in the Senate?

Senator Cogger: Your own colleague asked for abolition a couple of hours ago.

Senator Perrault: How about the statement made by that great Alberta diplomat, Harvey Andre! He has never said a kind word about the Senate in his life. He said we had a triple-L Senate—lazy, late and Liberal. Ha, ha, ha! Do you think that is supposed to inspire cooperation!

Senator Barootes: It is better humour than yours.

Senator Perrault: This pilloried body has even improved your own legislation since 1984 on at least ten or twelve occasions, and you know it. Why don't you tell the media that? You say you are indignant because I have suggested that the Prime Minister was the evil architect behind this whole preemptive strike in the Senate, and that gives lip service to Senate reform. I often wonder how so many Conservative senators, many of whom know better, could have cooperated in such a sleazy and sly operation. How could their consciences be so dull as to be willing collaborators in this attempted rape of the Senate? Those are the things that disappoint some of your colleagues. We believe that when essential principles are at stake, we stand together and do not sell out the right of other members of the Senate. I have a great deal more documentation, but I know other senators are anxious to speak.

Some Hon. Senators: Hear, hear!

● (1645)

Hon. Finlay MacDonald: Senator Perrault gave an undertaking that rather than have interruptions he would take some questions.

Senator Perrault, you were a member of the Standing Senate Committee on Banking, Trade and Commerce in 1987 when we were studying tax reform. The chairman at the time was the Honourable Ian Sinclair.

Senator Perrault: A good chair too.

Senator MacDonald: A good chair. I had the honour to be deputy chairman. On that committee were Senator Buckwold, the present chairman of the Banking Committee, Senator Kirby and yourself. Other senators who from time to time took part in those discussions on tax reform were Senators Barrow, Bosa, Godfrey, Haidasz, Olson and Stewart.

In our 12th report, dated December 1, 1987, we recommended that the government introduce legislation to implement a broad-based, multi-stage sales tax to replace the existing federal sales tax. That was three years ago.

I am the first to admit that one can change one's mind for any number of reasons. I have heard those reasons given here. Usually, when points of privilege were raised the GST invariably came into the privilege. I never heard anyone on that side say any good thing about the GST. I might say that in this recommendation of the committee there was not a dissenting voice.

As Senator David has reported, we have a committee that in one day presented us with four options and said that it had decided—meaning the majority of the committee—to bring in option four, which says that this bill should not be proceeded with. That is the strongest recommendation the committee can possibly make.

If there is an exception I would love to know it, but I will say that if all senators on that side have nothing good to say about the GST, is it not fair to conclude that the report would be adopted and, if you had your way, the bill would be killed? Is that not a fair and reasonable assumption? What is the point of the Leader of the Opposition in this place getting up and saying there is no evidence of a deadlock? Who is expected to believe that? The committee has said the Senate should kill the bill. Everyone agrees. Is the oratory on this side supposed to be so persuasive that Senator Hays or Senator Robichaud, or someone, will say they were wrong and will support the government? Would that not be the rationale for the invocation of this Section 26 which has created so much controversy? Is it not reasonable for the Government of Canada to assume that there is a deadlock?

Senator Perrault: That is a perfectly fair question. I am not disputing it. I am saying that in the course of parliamentary negotiation and discussion many bills have been approved or changed or altered. However, I do not see how you could possibly say there is a deadlock until it is debated and discussed. These may have been an initial recommendation of the committee, but there are all sorts of possibilities or initiatives beyond that point. That is why I do not know how anyone can go to Her Majesty and say that we have an insuperable deadlock. It does not meet any of the conditions of other deadlocks we have had in Canada. There must first be a debate and discussion.

Senator MacDonald: One of the options given to the committee was the making of amendments. There were none.

Senator Olson: You would not let us discuss it.

Senator MacDonald: The report had been written beforehand and said that one of our options was to have made recommendations. We discarded that option.

Senator Perrault: The unfortunate part about the sequence of events you have described is that you were unwilling at one stage—or at least that was apparent to us—to discuss the four

major recommendations. We could not even have your representatives on the committee discuss the options. You filibustered here for several days.

You may accuse us of unduly prolonging debate. You did very much the same thing. You did not want to debate the report or the options, or anything else. It is not true to say there was no possibility of debate.

Senator MacDonald: I wish Senator David had been here to describe again the circumstances of those six hours in which the committee considered a 270 page report and during which a time limit was put on what the decision would be. You know there was no opportunity. I think you were at that meeting; Senator LeBlanc was not.

Senator Perrault: For you to suggest that these were 270 pages of detailed new material which committee members had never been seen before is not accurate. Almost all of that material represented a condensation of various proposals.

Senator Barootes: Select.

Senator Perrault: —and views expressed to the committee and received by it.

Senator MacDonald: Carefully chosen.

Senator Barootes: Selectively chosen by the chairman alone.

Senator Perrault: I know you want to be fair. If you look through that brief you can find numerous examples of companies that say the bill should be passed. You know that. Do not try to do that to Senator Buckwold.

Senator Barootes: Are there any economists who said that? Nine out of ten said to pass it.

Senator Perrault: You effectively filibustered your own bill when you went through that process. We were begging you to debate the report that had been tabled by the committee. Why were you so unwilling to discuss the report at that stage when there was an opportunity for input?

An Hon. Senator: It was tabled by one man, read by one man.

Senator Barootes: May I ask a question? I have three questions, one of which has been usurped by my friend, as he read from your previous Banking, Trade and Commerce committee.

In your experience in this chamber of sitting on a committee, not necessarily with Banking, Trade and Commerce, that brought in a report either on legislation that was before it or on a subject matter for study, do you know of any instance in which that report was done solely and entirely by the chairman, with no input permitted from the members of the committee of either political stripe? Have you ever had such an experience, where no one but the chairman was allowed to write, read and present the report?

Senator Perrault: That is not an accurate assessment of the situation. He did not write the report. We had an objective and competent staff prepare an objective report insofar as they were capable.

Surely, this is the type of matter we should discuss when the bill comes before the Senate for debate. If we can remove this procedural obstacle, as I am sure we can, we can get to that debate.

Senator Barootes: We are not standing in the way of that.

Senator Perrault: I hope that when debate on the bill comes forward, that will be part of your remarks during the debate.

Senator Barootes: I ask this question with all respect and humility. I think this has been brought to your attention. We do have in this House a fairly prominent expert on parliamentary procedure. He is your own Senator John Stewart. I am referring to an article he wrote for the Toronto *"Pravda"*, also known as the *Daily Star*. I am referring now to the ringing of the bells. I wish Senator Dave Steuart would also listen to this.

Senator Perrault: What is the date of that?

Senator Barootes: March 18, 1982. This eminent and well-known expert writes, with respect to the ringing of the bells which has so inflamed you people, that "the purpose of the bells is to call the members to the chamber to vote. It is not to permit either side to stop the work of Parliament." Senator Stewart states that in his view "once it has become obvious"—note that he says "a few hours would be more than sufficient"—"that the practice is being used not to round up members but to stop the House, the Speaker has the power to complete the interrupted vote." This is from your own expert on political science.

I want to ask a question in this respect. There is more to his statement, but I do not want to embarrass you by reading other parts of it.

Senator Perrault: I would be glad to answer that.

Senator Barootes: May I put the question to you first?

Senator Perrault: You challenged me on the basis of that. Put the question.

Senator Barootes: My question is about the ringing of the bells. For 42 years in this hallowed chamber the Conservative Party has been in opposition and the Liberal Party in the majority. How many times has that Conservative opposition in the Senate ever used the ringing of the bells to stop the work of this chamber?

Senator Perrault: First, honourable senators, no Liberal government attempted to bring in such an obnoxious and reactionary bill as the GST.

Senator Balfour: How about the NEP?

Senator Barootes: What about the freezing of wages and prices?

Senator Perrault: That did not have the implications—

Senator Barootes: Zap, they are frozen.

Senator Perrault: I regret that Senator Stewart is not in the chamber to reply. However, he has stated that this represents a distortion of what he said. Second, his references were made to

the House of Commons where they elect their Speaker. There is a profound difference.

Senator Barootes: They didn't elect the Speaker then. They did not have an elected Speaker in 1962.

• (1700)

Senator Perrault: Senator Barootes said it was 1982; now it is 1962. The Speakers were elected in 1982.

Senator Stewart, when he is here, will wish to reply in more complete and accurate detail. But, first, it was in the other chamber, which is a profound difference. Second, that is a chamber in which there is an elected speaker. Third, I would add this observation: that having the bells ring for three hours is surely not unreasonable by any definition. Come on, Senator Barootes, your own party rang the bells for 17 days.

Senator Barootes: That was in the other chamber, to which you say we have no relationship.

Senator Perrault: Were you quoted in the *Regina Leader Post* as condemning the Conservative Party for allowing the bell to ring for 17 days? The bells rang for three hours in the Senate. Are you really suggesting to us that this is unreasonable?

What is Senator Barootes's definition of an unreasonable length of time to ring the bells?

Senator Barootes: I don't have one. I am only quoting your own Senator Stewart.

Senator Perrault: He said that it was not in relation to the Senate; but I will let Senator Stewart answer for himself.

Hon. Roméo LeBlanc: Honourable Senators, on that point I wish to say that we are somewhat at a disadvantage in not having seen *Hansard*—at least, I have not seen it—for yesterday's discussion period. Senator Stewart stood up and explained what he had written. He explained that it was for the House of Commons, where traditionally the Speaker is not chosen by patronage appointment, Order in Council or without consultation. In fact, the Speaker was then elected or selected by the house following consultation with the opposition parties in government.

Speaker Fraser, of course, is a more powerful figure than previous speakers, but speakers of the House of Commons have always had much more power than speakers of this house, for the reasons Senator Stewart clearly set out.

Senator Barootes: You should get a 9.9 for fancy skating!

Hon. P. Derek Lewis: Honourable Senators, I rise to speak on Senator Stewart's question of privilege concerning the unprecedented action of the Speaker of this house last Thursday when he subverted an express rule of this chamber by calling a vote on a motion before the house before both parties had signified their readiness to proceed.

I know the rules in question have been read before, but I feel I should refer to them once again for emphasis. Undoubtedly, there are many senators absent. They are probably in their offices listening with bated breath and would like to hear this.

[Senator Perrault.]

In the *Rules of the Senate of Canada* at page 19, under the heading "Part IV", Rule 49 is set out:

> (1) When a question is put to a vote, the Speaker shall ask for the "yeas" and the "nays" and shall thereupon decide whether the question has carried.
>
> (2) In the absence of a request for a standing vote, the decision of the Speaker is final.
>
> (3) Upon the request of two senators before the Senate takes up other business, the Speaker shall call for a standing vote, at which time the "yeas" shall first rise in their places, then the "nays", then the abstentions.
>
> (4) A senator is not entitled to vote on any question in which the senator has a pecuniary interest not available to the general public. The vote of any senator so interested shall be disallowed.
>
> (5) Questions arising in the Senate shall be decided by a majority of voices. The Speaker shall in all cases have a vote. When the voices are equal the decision shall be deemed to be in the negative.

Rule 50 reads:

> (1) A senator shall not vote on any question unless the senator is within the Bar of the Senate when the question is put.
>
> (2) Without leave of the Senate a senator shall not speak to a question after the order has been given to call in the members to vote thereon.
>
> (3) With leave of the Senate, the vote of a senator may, for special reasons assigned by the senator be withdrawn or changed by the senator immediately after the announcement of the division.

At page 70 of the rule book, in Appendix C, we find the following:

> Voting in the Senate is described in Rules 49 and 50.
>
> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and "nays" and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote. The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote. The Speaker puts the question again. All senators in favour of the motion rise, and the Clerk of the Senate records their names on the division sheet. All senators opposed to the motion rise, and the Clerk records their names on the division sheet. All senators who wish to abstain then rise, and the Clerk records their names on the division sheet. The Clerk announces the official result of the division, giving the number of "yeas", the number of "nays" and the "abstentions". The Speaker then declares the motion carried or lost.

> The procedure on a standing vote on an amendment is the same as the foregoing, except that the Speaker reads both the main motion and the motion in amendment, and puts the question on the motion in amendment. He then declares the motion in amendment carried or lost and puts the question on the main motion.
>
> The Clerk is responsible for recording the votes. He sends copies of the division sheet to the *Debates of the Senate* and the *Journals of the Senate* for publication.
>
> If an error has been made on a division list, correction is made at the earliest possible moment by the Speaker of the Senate.
>
> If there is confusion, a mistake or irregularity in the conduct of a division, the Speaker interrupts the proceedings, puts the question again and orders that the division be taken again.
>
> The result of an equal vote is deemed to be in the negative. The Speaker may vote, and if he does so he must register his vote at the time of the division; he has no casting vote.
>
> Strangers are not obliged to withdraw from the galleries when a division is called. The doors being locked, no one is allowed to enter or leave the galleries during a vote except members of the Parliamentary Press Gallery.
>
> Voting in a select committee, in practice, is by voice or a show of hands, and the result of an equal vote is deemed to be in the negative. A recorded vote is taken if the committee so decides.
>
> There is no recorded vote in Committee of the Whole.

I just want to make an observation. When the Speaker puts the question and asks for the "yeas" and "nays", he then expresses his opinion as to the result. I want to emphasize that because it will come up a little later.

These have been rules of this house for many years. I dare say that if we were to search the records we would find that the rules were adopted unanimously by all parties at the time of enactment. And why not, since they were adopted for the benefit of all senators, so that it would be clear to all exactly what rules were to apply on the taking of a vote in this chamber; and, of course, up until now, the rules have been followed and relied upon.

In this regard, I would like to read from *The Parliamentarian*, being the journal of the Parliaments of the Commonwealth, the July 1990 edition, which I am sure all honourable senators have read. I refer to page 218, which contains a review of *Erskine May's Treatise on the Law, privileges, Proceedings and Usage of Parliament* (21st Edition). We all know the regard in which we hold Erskine May's rules of procedure.

This review is written by Dr. Subhash C. Kashyap, Secretary-General of the Lok Sabha, of the Parliament of India. He, himself, is a learned author. I would like to read what he has to say. I will have to quote some of the first part of the article before I get to the part in which I am most interested. It reads:

> It is 145 years since the first edition of *Erskine May* was published in 1844. To introduce May or his volume to anyone who is even remotely interested in parliamentary practice and procedure will at best be an effort akin to introducing the Bible to a practising Christian. And to describe May's work as the most exhaustive, authentic and authoritative treatise on the working of the "mother of Parliaments" will be, to put it very mildly, an understatement. Yet, to be asked to review it was a matter of privilege, to agree to do so a pleasure and to actually attempt it a task at once challenging and onerous.
>
> When I embarked upon the none-too-interesting proposition of reading over a thousand pages of the twenty-first edition at least once, I was reminded of the claim made by A.R. Browning of the Australian House of Representatives in his review of its twentieth edition which appeared in *The Parliamentarian* . . . that he may well have been the first person to have read an edition of the entire text of *May* in 50 years. Mr. Browning has been proved wrong in his apprehension that a single reading of *May* in its entirety could well cause his premature retirement. He still holds fort in Australia as the Clerk of the House! I have no such fears, for after serving Parliament for 37 years now, I am already ripe and ready to retire honourably and happily.
>
> The experience of going through *May* has indeed been rewarding and stimulating. As stated elsewhere . . . modern Parliament is a multi-functional institution, performing a wide variety of roles. Besides its traditional law- making functions, Parliament exercises many roles: representational, grievance ventilation and redressal, educational, leadership recruitment and orientational, legitimizational, overseeing and surveillance over administration and control over the executive.

Now I come to the most important or pertinent part of this review:

> Parliamentary practices, procedures and conventions make for orderly and expeditious transaction of business and impart an element of stability and predictability in the course of proceedings within the Chamber. They also afford a chance to the Members of every side to make their contribution to the business before the House. Designed to ensure decisions by majority opinion, the rules of procedure also safeguard the right of minorities to have their say and to be protected against any possible tyranny of majorities.
>
> Parliamentary procedure is not an arbitrary standard or a product of one mind, but the result of the considered and enlightened opinion of many which has gradually evolved over the years. As a time-tested tool, it provides for an efficient and effective method of accomplishing all legitimate objectives of a legislative body.

> Inside the House, this body of impartial rules guarantees equal rights to all, imposes responsibilities on all, offers participation to all, saves the time of all and in short serves the best interests of all. Parliamentary policy is essentially representative, responsible and responsive. Ministers are responsible to Parliament. Parliament has to be responsible to people's opinion. Parliamentary procedure is intended to facilitate debates and discussions on the problems and perceptions of the people from whom the Members derive their legitimacy.

● (1715)

I will not go on with the rest of the review, but I particularly wanted to draw this part to your attention. You will note the writer's remarks with respect to the objectives, need and use of parliamentary practices, procedures and conventions and how they are designed, amongst other things, to safeguard the rights of minorities to have their say and to be protected against any possible tyranny of majorities. This is appropriate in the present circumstances. Why not? Surely the majority needs no protection. The majority can always look after themselves.

Honourable senators, I venture to suggest that all of us in life's experience have been members of many organizations, all of which have established constitutions, regulations and rules to govern the operations of such organizations, the conduct of members and the proceedings of the meetings. Even our courts—for which we all have a great respect—have rules and procedures that are strictly adhered to in their operations. The strength of these institutions, if not their very existence, depends on the way such rules and regulations are obsered and respected by their members. Once these rules are abused or flouted, the institutions disintegrate.

That is the danger we find ourselves in as a result of the action taken by our Speaker in apparently the design of the government in doing its bidding. It has destroyed in this chamber the respect for the Chair, which is a sad situation and obviously a shame on us all. It will only confirm in the public's mind its well-known view that this government can only operate by subterfuge and trickery, as so well illustrated during the Meech Lake fiasco. It is another example of the abysmal way the government is running this country.

In this respect, I feel I should read to you an article in that well known magazine *Maclean's*. It is in the October 15 edition and is found at page 88. It is an article written by Allan Fotheringham. It states:

> The principle of parliamentary democracy is that a government with a majority mandate can legislate—because it has the arithmetic—anything it wants.
>
> Therefore, it takes some talent for a government with successive majorities in the Commons to reduce the country to anarchy. It takes a real gift to convert the aging and unelected Allan MacEachen into the most powerful politician in the country. The Mulroneyites have lost the gift of how to govern and the place dissolves into Albania-like confusion.

[Senator Lewis.]

The Tories, in their disarray, claim that they can't let the troglodytes and superannuated bagmen in the Senate dictate the business of the country. Under normal logic that would apply—but as we know, we are not in normal times. This government has lost the moral suasion to govern, such is its unpopularity and especially that of the chap at the top.

The Liberals are leaderless, Jean Chrétien dancing around outside the Commons on each side of every issue. The NDP has a leader who hasn't really caught on yet. Despite all this, the Conservatives are reduced to shouting matches and arcane procedural manoeuvres in the fusty old Senate—while those foreigners who are still interested wonder if this is a tinker-toy country after all.

If one were a simple sort, one would think the principal players in the headlines in this "crisis" would be named Mulroney or John Crosbie or Michael Wilson or some such. Instead? The front pages are full of MacEachen and Royce Frith and Michael Kirby and Jacques Hébert, monikers that normally would not leap easily to your lips, names almost as celebrated as the never-to-be-forgotten Gerry Caplan.

How a government, six years in power, given the sway by the voters to dominate the Commons, can find itself in such a fix is wonderful to behold. Joe Clark's brief hiccup of history in office looks absolutely rock-solid by comparison.

Politicians who live by the polls die by the polls, and these Tories, who won those two majorities through the most sophisticated polling devices in Canadian political history, are now terrified of the downside. When the personal popularity of the Prime Minister is lower than the interest rates, polling revenge is complete. Allan Gregg and Angus Reid are more feared than anyone but, well, say, Allan MacEachen and Royce Frith, those household names.

Pierre Trudeau, with his one political obsession, finally shucked off the demeaning link with Mother England on that rainy afternoon on Parliament Hill when he and the Queen put their signatures to the document that supposedly made us an independent country at last. Because these present guys don't know how to govern, they've undone all that in foreign eyes by having to "ask" Buckingham Palace's "permission" to apply lawyers' jiggery-pokery to solve a problem of basic unpopularity.

Lewis Carroll is the architect. The nearest analogy to what we have seen on the nightly TV screens is the Marx Brothers in *A Night at the Opera*. Woody Allen would write the script. Stephen Leacock, who looked like a senator, could do the scene justice.

The delicious part is that Brian Mulroney, who trounced John Turner in that 1984 debate on patronage and won the election on the exchange, is now wobbling all over the map trying to get his legislation through with an orgy of patronage appointments.

The standard wisdom is that this zoo act in the Red Chamber will immediately speed Senate reform. In fact, the reverse will be true. An examination of the Commons will be the more likely result. Why can't a two-term majority government muster enough skills and managerial tactics to get its platform through Parliament? The people who are going to come out of this the worst are not the basically irrelevant senators, given their brief hour in the sun.

The public, on reflection, will look with some cold eyes of examination on a government that was elected to govern, somehow cannot manage to do it and finds itself in Gilbert-and-Sullivan public rows with people who don't represent anyone but are smarter at the rule books than those who are supposed to be in charge.

It's why there has been such a rise in regionalism in Canadian politics. In Quebec, Lucien Bouchard's Bloc Québécois sets out to do the same thing as the Parti Québécois wants to do: separate from the rest of the country. Prognosticators on the Prairie plain and in British Columbia estimate that if an election were held the Reform Party would walk away with 60 or 70 seats. In Ontario, voters were so disgusted with the political leaders who wasted so much time on the Meech Lake farce that they took out their revenge on the first politician who dared to go to the polls, David Peterson.

The fragmentation is going to continue as the disgust for the centre grows. The voters, in 1984, tried what they thought was sensible in an attempt to draw the country together: they gave a massive majority mandate to Mulroney's Conservatives. They reaffirmed it in 1988 and what has happened since? Those given so much power have proved incompetent in dealing with it, niggled to death by minor scandals and hobbled by a Prime Minister who can't explain what he's trying to do.

The voters have given up on them. The contempt for the continuous juvenile wrangling in the Commons is now equalled by the geriatric kindergarten did-so-did-not conduct of the Senate. Why give a government a majority if it doesn't know what to do with it?

To follow along those lines, I should like to read to you a letter that was published in the *Edmonton Journal* of October 3 this year. It is a letter from Richard McGuire, a fine Canadian citizen, I imagine. It reads as follows:

Canadian democracy is in a crisis.

But it is not, as *Journal* editorials and some columnists suggest, a problem of an unelected Senate trying to block the will of a "democratically-elected" House of Commons. Rather, it is a crisis of a Tory government determined to defy the will of Canadians on a whole range of issues, and to shut Canadians out of the decision-making process.

Our Constitution grants strong powers to the Senate to block unjust legislation precisely for the kind of situation we are encountering today with the GST. The Senate is an imperfect safety valve against the abuse of power by the House of Commons. The Americans refer to this as "checks and balances."

Democracy means more than casting a vote once every four or five years in a heavily manipulated election.

And this next statement is interesting, Senator Perrault. He goes on to say:

After all, Hitler was "democratically elected" in 1933. Rather, democracy means rule by the people, and this implies an ongoing participation by the people in the political process.

Only the Senate saw fit to allow democratic public participation on the GST through nationwide public hearings. Most Canadians who believe in democracy would prefer an elected Senate. But we do not hear *The Journal* questioning the legitimacy of the Supreme Court of Canada, which also is politically appointed.

Never in my lifetime has the House of Commons introduced legislation as draconian as the GST. Media coverage has focused mainly on such trivialities as the increased cost of a haircut, but has largely ignored the big picture: this is part of a massive shift of taxation from the rich to the middle and lower classes.

Many small businesses will be crippled by the enormous increase in the paperwork of collecting this complex tax. This is not a mere retail sales tax but a multilevel tax that confuses even the experts. Many small businesses will be forced to close.

The GST, it appears, is the reward to big business for saving the Conservatives in the 1988 election. It is not an attempt to make taxation fairer.

The GST, and Meech Lake before it, are not merely tough, but unpopular, measures causing a slight dip in the polls. Rather, they are an abuse of power by a sleazy, manipulative government that is now rejected by more than four out of five Canadians.

If the Senate is not successful in stopping this anti-democratic government, Canadians have one last resort to re-assert democracy: large-scale civil disobedience and defiance of the GST.

• (1730)

That is what we are seeing in the country today.

I must say that I believe there is sufficient evidence to suggest that the whole event of which we are complaining was nothing but a government ploy, one planned over a period of time.

If you wonder why I say that, then consider the following: We have heard the pronouncements of government ministers predicting that action was to be taken to force the GST legislation through the Senate.

We have seen the wholesale appointment of senators to this chamber.

Then there was the unwarranted appointment of eight so-called divisional senators, all with the expressed purpose of forcing the passage of the GST and other legislation.

We had the spectacle of government members in the Senate attempting to delay adoption of the committee report on the GST legislation by means of spurious points of privilege until the Prime Minister had time to stack the chamber with his supporters. I think we spent two days on that. You will recall gracious Senator Martha Bielish tendering her early retirement for the purpose of facilitating the Prime Minister's plans.

Then we come to Black Thursday itself. Despite all denials from the government side of collusion between the government leadership in the Senate and our Speaker, what did we see? Those of you who were present will recall—and it is clearly recorded in *Hansard* of Thursday, October 4th, at pages 2342-3—how the Leader of the Government in the Senate, without waiting for the motion to adjourn to be put, with alacrity jumped up to announce that he would be calling for a recorded vote. This makes it clear that he wanted the bells to begin ringing.

In the excitement of getting the bells ringing, the Speaker did not even express his opinion as to the result of the voice vote. The Speaker was at that time in breach of the rule of the Senate relating to voting procedures, as expressed on page 70 of our rules.

Honourable senators realize that the rule requires the Speaker to call for the "yeas" and the "nays". He has then to express his opinion as to what the result is.

Honourable senators will notice in the record that the Speaker read the motion but there was no expression of opinion by the Speaker as to the result of that voice vote, because it was already arranged that there would be a recorded vote and that the bells would be ringing, setting the stage for what occurred.

Then we come to the dastardly act itself. With full knowledge of the requirements of our rules for the procedure to be followed on voting, and with full awareness that all senators were aware of such rules and, from previous experience, how they operated, the Speaker issued his letter of intent to call the vote. In doing so, he gave only 30 minutes notice, which, in effect, when one allows for delivery delay, was much less than that.

Then to compound the illicit act, the Speaker proceeded to lock the doors and take the vote before the time he had himself specified for the vote to be taken. The record shows, and senators have testified, that the doors were locked and the vote taken at 5:25 p.m., and not at 5:30 p.m. as set by the Speaker in his letter.

What else do we find but that all government members were miraculously in their seats in advance of the vote being taken. Surely it is inconceivable that they would all be present unless forewarned by their leadership to be in their place. In this regard, we must remember what Senator Pitfield, an independent senator, stated he was told by a government member concerning the plan of taking a vote before it was actually called.

All the foregoing leads to the conclusion that there was a preconceived plan to ignore the Senate rule and perform another dirty trick.

But there is worse. We now have the Leader of the Government, in effect, admitting to the whole dirty deal. We all heard him on Wednesday when he interjected, in an apparent defence of the Speaker, and spoke of the apparent problem with the Senate rules as to voting procedures. He posed the question as to what was to be done in the situation when the members failed to come into the chamber to vote. Were the bells allowed to go on ringing?

In other words, when the whips were not ready to signify to the Speaker that they were ready to proceed to the vote, was the Speaker not justified in calling the vote on his own. He based his argument on the proposition that under Rule 15 the Speaker would be justified in calling the vote for purposes of order and decorum. The Leader of the Government actually said that that was what the Speaker could do. It was all thought out beforehand.

As to the point about the excuse that was used in applying Rule 15 pertaining to order and decorum, surely this is stretching the rule beyond credibility. Was there a lack of order and decorum in the chamber? Was there disorder? There is no evidence of either.

For those of us who were not present, it is hard to know that, but perhaps among government members in the chamber there was a lack of decorum and disorder.

Thus it follows from the government leader's own words that the Speaker's action was planned from the beginning.

But if we accept the government leader's proposition regarding the justification of the Speaker's action, what follows? Surely in the face of the Senate rule on voting procedure and the practice followed over the years, and the awareness by the Speaker of senators' understanding of such procedure, something else was required of the Speaker, if only from a sense of morality.

If the Speaker honestly believed he had the authority and justification to call the vote, he should have done something more than just issue a letter giving only 30 minutes notice.

Should not the Speaker have consulted with all parties in the Senate and informed them of his views and so forewarned them? But he did not!

At the very least, should not the Speaker, in view of his knowledge of senators' reliance on the rules, have given a more reasonable length of notice of his intention to call the vote? Surely in the circumstances, was a mere 30 minutes a reasonable length of time? Surely not!

In effect, the short notice literally caught senators, apart from government members and selected independents, up in the air.

It is quite apparent that the whole affair smacks of another sleazy tactic of which the government has become so notorious in the public's view.

In this case it is the Speaker of this chamber who is left to take the blame—the Speaker who should be beyond reproach. It is certainly a pity that he allowed himself to be manipulated.

Before concluding, honourable senators, a short while ago the Prime Minister is reported to have suggested that his opponents should wash their mouths with soap. I would suggest that there is another good use for soap, although in this instance it would take a gross amount of soap. It is useful for the removal of slime!

Senator Doyle: Would the honourable senator permit a question? The honourable senator quoted at great length from Maclean's magazine. I wondered if that is the same magazine that, in 1957, showed its far-seeing capacity to judge Canadian politics by congratulating Louis St. Laurent on winning the 1957 election.

Is that the same magazine that has continued since 1957 to be right on the nose with every election?

Senator Lewis: I am sure the honourable senator knows that magazines and newspaper publish all sorts of things, and that we have to take much of it with a grain of salt.

Hon. M. Lorne Bonnell: Honourable senators, it is nice at this time to rise on this question of privilege and to see a distinguished gentleman in the Chair, which we did not have last week. The person now in the Chair will show some dignity and respect.

Honourable senators, I am not a very long-experienced parliamentarian. I have been at this only since 1951, about 41 years, and I have never, in all of that time, heard of a Speaker making such a ruling as was made here last week in calling a vote and locking the opposition members out of the chamber. That vote was taken against the rules of this assembly.

I would like to have got on with the debate on the goods and services tax, because there are areas in my province that can benefit from this tax if it ever gets into law.

Instead of giving them an opportunity to debate the goods and services tax, the Speaker made a drastic decision, supported by the Leader of the Government, which has forced me to decide that I cannot support this government on any measure.

Senator Murray: Not even for the location of the GST headquarters?

Senator Bonnell: Senator Murray says "Not even for the location of the GST headquarters?" Let me tell you about the GST headquarters, because I have a letter here from the Mayor of Summerside telling me the drastic things this government has done to close the air base in Summerside. The only hope of any future development they were given by this government was a promise of some offices for the administration of the federal GST. The Mayor of Summerside would like to support that move because the town needs the jobs. In fact, he appeared before the committee and supported the GST. Since that time the Province of Quebec said "We are going to have the jobs in Quebec, we are going to go along with the GST, and we are going to collect the money within our own province and pay the federal government at the end of the month." So there will be no federal jobs in the province of Quebec. Other provinces are getting on the bandwagon and saying they should keep those jobs within their own provinces. Consequently the federal government's contribution to the GST would be almost nothing. So that promise of the GST centre in Summerside will be just like the air base—it will be gone with the wind. The offices for the GST will be housed in the different provinces.

Senator Barootes: Is that a point of privilege?

Senator Bonnell: That is one of my points of privilege, and I have many more.

Senator Barootes: Summerside?

Senator Bonnell: Summerside is very dear to me, and I want to support it as much as I can. If you are against the GST, stand up and say you are against it, but do not stop me from supporting Summerside.

Senator Hastings: Stand up!

Senator Bonnell: He does not want to stand up. He just talks from his seat.

• (1745)

Senator Barootes: He has asked me to stand. Senator Bonnell, much as I appreciate your capacity as a legislator who has been in public office for 41 years, and much as I appreciate you as a friend, a fellow physician, and your need to raise a point of privilege, I thought it had to do with some loss of a right in this house, not with the GST itself. That is item 5 on our orders of the day, which I pray, Mr. Speaker, we will some day arrive at. If you wish to speak on a point of privilege, I will listen to you until tomorrow morning; but if you wish to speak on the GST, I beg you, wait until we get to item 5.

Senator Olson: But there is a connection.

Senator Hastings: There is an intrinsic connection.

Senator Bonnell: Honourable Senators, I am trying to support my town of Summerside. I said that if you are against Summerside and want to vote against the GST, then stand up, and you stood up. I do not know where you are anymore.

Senator Barootes: I am for the GST and for Summerside!

Senator Bonnell: I agree that you are a fine gentleman and a great physician, but you do not have 41 years experience in a legislature, and you have stood up to show that you are against the GST. Where are you?

Senator Barootes: I am for the GST and for Summerside.

Senator Bonnell: Honourable Senators, the other day I thought of an old friend of mine. Some years after "Rocket" Richard had retired from hockey, he was at the Montreal Forum watching the Canadiens play the Detroit Red Wings. Someone asked him who he would pick as the three stars of the game. Like the Speaker, he wanted to be fair. He said he would pick Jean Beliveau as the first star because he got a goal

and assisted on the second goal and played good hockey all night. He said he would pick "Boom Boom" Geoffrion as the second star because he got a goal and assisted on the first goal and played good hockey all night. For the third star he picked his brother, the "Pocket Rocket", because although he didn't score any goals he was always where the puck was. Asked whom he would pick as the fourth star, he replied, "Gordy Howe, because if it wasn't for the three goals he got the Canadiens would have won the game." That is what happened with the Speaker the other day. To be fair, he was like Rocket Richard picking the three stars from the Montreal Canadiens.

Honourable Senators, I know that some of you are probably getting hungry, so I will carry on until six o'clock and then adjourn the debate; but first let me tell you that the essence of this whole thing—

Senator Phillips: Were you here last week?

Senator Bonnell: I was here last week. I was here Thursday and I was home on the weekend. I returned on Tuesday, the same as you; and, as far as I know, we are still on Tuesday. I would like to refer to Rules 49 and 50 and, to keep the record straight, so that my good friend from Saskatchewan will understand what I am talking about in my point of privilege, it is the voting procedure in this place. It has been talked about and read many times, but it will not hurt for it to be put on the record once more, to remind those opposite—especially the new senators—that we have operated by rules here since Confederation—rules that were approved and carried by the house and which have been accepted by all senators until this time. No longer can we on this side feel that this red book is worth a hoot. I would think the Speaker is probably going to write a new rule book. It will probably be Tory blue, Mulroney blue, rather than red, which is the colour of the Senate Chamber. The rule says:

> At the conclusion of the debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays" and then expresses his opinion as to the result.

We did not get to that point with the Speaker the other day, because the Leader of the Government stood up, along with others on that side, and wanted a recorded vote. They asked that the bells be rung. We on this side of the house never asked for the bells to ring. The Leader of the Government asked for the bells to ring and they stood up.

> If two or more senators express their disagreement by rising, the Speaker calls for a standing vote.

That is what happened. Two members on the Government side stood up.

> The division bells are rung, and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked".

Senator Barootes: Is that Rule 49 or 50, Senator Bonnell?

Senator Bonnell: I am reading from page 70.

Senator Barootes: Which rule is it, 49 or 50?

[Senator Bonnell.]

Senator Bonnell: I believe it is 49.

Senator Barootes: It is neither. The whips are not mentioned in either Rules 49 or 50.

Senator Bonnell: Aren't they? Let me continue reading to you from page 70 where the whips are mentioned.

Senator Barootes: Read the preface to Appendix I.

Senator Bonnell: The Speaker will say "Let the doors of the Chamber be locked" when the whips have come in. Not when one whip is present and the opposition is locked outside. The Speaker also called the vote early, not at the time specified in the letter, so that the opposition did not have a chance to get here. The Liberal whip was outside telling the Liberal senators not to go in until everyone was present. They locked the door and locked the whip out.

Senator Barootes: May I read the preface to you?

Senator Bonnell: I can read. I have my own glasses.

Senator Barootes: The title of that appendix is "Forms and Proceedings", which is what you are reading from. Under that title it says:

> (This appendix is a general description of Senate practice and is included in this volume as a source of information on the customs, usages, forms and proceedings of the Senate referred to in Rule 1.)

Senator Hastings: They are the proceedings of the Senate and its customs and usages.

Senator Bonnell: Thank you for reading that for me. I could have read it myself, but you are a great assistant to me. You would make a good assistant surgeon.

Senator Barootes: The rules are 49 and 50. Read it to yourself.

Senator Bonnell: Honourable Senators, until I was so rudely interrupted by my good friend and colleague from western Canada—for whom I have respect, but he gets so confused at times—

Senator Hastings: He is getting old.

Senator Barootes: Just the facts, please.

Senator Bonnell: I heard of a fellow the other day who was called a "little something" and he told the press he was not little—meaning he was called the other word. I will continue to read from page 70:

> The doors will then be locked by the pages and the Speaker will call for the vote.

It does not say that you lock the doors before the whips get in. It does not say that you call the vote when the opposition party is locked outside. It does not say that you run a parliament this way.

So, honourable senators, with the kind of action that was taken by our Speaker, we have every right to speak on a question of privilege before this house. I have before me many letters showing that the people of Canada agree with what the Liberal senators are doing. They also agree that the govern-

ment of Canada has become so dictatorial that somehow the Senate should use its sober second thought and put a stop to the actions of the House of Commons under the leadership of Prime Minister Mulroney. I have an article from the *Edmonton Journal* entitled "Tory defiance of voters crisis of democracy". The paper, which is not a good Liberal paper, defines a voters crisis for democracy.

> Canadian democracy is in a crisis.
>
> But it is not, as *Journal* editorials and some columnists suggest, a problem of an unelected Senate trying to block the will of a "democratically elected" House of Commons. Rather, it is a crisis of a Tory government determined to defy the will of Canadians on a whole range of issues, and to shut Canadians out of the decision-making process.
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> Our Constitution grants strong powers to the Senate to block unjust legislation precisely for the kind of situation we are encountering today with the GST. The Senate is an imperfect safety valve against the abuse of power by the House of Commons. The Americans refer to this as "check and balances".
>
> Democracy means more than casting a vote once every four or five years in a heavily manipulated election. After all, Hitler was "democratically elected" in 1933.

● (1800)

> Rather, democracy means rule by the people, and this implies an ongoing participation by the people in the political process.
>
> Only the Senate saw fit to allow democratic public participation on the GST through nation wide public hearings. Most Canadians who believe in democracy would prefer an elected Senate. But we do not hear *The Journal* questioning the legitimacy of the Supreme Court of Canada, which is also politically appointed.
>
> Never in my lifetime has the House of Commons introduced legislation as draconian as the GST. Media coverage has focused mainly on such trivialities as the increased cost of a haircut, but has largely ignored the big picture: this is part of a massive shift of taxation from the rich to the middle and lower classes.
>
> Many small businesses will be crippled by the enormous increase in the paper work of collecting this complex tax. This is not a mere retail sales tax but a multi-level tax that confuses even the experts. Many small businesses will be forced to close.
>
> The GST, it appears, is the reward to big business for saving the Conservatives in the 1988 election. It is not an attempt to make taxation fairer.
>
> The GST, and Meech Lake before it, are not merely tough, but unpopular, measures causing a slight dip in the polls. Rather, they are an abuse of power by a sleazy, manipulative government that is now rejected by more than four out of five Canadians.
>
> If the Senate is not successful in stopping this anti-democratic government, Canadians have one last resort to re-assert democracy: large-scale civil disobedience and defiance of the GST."

That is from Richard McGuire from Edmonton.

I have also before me a question from Jack Sheriff, of 246 Main Street, Wolfville, Nova Scotia. He says:

> Since the present government has rammed the bill through the House of Commons in the face of almost universal opposition to the bill, it is now the responsibility of Senate to represent the will of the people and either kill the bill or stall it until (or help force) an election with the GST as the central issue.
>
> Power has gone to the head of Mr. Mulroney. He is no longer paying attention to the voters. He believes he can do no wrong, especially at mid-term.
>
> So where does democracy end and autocracy begin? When does a majority of votes in the House of Commons override the will of the people? At what point does the convenience of a mid-term political strategy dictate and contradict the expressed dissatisfaction of the Canadian people?
>
> What is responsible government?
>
> At what point, when a government is irresponsible, unfair, and wrong-headed, does the Senate express 'sober second thought', assume responsibility and take action?

He says that the time is now. He goes on to say:

> The Bush and Mulroney tactics of stone-walling, brain-bashing and brain-washing are totalitarian tactics. Canadians are upset and overwhelmed by the tyrannic measures of this government yet are bewildered by the question of "How do you fight City Hall?" Tory strategy is that if once the GST is in, the measure is carved and set in stone. Millions of our tax dollars have already been spent on propaganda and ads to tell us how workable and effective the GST is. Businesses are being deluged with documentation to demonstrate how to file the GST as though it's already been implemented. But it is not yet a fait accompli. Moreso than any previous government has dared to tread, this government is treading and it is treading too far. The buck must stop somewhere. The buck (or ball) is now in the Senate's court.
>
> As you know, the Japanese government tried a similar ramming technique. The Japanese voters cried halt, and the GST was stopped.
>
> My accountant has acknowledged how terrible a a tax this is and suggests that the GST on top of an income tax is not only grossly unfair but insane and killing for small businesses. As if I don't already know it! I hear it daily from my customers.
>
> Both Dennis Mills and the Institute for Research on Public Policy have put forth alternatives. The government refused to listen. Will the Senate? I enclose a copy of a recent newsletter referring to Neil Brooks' report. I

assume you have a copy of Mr. Mills' alternative. I trust the Senate will not only listen but pay attention and respond to these alternatives.

There should be a call for an election. Short of that, there should be a national referendum on an issue that will so drastically and disastrously affect the personal pocket book and the collective economy of every Canadian.

Canadians don't want the GST. Short of an election, confronted by an autocratic government, who represents the majority of Canadians at this point in the face of a monolithic, bureaucratic force? The Senate! And you . . . and your committee.

The challenge is yours. I trust you will not be deterred by charges of partisan politics but be up to the challenge of helping ensure that Canadians enjoy the right of representative government.

Mr. Mulroney has finally gone too far. Arrogance obviously has no limits. He is prepared now out of sheer perversity to push through the GST at any and at all costs, even if it destroys us at the same time. It is up to the Senate to find a way out of this dreadful dilemma because, clearly, even if Mr. Mulroney recognizes his folly in pursuing this course, he also clearly has become so deeply mired and committed that he feels obliged to proceed pell mell into the abyss and lacks the grace and the face to pull out.

Help him . . . and help us. Or God help us all! Stop this misdirected man and stop the madness by stopping the GST bill.

You and your members have the brains and the tact to do the right thing as opposed to the political thing. Canadians are counting on you. You may be sure that you can count on Canadians to support you.

I rarely write letters. But I can not stand idly by and watch my business and other businesses go down the drain. Canadians have a right to vote on this issue. The government is dealing with OUR tax dollars and proceeding with the GST when they know it is opposed by the majority of taxpayers. There is no mystery about this. Mr. Mulroney's standing in the polls continues to plummet with each passing day. Yet Mr. Mulroney doesn't seem to get the message. Please GIVE it to him! This I beg of you . . .

The Acting Speaker, Senator Belisle: Honourable senators, according to rule 12 of the Rules of the Senate, at 6:00 p.m. I must leave the Chair and return at eight o'clock.

The Senate adjourned until 8 p.m.

At 8 p.m. the sitting of the Senate was resumed.

Hon. M. Lorne Bonnell: When the clock struck six and the Honourable Speaker retired to refresh himself, I had the privilege of speaking to honourable senators concerning this question of privilege, whereby our regular Speaker, appointed by the Prime Minister, carried out his wishes against the opposition members of this house by locking the door before a vote, so that he could be assured that the Prime Minister's wish could be proceeded with. This has never happened in the British Parliament or the Commonwealth in past history.

I do not quite understand why the Speaker took that stand, unless he had an absence of thought, an absence of memory or an absence of consciousness at the time and did something without thinking because he was persuaded to do so by the people who have him on the payroll. He does receive extra pay for doing that, and he does have extra privileges, and he is here at the discretion and pleasure of the Prime Minister. I suspect for those reasons he thought he should protect his own interests rather than the interests of the Canadian people, the interests of the Senate and the interests of the minority group in the Senate.

Honourable senators, at six o'clock I was talking about some of the requests I have received from constituents, friends and acquaintances across Canada asking me to do what I could to stop the passage of the GST.

For example, I have a letter in my hand from the *Motor Truck*, Canada's largest and most influential truck fleet magazine, which states:

> Senator Bonnell, the ball is now or soon will be in your court.
>
> According to one recent poll some 70 per cent of adult Canadians are oppposed to the GST at the 7 per cent level. The percentage opposed is higher than it was previously when the Finance Minister introduced it at 9 per cent.
>
> As Executive Editor for the past 17 years, to my knowledge this the first time *Motor Truck* has ever published a front-page appeal to our readers asking them to respond to very bad legislation.
>
> You and I will perhaps agree that if the Senate permits the GST to be adopted by Parliament, it will be raised to 8 per cent, 9 per cent in the budget immediately following the next election. And where will it stop thereafter is anyone's guess.
>
> It may be a technocrat's dream, but for the trucking industry and the citizens of Canada it will turn out to be a citizen's nightmare which will relentlessly reduce individual and family incomes while discouraging successive federal government from exercising fiscal restraint.
>
> You see some of the reasons this edition cited for giving a GST well-deserved permanent holiday on page 18.
>
> When this publication is at the printers we read the front page of the March 1st edition of the *Globe and Mail* which said that the federal government could save $2.5 billion in administrative costs over the next five years by scrapping the GST and $900 million one-time grant to small businesses and transition costs to accommodate the GST.
>
> In addition, Canadian business would save an estimated $5 billion by not being arbitrarily appointed the federal

government's front-line tax collectors for transactions numbering in the billions.

Neil Brooks, of the Osgoode Hall Law School, in a paper published by the Institute for Research and Public Policy states:

> Senator, with great respect, it's your call. If there ever was an issue that you have a right to stop right in its tracks it's the GST. Simply put, the vast majority of Canadians don't want the GST. Can they count on you to reject it? Whether you are in favour or opposed to the GST, we would love to hear from you.
>
> Yours sincerely,
>
> Barry M. Holmes, Executive Editor, Associate Publisher of the magazine.

Also, honourable senators, I have a letter from a barrister and solicitor by the name of Bruce Haynes, Q.C. from Toronto. He said:

> Dear Senator, In an overwhelming way Canadians have made known their opposition to the GST, yet the government of this country, which prides itself on elective office has spurned the outcry of Canadians as if its mandate, once given, can confer the privilege of absolute rule.
>
> If a majority government is now to be reduced to a series of five-year dictatorships then never before has there been greater justification for the Senate of Canada to exercise its traditional function of reviewing legislative enactments and requiring their reconsideration.
>
> Because of their opposition to the GST and refusal of the government to listen, the ordinary Canadian is looking to the Senate for help. It is ironic that this call comes at a time when many are pressing for the Senate role that is elected, effective and equal.
>
> I am enclosing a copy of my March 12th letter to Prime Minister Mulroney sent shortly after the Commons closure motion which stifled all debate on the GST.
>
> May I urge you to do what the government refused to do, that is, listen to Canadians and reject the bill. At no time has the government or its members of the House of Commons Finance Committee given consideration to the concerns of Canadians. My own may be summarized as follows.
>
> The foundation of the Canadian economy is "consumer fed and consumer led." The GST, layered as it will be on top of existing provincial sales tax, will kick the consumer in the gut.
>
> As if to suggest that Canadians should applaud the GST, Commons Finance Chairman Don Blenkarn requested that we consider New Zealand where the GST equivalent met with acceptance on its introduction.
>
> Admit to Canadians the real reason for the GST, namely your government's colossal mismanagement of the finances of this nation for which you arrogantly seek to blame the previous Liberal government. It is true that they brought the federal deficit to $150 billion. But in scarcely more than five years your administration has more than doubled that deficit and at the expiry of your present mandate that debt will stand at $450 billion.

Can you imagine, honourable senators, the whole debt of the nation since Confederation until 1984 was $150 billion and it has almost doubled since that time under the Conservative government and they blame it on the Liberals. The nation's debt from Confederation to 1984 was only half of what they have put on the debt since that time.

> During the same period the successive budgets of Finance Minister Wilson have seen an increase in personal income taxes by 46 per cent, corporate taxes by 21 per cent and excise levies by 67 per cent. In all, a boost in the total government revenue from $80 billion to $120 billion, and increase of about 60 per cent. Yet your government continues to layer the federal deficit with Mr. Wilson bluffing his way through with annual estimates that have little to do with the reality. He predicts 10 per cent average government borrowing rates when even now the public is dumping 10.5 per cent Canada Savings Bonds so that they can buy 13.5 per cent Canada Treasury Bills.
>
> Why should Canadians trust you with another dime? With your dismal track record how long will it take before interest payments on the national debt consume 50 per cent of all taxes collected? History shows that your government's policy of increased taxation has led to higher inflation and therefore greater interest rates. It all continues as a vicious circle.

● (2030)

> Yet you and your ministers refuse to listen to the citizens of this country who are angry and fed up with being saddled with one of the highest tax burdens of all developed countries. In response to these tax burdens Canadians' labour costs are much higher than those of our trading partners. How can we possibly hope to meet trade competitors on a level playing field even if free trade extends that opportunity?
>
> Those attacking the GST have not failed in suggesting other alternatives. Dennis Mills, MP for Broadview—Greenwood, has in his recent book *The Single Tax* admirably reviewed the current tax system which is visibly failing this country and comes up with a flat tax variant that if implemented would have every hope of succeeding. It would altogether avoid any GST. With hope and with enthusiasm, why don't you listen to the Canadian people and reconsider the GST?
>
> Yours very truly,
>
> Bruce Haines.

I have another letter written by Bruce Haines on March 12. He sent it to the Prime Minister. He states:

> Never before have Canadians been treated so shabbily by a government in a near unanimous outcry which has expressed a determination to saddle them with the biggest and most cynical tax grab in history, the GST. You have resorted to closure in the House of Commons to fend off

the avalanche of criticism directed against the GST. You inundated newspapers with taxpayer paid propaganda about the tax as if it were the law of the land on the theory that a lie will gain acceptance if repeated often enough. You have urged Canadians to believe that the 7% GST is little more than a benign replacement of the 13.5% Federal Sales Tax, which was only 9% before you got elected, and then only imposed on certain goods at the factory or manufacturers' level.

Why have you not boasted to Canadians that the GST will not just levy 7% and as much as you can increase it after that on supply throughout Canada on most everything included in the sale and lease of all agricultural, commercial and industrial lands and buildings, everything from the office tower to the corner store, the farm and the new as well as the renovated home.

Be honest and boast to the public that your GST will push up by 7% all service fees paid to architects, engineers, consultants, lawyers, accountants, realtors, interior decorators, funeral directors and even trustees in bankruptcy when Canadian businesses go under. Be sure to tell our tourist providers and border retailers of the virtue of the GST as Canadians flock across the border to shop and buy gasoline in the United States where prices and taxes are much lower, and where there is no GST.

Go ahead and warn Canadians that 7% will be added to tickets for trains, planes and taxi rides as well as utility bills and restaurant meals. Tell them that the GST will not overlook lottery tickets, pay phones, postage stamps and even the two dollar bet at the race track.

Don't forget to tell Canadians that the GST police, the RCMP, will be waiting at Canadian Customs to welcome home our citizens and to grab the GST on any purchases abroad. Its introduction will result in a storm of protest when it was recently raised to 12.5%.

What Mr. Blenkarn did not mention is that New Zealand is a unitary state without provincial sales tax where maximum income tax rates are 33%. By comparison, Canadians already pay combined federal and provincial maximum income tax rates of about 50%, plus existing provincial sales taxes at the average of about 9%. Predictably, the public's response to the GST will be a severe contradiction in the consumption of goods and services that will in turn sow the seeds of rising unemployment.

Our current prosperity is tied to the service industry which has been the largest source of increased employment over the past generation. All taxes, particularly visible taxes, are inflationary, and the GST will push inflation beyond the current levels that have been used to justify existing high interest rates. Responsibility for the level of inflation being experienced in Canada today most variously in the succession of government budgets, essentially federal, but also provincial, have constantly through direct and indirect levies pushed the total of taxation to levels not seen since the Second World War. Canada's legacy is that its citizens are among the most heavily taxed of the developed industrialized countries of the world. As Canadians, we are already feeling the adverse effects on our tourist industry because of incessantly increasing levels of taxation. This industry which was ranked third in importance is already declining.

As well as the decrease flow in tourist dollars, Canadians are spending more abroad. Canada is just too expensive and the GST will dramatically widen the gap. It is pathetic to listen to the government's rhetoric that businesses can compete and file forms to get the tax back after they leave. Even without the GST, we have seen that the close proximity of most Canadians to the United States border has led to a shop USA attitude. The mass exodus of Canadians across the border for weekends has become something of a national joke, but there is no humour in the fact that our own merchants cannot easily compete and that Canada's border businesses are closing down. Our largest trading partner, the United States, with whom we have recently and perhaps irrevocably linked our future even more closely, does not have a GST. Indeed, the tax burdens upon American citizens are much lower than we now experience. As free trade inevitably makes trans-border migration easier, the imbalance of levels of taxation will eventually cause more and more Canadians to vote with their feet. The GST is not only a major step, but a step in the wrong direction.

Those who have studied demography realize that Canada, for most of its decades, has been a net loser in migration patterns. The theory of free trade is that of a trade-off to competition in Canada's small domestic market. Canadians prosper by selling to a much larger United States market. However, this presupposes a level playingfield. As a consequence of high taxes, Canadian labour costs are already much higher than those of Americans. With every justification Canadians will demand catch-up wages to the 7% GST.

How are we going to compete? How are we going to compete if we cannot match our trading partners and cost of production? During the past five years the successive budgets of Finance Minister Wilson have seen an increase in personal income taxes by 46%; corporate taxes by 21%; and excise levels by 67%; a boost in total government revenues from $80 billion to $120 billion. At the same time the national debt has more than kept up by increasing from $150 billion to $325 billion. *The Financial Post* projects our deficit will reach $440 billion by the end of the current mandate.

It seems we have developed a syndrome in which higher taxes fuel higher prices which fuel higher interest rates which fuel higher deficits. Canadians have grown to distrust the ability of the government to handle the taxpayers' resources. For most individuals the tax paid represents a parting with hard earned dollars. Higher taxes have only encouraged increased spending with swollen

budgets and larger deficits. People resent the GST as they see it as an opportunity for governments to continue its proliferation.

One of the worst features of the GST is the burden of complexity which it introduces into the commercial life of this country. How many hundreds of thousands of businesses will be turned into tax collectors which will increase the administration costs of doing business? For those already collecting provincial sales tax, why must they be faced with a further entirely different system? No other country in the world has done this to its merchants. Why must Canadians hire thousands of civil servants to administer and police the collection of the tax? High levels of taxation in this country have already encouraged an underground economy. The GST will simply promote such business practices and, worse, reduce respect for the entire taxation system. The widespreading anger now being expressed by Canadians across the country will be translated into solemn resentment once the GST comes into force. Under the government's cry that the existing manufacturers sales tax, which has increased by 4.5%, is a silent killer of jobs, lurks the unspoken truth that the GST is already far broader and more lethal in this range of damage. The underlying repugnance of the GST is that for the first time in their history, Canadians are caught in the jaws of a dual vice, the taxation of income they earn and the taxation of their after tax income in the form of higher prices imposed upon every commercial transaction in their economic lives. The theory of free trade is that it is a trade-off for competition in Canada's small domestic market. Canadians will prosper by selling into a much higher market. However, this presupposes a level playing field.

Honourable Senators, I have many other letters here which I would like to read to you. I have one here dated October 2 addressed to the Prime Minister with a copy to me. It states:

In your battle with the Senate of Canada which you describe as being antidemocratic, it is time for you to stop hiding behind the will of the accountable House of Commons. If we look at your track record on the GST it is apparent you have little patience with real democracy or the House of Commons. You apply closure in the Commons, stifle any debate and you kicked out of caucus members of your own party. These members honestly represent their electors' overwhelming voice of opposition to the GST. Although you know 85% of Canadians want no part of the GST for so many reasons, all of which have received eloquent expression, you are not prepared to listen to them. To you, democracy means a five-year dictatorship with the view of Canadians being irrelevant except when the election writ is issued.

Supplementing this arrogance you have added cynicism by stacking the Senate with political cronies, some famous and some infamous, whose significant purpose will be to do your bidding. In the 1984 election akin to addressing yourself in the raiment of a virgin, you lectured to the then Prime Minister John Turner with the words, 'You could have said no'. Unfortunately, he didn't know, and neither did Canadians, that you were to become the biggest political pork purveyor in our history.

To arrogance and cynicism you have added incompetence. During this country's most delicate phase of constitutional debate, the Meech Lake Accord, you just had to boast about yourself as the dice roller, that somehow you alone with an unfailing sense of timing and persuasion had whipped all the other players into shape. When the whole thing fell apart your GST whiz, Don Blenkarn, publicly announced that Newfoundland should be towed out to the middle of the Atlantic Ocean and sunk—a great day for national unity, Mr. Prime Minister.

To arrogance, cynicism, and incompetence you have added a curious indifference by maintaining personal silence during the standoff, across the barricades, between armed Quebec police and armed warriors. Your Minister of Indian Affairs said he wouldn't negotiate 'at the end of a barrel of a gun.' Whose barrel? Whose gun? You continued to maintain your silence as the world was treated to the spectacle of watching Canadian soldiers armed with rifles stare down Indian mothers holding nothing more than their children. Why weren't you there on the first day instead of on the seventieth day? Suddenly Canada's outspoken criticism of the Republic of South Africa is drawing some catcalls.

The Canadian people have rallied around the Senate of Canada as the only chamber of Parliament that, until now, has expressed a willingness to listen to them as they cry out against the GST. In your railings against the Senate, not once did you show the slightest interest in the thoughtful report of the Standing Committee or in listening to their 'sober second thought', which report and thoughts are, after all, the Senate's constitutional function.

With tyrant-like fury you have attacked the Senate and, spurning practice, precedent and convention, you have loaded its ranks and avoided any consultation with either Parliament or the provinces. Surreptitiously you prevailed upon the Queen, herself, to resort to an unused and untested section of a statute when Canadians believe there no longer exists any such right of monarchial involvement.

Arrogance, cynicism, incompetence, indifference and tyranny. Is it any wonder that the party you lead has attained what was once regarded as an unthinkable political phenomenon; that is, a crossover between its percentage of popular support and the prime rate of interest!

Prime Minister, in 1988, you piously observed that four years of public office was really the actual mandate between federal elections. Now you speak of clinging to the last day of a five-year term. Please reconsider the matter once again. When a person in your office is as

universally disliked as you are, anytime soon is the best time to go.

Yours very truly,

Bruce Haines, Q.C.

Honourable senators, I have briefcases of letters asking me to bring these thoughts to the attention of senators. I was going to save them until later, but because the Speaker made such a draconian decision last week against the rights of the minority, the rights of Parliament and the rights of the Senate, I thought I should tell you about the thoughts of other Canadians, not only what they think of our Speaker, but what they think of the Prime Minister, the Leader of the Conservative Party, at this particular time in history. Perhaps honourable senators opposite, who I feel have more consideration for the taxpayers and Canadian citizens, will realize what your government is doing to the poor, the underprivileged, and the lower-income Canadians by letting the big corporations off. They used to pay the MST. Now they will save billions of dollars. The widow with three or four children probably on welfare will be penalized by paying taxes on even the popcorn she may buy for her children or a haircut for her children. Even the war veterans who fought to make this country the free country it is now have to pay a tax on the wreath they are going to lay on the monument on November 11, as they remember their fallen brothers who gave their lives for this country.

Honourable senators, this is a sad day for Canada. What happened the other day with our Speaker is very sad. It is a sad day for the Leader of the Government, who allowed this to happen. It is a sad day for those who sat here and did not object to this catastrophe. My right to vote—a right which many people have fought for—was brutally attacked and taken away from me. The female senators on the other side must have thought about the battles over the years to obtain the right to vote in this country, only to find out that the Speaker of this house took it away from them in the Parliament of Canada. I am sure that every parliamentarian across this Commonwealth will be upset at what happened in this nation.

The honourable senator who is receiving extra pay for taking the job of sitting in that Chair has no power other than to call the items on the order paper—we recognize the chamber, not the Speaker. For him to take this action was beyond the call of duty and beyond his power. I would suggest that in order to save his soul when St. Peter meets him at the Gate, he resign his position, have a comfortable seat in the corner and perhaps stay there until he is 75.

Senator Buckwold: Would the honourable senator permit a question?

Senator Bonnell: Yes.

Senator Buckwold: Honourable senators, Senator Bonnell's home province is Prince Edward Island. The tourist industry is a major source of income in this province. I am sure you are aware that the impact on the tourist industry as a result of the GST is probably the most significant factor in the whole economic result of the application of the GST on tourism.

It is true that the government has given a minor rebate to American, not Canadian, tourists. I am led to believe that, because of transportation costs, goods in Prince Edward Island are more highly priced than goods in Toronto. Could you discuss the impact on Prince Edward Islanders of a 7 per cent tax on those higher prices? How will it affect your province? What would be the impact of a 7 per cent tax on tourism—on airplane fares not only for tourists but for people who have to go somewhere at high cost and pay a tax on their transportation in addition to the already high rates? As a representative of Prince Edward Island, I know you are aware of the importance of the subjects I have referred to. I would be interested in your comments.

Senator Murray: Are we into the debate on the GST? Did my motion pass?

Senator Hastings: No, we are on a question or privilege.

Senator Bonnell: Honourable senators, tourism in P.E.I. is our second major industry. Our first major industry is agriculture, our second is tourism, and our third is fisheries. We do not have a manufacturing sector or mines in P.E.I., but we do have the Anne of Green Gables house.

Senator Simard: If you defeat the bill, you will not get the GST centre.

Senator Bonnell: Senator Simard, let me tell you that I did not say whether I was going to vote for or against the bill; but if you keep talking you can certainly persuade me.

Senator Lefebvre: What he is saying is blackmail.

Senator Bonnell: Prince Edward Island has the CNR ferry and the Northumberland Ferry to take our people back and forth. Now there will be a 7 per cent tax on that transportation and the goods coming across on those ferries.

Senator Murray: Are you in favour of the fixed link?

Senator Bonnell: Your government ruled out the fixed link by sending environmentalists there to try to stop the fixed link. They do not really understand the economy of Prince Edward Island.

Senator Murray: You are against environmentalists then.

Senator Bonnell: I am not against anyone. Right now I am against your Speaker, and I am against the way you allowed this to happen.

Senator Simard: He is pro-Liberal, that is it.

Senator Bonnell: Honourable senators, Prince Edward Island will lose tourists because of the 7 per cent tax on accommodation, restaurants and transportation. When people write home to tell others about the beauty of P.E.I., a 7 per cent tax will be charged on the card and a 7 per cent tax will be charged on the postage. Now you are going to raise the

price of the stamp from 39 cents to 40 cents, and you are going to charge them 43 cents for the 40-cent stamp.

Senator Simard: Run that by me again.

Senator Bonnell: Prince Edward Island is one of the most beautiful places in Canada and the world. It is the only place with the warmest salt water north of Florida.

Some Hon. Senators: Hear, hear!

Senator Bonnell: You should all come to Prince Edward Island, but be prepared to pay a 7 per cent tax every time you turn around. I hope you come to see the new offices in Summerside, which will only be big enough to look after the Prince Edward Island tax collectors, because, as I see it now, the federal government is backing out and the provinces are going to collect the tax on their behalf. There will then be no federal government offices in Summerside. They closed the air base, you know.

People of P.E.I. realized the Conservatives were attempting to destroy the economy of the province because they voted Liberal in the last election. The Conservatives destroyed the only National Defence base in the whole province. Drug traffikers come in off the shores because there are no airplanes to check them any more. Our sick cannot be flown out of the province because the planes that were used to rescue them and fly them to the hospitals on the mainland have been taken away.

Senator Murray: Don't drive the tourists away.

Senator Bonnell: The Conservatives have destroyed our economy and they are going to destroy it even more.

Senator Hastings: What about the fishing industry?

Senator Bonnell: The whole economy, from agriculture to fisheries to tourism, has been destroyed by this government. For God's sake, senators, think very hard when you go to vote on the GST.

Senator Simard: If they do not want to go to P.E.I., they can come to New Brunswick.

Senator Bonnell: Honourable senators, perhaps the reason the federal government is introducing the GST is because Senator Simard wants the people to go to New Brunswick. So he is trying to charge everyone a 7 per cent extra tax to go to the beautiful province of Prince Edward Island, the Garden of Eden.

Senator Denis: May I ask a question of the honourable senator?

Senator Bonnell: Yes.

Senator Denis: You have been talking about the 7 per cent tax on tourism. In your province they used to compare the 7 per cent tax with the manufacturing price, which is about 3 or 4 times less expensive than the retail price.

• (2045)

Let us compare a coat that costs $200 retail. If the one who makes the coat charges $140, what is the difference? It is a big 13 per cent, but that is in the beginning, and the other input costs that drive the cost higher are not added on. Let us talk about fridges, washing machines and the expensive appliances that ordinary people need. They will all pay 7 per cent on January 1.

Senator Fairbairn: Maybe not.

Senator Frith: Maybe not, but the government wants them to.

Senator Lefebvre: Simard wants that.

Senator Denis: I want to know how expensive those things will be.

Senator Simard: Don't ask Senator Bonnell, ask the expert, Senator Buckwold, behind you.

Senator Denis: Senator Simard, you once quit your party to go independent; why don't you go independent again?

Senator Bonnell: Honourable senators, let me tell you of the drastic effect that the GST will have on my province. We do not have a manufacturing industry. We do not have a General Motors or a Ford Motor Company. Let me relate an experience. Some years ago the Province of New Brunswick had a sales tax. The Liberal Government in power in Prince Edward Island in 1959 opposed sales taxes. However, the Conservative Government came to power and installed a sales tax. From 5 per cent it has gone to 10 per cent under different Conservative premiers. In 1959 the Province of New Brunswick had a sales tax. A gentleman from New Brunswick came to visit me and he wanted to buy a stove. He said to me, "I have a chance to buy a GE stove in New Brunswick for $525, but if I could buy it in Charlottetown I would save on the sales tax." I had bought the same stove from a wholesaler. I said to him, "If you like, I will sell you that stove for $300, because I only paid $225 for it." I wanted to make myself a few dollars. He said, "If I can cancel the stove at Halmon's Store, I will give you a call and have you ship the stove to me in Moncton." Later he phoned and said, "I am sorry, I do not want your stove." "Why?" I asked. He said, "After I saw you I went to dinner at the Charlottetown Hotel. The place was full and I had to sit with another gentleman. He happened to be the gentleman who was selling the stoves. He said he would sell me the stove from the same manufacturer for $125. Consequently I can't buy yours at your price."

So, Senator Denis, the manufacturers' sales tax on that stove was calculated on the $125. That stove is now $550, and if you add 7 per cent to that at each stage along the line, you will get more than the 13 per cent manufacturers' sales tax on $125. I remind you that when this government came to power they added 4.5 per cent to the manufacturer's sales tax.

Senator Lefebvre: A 50 per cent raise.

Senator Bonnell: That was done by this government since 1988.

Senator Lefebvre: Taxes and food banks!

Senator Bonnell: The manufacturers' sales tax was a lot better for P.E.I., particularly for the low income and the unemployed.

Unemployment in P.E.I. is up to 17 or 18 per cent, and this government wants to change things so that they no longer give out unemployment insurance. They refuse to accept our Senate bills that will give people unemployment in 10 weeks. These people can no longer meet the variable entry requirements that assist people who are out of work. I do not really know what will happen to our dear little province because of this government. The only thing we can do is to continue to elect Liberals in the hope that the rest of Canada will do the same thing.

Senator Buckwold: You have provoked another question.

Senator Stollery: It is a fascinating subject.

Senator Buckwold: It is.

Senator Murray: Then why don't we get on to the debate.

Senator Buckwold: Are they again trying to throttle discussion in this free chamber?

Senator Bonnell, I think you gave a very good illustration of the impact of the goods and services tax on the cost of a stove, but you did not comment on the fact that the electricity to the stove will be increased by 7 per cent.

Senator Frith: What?

Senator Lefebvre: Yes.

Senator Buckwold: And if you happen to have gas—I am talking about natural gas—it will be taxed at 7 per cent.

Senator Lefebvre: No kidding.

Senator Buckwold: No. So, over and above the extra cost you will pay, you will have to pay 7 per cent on the energy source that you use. Perhaps you have a comment on that point and particularly on the further impact it will have on Prince Edward Island.

Senator Simard: What if you burn your fingers on the stove? What happens then?

Senator Bonnell: If you burn your fingers on the stove you will have to pay the tax on the bandage. We do not have a tax on gas in Prince Edward Island because we do not have gas. We were promised by this government a pipe line from Quebec down through Atlantic Canada. We never got that pipe line.

Senator Buckwold: Bring in Simard; he will give you the natural gas!

Senator Bonnell: If we had Senator Simard, and he could suck as hard as he can blow, we could get our gas pretty cheaply.

Senator Simard: You would give medicare, I suppose.

Senator Bonnell: We are not going to tax medicare. However, even that is not fair for people in the medical profession, because they cannot charge 7 per cent sales tax because it would really amount to charging the government. However, they must pay the sales tax on the equipment they buy.

Senator Kenny: Excuse me, may I interrupt? It says in *The Citizen* concerning root canal therapy that of $230 you would pay $1.93 under the FST but $3.31 in GST. That is on root canal therapy. Can you believe it?

Senator Bonnell: There is no end to it. For example, in my little office in Prince Edward Island I have four secretaries. I hire and pay these four secretaries through "a holding company". Now I cannot do that any more because if my "holding company" pays the secretaries I will have to pay the 7 per cent sales tax. Now I have to pay them individually and hire them as my own employees rather than company employees. So no longer can members of the medical profession operate offices under "management companies".

Senator Buckwold: You will pay a tax on your rent though.

Senator Bonnell: You pay tax on your rent, your lights, heat, on everything.

Senator Lefebvre: How about your X-ray equipment?

Senator Bonnell: On all equipment.

Senator Murray: You get a rebate, do you not?

Senator Bonnell: There is no rebate.

Senator Murray: Then I won't ask you what kind of company it is.

Senator Denis: Do you have any idea of how many hundreds of goods and services will be taxed at 7 per cent that are now not being taxed at the manufacturers' level? For instance, if you have a shave you will have to pay 7 per cent on the cost.

Senator Murray: Where would you find anybody to give you a shave these days?

Senator Denis: At present if you buy clothing in Quebec you do not pay tax, but now we will have to pay 7 per cent on those purchases.

Senator Bonnell: As I understand it, the federal government does not at present charge sales tax on clothes, and nor do many of our provinces. They realize that the poor need clothing. They do not charge tax on food because they realize that they need to eat. However, the federal government would rather see you go bare foot, because it wants to charge you on your shoes, your coat, your tie, and even your underwear. The government is going to charge you on your toilet paper and even on the condoms that you use to prevent AIDS. It has reached the bottom of the barrel.

THE SENATE

PAGES—ACADEMIC STUDIES—TEMPORARY REPLACEMENT

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, among the members of our staff who have found the recent proceedings difficult are our pages. Many of them, as you know, are students. I have been told by Mr. Greene, the Clerk Assistant, that he would like our approval to allow these fine young people to turn their attention to their academic careers, because at this time they face exams and their years could be at risk. I have also spoken to Senator Murray on this matter. So, for our side, I not only approve of

Mr. Greene's plan but I encourage him. I thank the pages for their work and their attention to duty. We hope to see them back and we wish them well in their academic careers. They are as follows: Joanne Wilkinson, Steve Tipman, Cathy Piccinin, Chris Walkinshaw, Vincent MacNeil, Janey Lee, Caroline Fisher and Isolde Dunphy.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I thank the Deputy Leader of the Opposition for drawing this matter to our attention this evening. I agree completely with the arrangements that have been made respecting our pages and their substitutes for the next little while. I assure the pages that as they go off to burn the midnight oil yet again in another enterprise—

Senator Frith: We will still be here doing it too.

Senator Murray: —we will still be here, and our thoughts and best wishes go with them as they prepare for their exams.

THE SENATE

STOPPING OF DIVISION BELL—SPEAKER'S LETTER—QUESTION OF PRIVILEGE CONCLUDED

Hon. Joyce Fairbairn: Honourable senators, we have been debating a question of privilege now for five days based on a fundamental denial of the rights and privileges of senators in this chamber. We must remind ourselves and Canadians of what has happened. What began as a battle against the GST on September 25 has now broadened because of the ominous action taken last Thursday on the part of Senator Charbonneau and the government. In a move unprecedented in our parliamentary history, the doors of this chamber were locked against the Opposition and we were deprived, not just of our right to vote, but also of an opportunity to plead our case with the Speaker to hold back, to rethink and reconsider, to use reason and commonsense and not take the irrevocable step that has plunged this house into a debate that damages all of us.

• (2100)

We are asked by senators opposite and by the Government Leader to get on with business as if nothing of consequence had happened. Well, an act of unparalleled consequence to the future of this Senate did occur last Thursday, and to ignore it, or to let it pass for consideration sometime in the future, is irresponsible conduct for each of us who is aggrieved by Senator Charbonneau's actions. We cannot conduct normal business, including the all-out battle on the GST, until this issue of rights and privileges is somehow resolved and the rules of operation in this House are restored.

One of the senators in this debate earlier questioned the cost of the last few days in dollars and cents, and I suppose that is easily calculated. Senator Frith and Senator Murray made reference to the pages who have done absolutely yeoman service here in the last few days, and I think all of them are to be warmly thanked and tendered our very best wishes in the studies and exams that are ahead of them.

I would also like to thank, for showing an incredible degree of professionalism and class, the *Hansard* reporters—

Senator Frith: Hear, hear!

Senator Fairbairn: —who have been with us hour after weary hour, and who then have to go and transcribe and with their colleagues produce for Canadians a record of this debate, always turning out first-class copy.

I would also like to thank the protective staff, the commissionaires—

Senator Frith: Hear, hear!

Senator Fairbairn: —who have been working under very difficult circumstances inside and outside this chamber.

Senator Simard: Let us go through all of them!

Senator Hastings: We thank you, too, Simard.

Senator Fairbairn: It goes back to last Thursday. What is incalculable is the cost to our system of the interference by the government, through a use and abuse of the position of the Speaker and the Chair, and the cost of that to the functioning of this house can be laid squarely at the feet of the Prime Minister of this country, and, through him, the Government leader in this place.

So, Honourable senators, we are making a powerful case affecting our privileges here in this house and I suggest there is another part of that case of privilege arising over the events of last Thursday. Senator Charbonneau's actions unleashed a course of events which also has prevented many of us on both sides of this house from fulfilling our responsibilities as senators back in the provinces which we represent. There is no question that events of recent days are so serious that we are compelled to remain here in Ottawa, and this has caused widespread cancellation of commitments to those whom we represent.

In Edmonton, Alberta, for example, this week there is an historic conference now in progress to focus attention on the serious issue of literacy in Canada. Hundreds of delegates, representing every level of the literacy constituency in this country, are setting directions to carry on the momentum which has developed during 1990, the International Year of Literacy. Those representatives cover all of the important areas of this serious issue, in particular the learners themselves. They cover administration for the policymakers and those involved with industry or business-based literacy training.

The conference covers the practitioners, the literacy coordinators, the tutors of adults. It covers the research people, so important in building help on this issue, and it covers special interests, such groups including natives, women, the poor, people in remote areas and those with various handicaps. The conference has been organized over a period of one year. In fact, it was last October 11, a year ago this week, that I was proud to be asked to be the Honourary Chair of this conference, to open it on Tuesday, to support it during this week, and to join with the Governor General in closing it tomorrow morning in Edmonton. With tremendous regret and sadness I

have been unable to carry out what I consider to be a major responsibility as a senator in my province, on an issue that threatens every part of our society. Although the organizers of the Literacy Conference understood and supported the reasons for my absence, I should like honourable senators here to know what I did not have the privilege of conveying directly to Albertans in Edmonton this week.

I particularly wanted to note that the conference in Edmonton occurs at a critical time. Because of the focus of the International Year, our country has heard and seen more about the problems and the opportunities of literacy than at any time in our nation's history. Tremendous effort has been made to tell Canadians that this issue is hurting our country, our fellow citizens, our children and their future. That has been doubled and redoubled by literacy organizations, community projects, educators and the dedicated army of volunteers which continually keeps this battle alive on the ground in every community that we represent in this country.

Governments at every level have increased their commitments. Business has begun to accept the reality of the threat against its own productivity, and labour has been initiating innovative efforts to help and support Canadians in the workforce. An uncomfortable issue, a perplexing issue, a deeply debilitating issue, has been forced onto the national agenda, and as 1990 draws to a close we must forcefully and candidly begin to ask the questions and take the actions that will keep literacy on that agenda.

Where do we go from here? Are the commitments of a single year strong enough to last a decade and beyond into a new century? Although all of us have been motivated, I hope, by the activities of 1990, are Canadians truly aware of the literacy issue and ready to translate that awareness into political pressure, which is essential to maintaining and accelerating government activity and financing? How do we take all of the ideas and the surveys and the programs and the wisdom accumulated in the past three years and clearly articulate the priorities that will lower those horrendous statistics and bring in millions of Canadians from the sidelines of our national life so that they can be a productive part of the solution? After all, honourable senators, we are talking about more than one third—thirty-eight per cent—of our adult Canadians who can barely cope with every-day reading, writing and numeracy tasks which all of us take for granted. As these citizens expend their energies in trying to hide their problems, to survive, they remain in private isolation, frustrated and sad, often afraid and angry, in a world in which success and fulfilment depend so heavily on communication at every level of our society.

Senator Simard: Whose motion are we on?

Senator Robertson: What are you speaking on?

Senator Fairbairn: Some 60 per cent of Canadians with limited literacy skills are unemployed, and they are not looking for a job. They cannot find a job and they cannot hold a job. Others include mothers running dreadful risks in their homes because they cannot read the labels on dangerous substances or the instructions to deal with accidents to themselves or to their children—

Senator Simard: Order! Order!

Senator Fairbairn: There are farmers failing themselves and their families and their land because they cannot keep up with an increasingly complex and technical industry. There are also senior citizens who are in frightening isolation as their inability to communicate compounds the natural difficulties of the aging process and their support network of family and friends slowly disappears. Others with literacy problems are prisoners, an estimated 50 per cent of our present prison population in the federal system—and this can rise as high as 80 per cent where there is a large component of native inmates, such as is the case in western Canada. We know very well that education and literacy are major problems among the aboriginal peoples on and off reserves and in the Northern Territories. If we fail to focus on these problems with real commitment and generosity, all of us are diminished.

When we look at literacy problems, we must also include the related issue of learning disabilities, which affect some 20 per cent of Canadian children, and which, if undetected early, can brand them from the start as mentally retarded, slow, spoiled or just plain bad.

As you will realize, while new Canadians may be literate in their countries of origin, coping with another language or languages in a new country means that they will probably require extensive language training. In this contest, I want to smother a popular myth regarding who in Canada is illiterate. It is not an imported problem. It does not come in from someplace else. In fact, almost 80 per cent of functionally illiterate Canadians were born right here in this country, and 70 per cent of them live in our cities. More than half of them are between the ages of 18 and 55, which is the most productive period of a working lifetime.

So, honourable senators, Canadians in trouble with literacy are men and women of all ages across this country who learned to travel in a city by counting on their fingers the bus stops and the subway stops because they cannot read the signs, or who shop at a corner store and a supermarket by memorizing the colour, the shape, the sizes and the positions of goods on shelves. They cannot read the classified ads. They cannot read the telephone book. They cannot fill out an application, whether for health care, housing, social assistance or a job.

Senator Hastings: Or for a tax credit.

Senator Fairbairn: And often they pass on their problem as a tragic legacy to their children. I can tell you, Senator Hastings, they are the people who will be least able either to understand anything about the GST or to pay for it day by day as they purchase the basic goods to try to keep them and their families alive.

Senator Hastings: They will pay for it!

• (2115)

Senator Fairbairn: We now have Canadian statistics which help to tell the story.

For the past three years we have tried to come to grips with the first national literacy survey by the Southam News organization, which told us that an estimated one in four adult Canadians, some 5 million citizens, are directly affected by illiteracy. Of these an estimated 1.5 million are basically illiterate; they cannot read or write. Three million are functionally illiterate; they are unable to cope with the basic everyday tasks which we take for granted. Another 500,000, which were not covered by the survey, are estimated to be in our prison population, on native reservations, and in mental institutions.

Last year, as part of its contribution to International Literacy Year, the government published, through Statistics Canada, the result of a special survey. I am told it is the most extensive to date in any industrialized country and that it paints an even grimer picture. This study found that over one-third, some 38 per cent, of adult Canadians between the ages of 16 and 69 do not have the skills to perform beyond simple reading tasks within familiar contexts using materials that are clearly set out for them. Among these, 16 per cent of adult Canadians have skills so limited that they cannot deal with the majority of written material encountered in everyday life, and a worrisome 22 per cent have simple skills but tend to avoid situations involving reading. They are just opting out and are in grave danger of losing what limited skills they have. This federal study also notes the correlation between employment and income levels with reading ability and completion of high school.

But here is the real shocker. Both Southam and Statistics Canada agree that some 30 per cent of our functionally illiterate adults are high school graduates, and more than one-third of our teenagers, our future work force, drop out of school each year. Combine those two statistics and it is clear that we have a national problem of major proportions. It respects no boundaries or jurisdictions, and it seriously reduces our national capacity to compete globally.

If we recognize this, we realize that our solutions must be co-operative, national, and that they must transcend constitutional barriers. Yes, education is a provincial responsibility, but, yes, literacy is a national imperative. We must keep fighting for a national awareness program. We must systematically use the power of television and radio to demystify illiteracy. Through public knowledge we can build the acceptance needed both to offer significant help as well as to encourage those suffering from the problem to come forward to seek that help.

As a senator, in the last six years I have chosen this issue as one major focus of my activity, which is why I would much prefer to be in Edmonton tonight than here in Ottawa. I have had the privilege of hearing from and speaking to Canadians from all walks of life about the crippling effects of being functionally illiterate, not only on individuals and their families but on the health and the resilience of our economy and on our society in general.

For instance, a couple of years ago the Canadian Business Task Force on Literacy estimated that lost productivity and industrial accidents resulting from low literacy levels lead to an annual business loss of $4 billion in Canada, and an estimated cost of more than $10 billion a year to society generally. This is the equivalent of approximately one-third of our annual federal deficit.

In the workplace, where ultimately these problems build up beneath the surface, we join with other western nations in facing a severe problem of renewal. In the next 20 years, honourable senators, it is estimated that the population of North America will grow at a slower rate than in any period since the Depression of the 1930s. The age level of the workforce will rise and the number of young people entering the workforce will decline. By the year 2000, 85 per cent of the Canadian workforce will consist of adults who are presently in that workforce. If the literacy problems which affect an estimated one out of every six Canadian workers today are not addressed by a co-operative effort, they will be more deeply and desperately entrenched as we enter the new century. So business and labour are a critical part of this issue, but the education system is also critical.

I would like to share with you some of the insights that educators have shared with me. I am thinking of a teacher in Alberta in her mid-thirties who is seasoned and brilliant at what she does. She is wholly committed but despairing because the system does not allow her to hold back and help students who do not have requisite literacy skills to succeed at the next level. The so-called "social promotion" concept keeps the students moving with their peers regardless of their inability to cope with the grades.

I am thinking of an older teacher, one who has been out of the system for a number of years who has just returned to find that too many of her young students do not have sufficient oral language skills to easily begin to learn to read and write in the earliest grades.

I am thinking of a student teacher who has just graduated this summer, articulate, enthusiastic and certain that she can beat the system she has yet to enter, if only she can manage to work the basics of grammar into a curriculum she will be obligated under contract to teach.

Teachers are understandably among the most sensitive about literacy and the eduction system and they, more than anyone, must cope with its constraints. Many who have spoken to me feel that there are too many children they cannot lead to functional literacy within the current system. To leave children in this quandary whether for the rest of their lives or until years later when as adults they face the agony of trying to learn the basics, is incredibly more costly both to them and to us.

With that in mind, let us take a look at the youth of our country and the environment in which they are learning or not learning. Let me start with an education survey that I read about last February in the *Montreal Gazette*. It cited a teacher in the east end of that city who only tests her class during the first 15 days of the month before the social assistance and the food money runs out, because after that the children are too

hungry and too tired to concentrate on learning. This, by no means, is isolated to the east end of Montreal.

We need to ask serious questions about the re-distribution of wealth and the erosion of the programs that would allow these children first to eat and then to learn. Over 1 million children in Canada live below the poverty line, despite the lavish consumption and accumulation of wealth surrounding us. I think all of us became more aware of their plight and the plight of other children around the world most recently when the Prime Minister of Canada chaired a special summit at the United Nations on the situation of children in the world.

Social patterns have changed and we have an enormous percentage of children growing up in single parent families, most often headed by a female with a low-paying job and few, if any, prospects. When you scratch the condition of illiteracy often you will find poverty, fear, hunger, homelessness, exhaustion, discrimination, mental, physical and sexual abuse, all of which effectively block or dull normal learning patterns.

Let us look further. The first and most prominent teachers a child can have are the parents. This role in 1990 is very different from my era when a comfortable two-parent family was a long-term goal. Today a greater number of women want careers and are competing for meaningful jobs in a workplace where they still often receive lower wages than men. However, a far, far greater number of Canadian women and Canadian mothers, either single or from two-parent families, are in the workforce because of absolute economic necessity. So often that first teacher is not at home in the early years. Financial circumstances may mean that they simply cannot afford books, or do not know where to find them, or that they are overwhelmed by fundamental priorities other than reading time and conversation with the children. Good organized daycare may be neither available nor affordable, and that can have a tremendous effect on learning in children. Therefore, the audio-visual world of radio and television, and the streets, are what teaches a child before grade school demands an interest and a capability to read.

In the education system itself, clearly there are paths that enable a child to move ahead grade by grade without mastering the basic skills, regardless of where they come from; homes which are rich, poor, or middle class.

I have had a number of discussions probing the difficulties and the changing nature of education and its context in our national society, particularly as we move through this final decade to the 21st century. The mushrooming of technology, the increasing complexity of things, the sheer number of institutions and bureaucracies and processes we all deal with daily mean there is simply a lot more to learn for all of us. The computer has given us an endless variety of options on how to learn; the electronic media ensures that we are bombarded with more information than we can handle from the earliest possible age. It never seems to stop. Rapid change means life-long learning no matter how old you are or where you sit in the system. No longer do we count on a single career. Flexibility and adaptability have taken over from consistency and predicability as the measure of how we conduct our lives.

[Senator Fairbairn.]

Consequently, the education system is being asked to assume the teaching of an increasing amount of new social, cultural and practical knowledge, knowledge that used to be learned, in large measure, through the family and in the community. Additional curricular demands have forced teachers to make sacrifices in other academic areas to the extent that they are not able to devote the attention they would wish to ensure that students have a firm foundation in basic education. In short, honourable senators, we should ask whether we in Canada are making it too tough for teachers to teach and for students to learn effectively. I believe that governments and politicians, parents and communities, all across Canada have to ask that question seriously at a time when so many people place so much emphasis on the need to have these skills to stay ahead of the game in an increasingly complex world.

• (2130)

We must show a generosity of spirit among all levels of government in this country that would enable them to build bridges across constitutional jurisdictions instead of settling for second best or less in our attempt to promote a national solution. Earlier, I spoke of the need for a concerted national effort that transcends the usual jurisdictional divisions that plague our Canadian Confederation. Currently in Canada at the national level we are pushing against the edges of illiteracy through the instrument of a national secretariat set up by the current government, which acts as a coordinating and information disseminating body and which funnels relatively small amounts of money into projects that are jointly funded by the provinces. Without doubt there is a lot more going on across Canada in the literacy field than was the case three years ago. A much sharper focus has emerged in this international year. But, at this stage in Canada, literacy programs are largely curative and aimed at adults rather than also diagnostic and preventative and lodged within the education system itself. We seem to lack the courage and the necessary motivation to challenge seriously an entrenched system which is not responding adequately to a critical need in our current circumstances in this country.

During this International Year of Literacy we have put on our best faces. We have displayed our statistics. We have organized events and pilot projects and new programs and have had some excellent conferences such as the one which is taking place in Edmonton this week. However, from my perspective we still have barely scratched the surface in Canada in the fight against illiteracy.

In 1990 we are only at the beginning of the kind of concerted effort that I believe is necessary, and the only way to campaign effectively against illiteracy, be it prevention in children or assistance to adults, is through partnerships at every level of our society, between families and schools, between the various levels of the education system itself, between community institutions, libraries, churches, service clubs, cultural organizations, senior citizens' groups, between every level of government and between all of these groups and every level of business. At the same time, strong links must be consolidated with labour, with literacy organizations and with the volun-

teer sector, which, as I said at the beginning of my remarks, has kept this battle alive across Canada for decades, often with very little recognition and few resources.

In 1987, I initiated an inquiry, a debate, in this chamber into the question of literacy in Canada, and I was told at the time that it was the first time the issue had ever been debated in either house of the Canadian Parliament on its own. A number of excellent speeches were made during that debate, including ones, as I recall, by Senators Robertson and Doyle. But this subject is not one that you hear very much about on Parliament Hill. It is ironic, because every one of us is here in the Senate and in the House of Commons because of the facility we have in some way with the very basic and fundamental skills that we talk about with respect to this issue. For this reason I continually urge legislators, federal, provincial, municipal and territorial, to carry the message on in this Parliament, in the provincial legislatures and into the constituencies, to as many people as will hear. The fight against illiteracy will not succeed unless each of us makes it our own fight among the people we represent and unless we represent equally those who have yet to gain these skills along with those who have them. It is a matter of will, as are most social policies dealt with in this country—a matter of will both individually and politically. We simply cannot afford, as a nation or as human beings, to allow an under class to develop and solidify in Canada, something which will ultimately erode the capacity and the soul of this country to reach its economic, social and cultural potential. No country with our wealth and our creativity and compassion can ignore this challenge and this opportunity.

This year one of the many efforts that has been made in various sectors of our society to promote this issue was put together in a tremendous book entitled *More Than Words Can Say: Perspectives on Literacy* which contains literacy gems from many prominent Canadian writers who put their words and their support behind this project. The volume was edited by a name familiar to Canadians, Knowlton Nash of the CBC. I would like to read some of the words that are contained in this book.

In his forward to *More Than Words Can Say* Mr. Nash states the following:

> Books of stories; books of history; books of learning. They line the bookshelves of the nation with unimaginable riches for all our hungry minds. When I go to a bookstore, I'm filled with the anticipation of a kid in a candy store, tempted by so many choices. And it's true for most of us as our eyes range along the shelves of literacy delights. Sometimes, though, I pause in my scanning of book titles, as images come flashing into my mind of a one-room school shack in the Bogota slums or a thatched-roof shanty in Fiji's Yasawa Islands housing the village library.
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> I was doing a TV documentary on the crises in Latin America and accidentally found myself in a tiny Bogota school call 'Parque du Canada' where 80 youngsters shared four school books. The school had been built thanks to the generosity of a group of Toronto business people, and a policeman, who acted as a teacher in his spare time, had found the four books which were the sum total of reading material for the youngsters. Those four books seemed something almost magical for the youngsters, and I can still see in my mind's eye one skinny little cherub fingering one of the books with reverential wonder and care.
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> In the Fiji shanty they had more books—maybe 30 in all—but villagers were allowed only to read them at a spindly table by an open window in the makeshift library. As in Bogota, there was a reverence here, too, shown by the young mothers and old men whom I watched coming to finger the words as they slowly read line by line.
>
> When I snap back from my reveries to the cornucopia of reading material on our Canadian bookshelves, I realize how incomprehensibly lucky we are, and how empty life would be without the books, the magazines, and the newspapers that give us insight and delight, information and knowledge.
>
> It's hard to imagine a world without books and yet for so many millions, that is exactly their world. Thirty years ago, a request for a set of encyclopedias came to several Toronto teachers from an overseas school. From that simple beginning, the Canadian Organization for Development through Education, known as (CODE) was born. Today, thanks to contributions from concerned Canadians, the Canadian International Development Agency, Canadian publishers, paper companies, and others, CODE sends upwards of one million books a year to third world countries, and it also provides paper so they can produce hundreds of thousands of their own books.
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> In Jamaica alone, for instance, CODE has provided over the years not only books, but paper for more than eight million textbooks. In Tanzania in 1989 CODE committed $278,000 to help produce 180,000 chemistry and biology textbooks and teachers' guides.
>
> CODE, with generous co-operation from McClelland and Stewart and the Canadian Booksellers' Association and many others, has produced this book of anecdotal stories and memories on the joys of reading, and learning to read, to mark the United Nations International Literacy Year 1990. This book is a salute to literacy by some of Canada's outstanding writers and cartoonists. We're grateful to them not only for their contributions to this book, but for the joy and enrichment they gave all of us through the years with their creative genius.
>
> The objective of the International Literacy Year is to begin to shrink the number of people who cannot read. There are nearly a billion adults around the world who can't read or write and hundreds of millions of youngsters who don't have the chance to learn. CODE's objective is to help the oldsters and the youngsters to learn by reading.

> Literacy is the cement out of which the fundamental building blocks of progress are made. A book is more than paper and ink when it can teach people how to save lives and build homes, teach job skills and enrich minds. A book can be the beginning of everything.

● (2145)

Honourable senators, many stories in this book are both interesting and poignant. I would like to refer to a few of them. June Callwood, a well-known social activist and writer, has written an essay entitled, "Why Canada Has to Beat Its Literacy Problem". The essay reads:

> Carole Boudrias shudders when she remembers the time she almost swallowed Drano because she thought it was Bromo. Even more painful to recall is the time she mistook adult pain-killers for the child-size dose and made her feverish child much sicker.
>
> "When you can't read," she explains, "it's like being in prison. You can't travel very far from where you live because you can't read street signs. You have to shop for food but you don't know what's in most of the packages. You stick to the ones in a glass jar or with a picture on the label. You can't look for bargains because you can't understand a sign that says 'Reduced.' I would ask the clerk where is something and the clerk would say, aisle five. Only I couldn't read aisle five. I'd pretend that I was confused so they'd lead me right to the shelf."
>
> Carole Boudrias is able to read now, at last. She's a 33-year-old single parent who lives with her five children in a handsome townhouse on Toronto's harbourfront and holds a steady job. But her struggle with illiteracy is all too vivid in her memory. "You can't get a job," she says earnestly. "You can't open a bank account. You have to depend on other people. You feel you don't belong. You can't help your children. You can't help yourself."
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> Six years ago when her oldest child started school, the boy floundered. Because he had been raised in a household without books, print was strange to him. He would point to a word in his reader, that classic, endearingly silly *Dick and Jane*, and ask his mother what it was. She was as baffled as he, so he'd check with his teacher the next day and that evening would proudly read the new work to his mother. She began to absorb the shape of the words he identified. She found she could recognize them even days later.
>
> That was astonishing. As a child she had been labelled mentally retarded and confined to "opportunity classes" where reading wasn't taught. She grew up believing that she wasn't intelligent enough to learn. Nevertheless, she *was* learning. The vocabulary of words she could read in her son's reader was growing. She began to think maybe the experts were wrong. Then, one miraculous day, she realized she was learning to read even faster than her son was.
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> "My son was my first teacher," she grins. She had never allowed herself to believe that it was possible that she could learn to read. She hadn't even tried: no one whose life is made up of poverty and failed relationships is ready to take on, voluntarily, the potential for another defeat, another kick in the self-esteem. She hesitated a long time but the evidence was persuasive—she was beginning to read. Her welfare worker had always been kind, so she summoned the nerve to ask her where she could find help.
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> That lead her to Beat the Street, a program that helps people who are illiterate for all the reasons that befall sad children: unrecognized learning disabilities, emotional stress, too many schools, scorn and belittling, terror, bad teachers. She was linked with a volunteer tutor, and they came to admire each other deeply.
>
> "Now I can read, I can read books, anything. I can write. In English *and* French."
>
> Carole Boudrias has written a book, *The Struggle for Survival*, which tells of her tortured childhood lacerated with incest and violence, and her triumphant recovery from illiteracy. Last summer she was the poet laureate of the annual golf tournament hosted by Peter Gzowski, the beloved and respected heart of CBC Radio's *Morningside*. He has befriended the cause of literacy in Canada and over the past four years has raised a quarter of a million dollars for Frontier College, one of the first organizations in the country to tackle the problem of illiteracy.
>
> "Learning to read," Carole Boudrias says quietly, "was like a second birth, this time with my eyes open. Before I could read, I was a blind person."
>
> Canada has nearly five million adult citizens who are described as functionally illiterate, which means that they can recognize a few words, such as washroom signs and exits, but they can't read dense print at all. They can't decipher directions, for instance, or application forms, or warnings on labels. The world of newspapers, posters, advertising, books, menus, banking, recipes, and instructions-for-assembly that literate people take for granted is barred to them; they live a life of bluff, anxiety, embarrassment, and isolation.
>
> A good many Canadians are as profoundly illiterate as Carole Boudrias was. People who meet illiterate adults are struck by the similarity of their textural experience. All of them liken the inability to read and write with being disabled or chained in a prison. Edwin Newman, U.S. broadcaster who writes about language, calls illiteracy "death in life."
>
> The sense of being caged and blinded is not morbid fantasy. People who can't read may be able to walk freely but they can't go far. Subway stops rarely have pictures to guide them and the destinations bannered across the front of buses and streetcars are meaningless. If they ask for directions, well-intentioned people tell them, "Go along Main Street to Elm and turn left." Consequently, they must travel by tax or stay home, though they usually are the poorest of the poor.

[Senator Fairbairn.]

Almost every job, even simple manual labour such as street-cleaning, requires an ability to read. Personnel managers don't take kindly to people who can't fill out an application, or when asked, can't spell their own addresses.

The divide between the literate and illiterate has never been wider. In this half of the century North America has become a world of forms and documents and instructions, written warnings, posted rules, leaflets, and vital information circulated in brochures. Two generations ago, illiteracy was prevalent but not such a great disadvantage. Some functionally illiterate could fake it through an entire lifetime and still held a good job. Employment skills were acquired by watching someone else; apprenticeship was the accepted teacher, not two years in a community college.

Today, inability to read is a ticket to social segregation and economic oblivion. A poignant example is the skilled house-painter who turned up one day in the crowded quarters of the East End Literacy Program in Toronto. He said he wanted to read. The counsellor asked him, as all applicants are asked, what he wanted to read. "Directions on paint cans"' he answered promptly. "I'm losing jobs. I can't read how to mix the colours."

Many who are illiterate can't read numbers. When they are paid, they don't know if they are being cheated. Because she couldn't fill out bank deposit slips, Carole Boudrias used to cash her welfare cheque in a storefront outlet which clips poor people sharply for no-frills service. To pay for goods, she would hold out a handful of money and let the cashier take what was needed—and perhaps more, she never knew. Once she would have been short-changed $50 she could ill afford if a stranger who witnessed the transaction hadn't protested.

The common emotional characteristic of people who can't read is depression and self-dislike. All feel at fault for their situation: with few exceptions, they went through school with bright little girls exactly their age who leaped to their feet to recite and smart little boys who did multiplication in their heads. Everyone else in the world, it seemed, could learn with ease; for them, even C-A-T looked a meaningless scribble. Teachers called them stupid; worse, so did other children.

"Stupid" may just be the cruellest word in the language. It consumes confidence, on which the ability to learn relies. Seven-year-olds having trouble with reading will frolic at recess with an edge of glee; 11-year-olds who can't read have bitter faces and scarred souls.

Loss of hope for oneself is a descent into desolation without end. It causes men to rage in fury and women to wound themselves. People who can't read come readily to view themselves as worthless junk, and many feel they must grab what they can out of life and run. Canada's prisons are full of young men who can't read. The Elizabeth Fry Society estimates that close to 90 per cent of the women in Kingston's infamous prison for women are illiterate.

Because Canada has five million people who can't read, the political shape of the country and the priorities of governments are not influenced greatly by the needs of the poor. Since illiterates are effectively disenfranchised, the political agenda is written by the more powerful. Candidates rarely find it advantageous to uphold the causes that matter most to Canada's illiterates—an end to homelessness and the need for food banks, welfare payments that meet the poverty line, and better educational and job-training opportunities. Few votes would follow any politician with such a crusade. The electorate that can't read won't be there to ruffle the complacent on election day.

Their silence costs this country severely. Education is free in Canada because it was recognized that democracy isn't healthy unless all citizens understand current events and issues. Five million Canadians can't do that. Voters, most of them literate, choose candidates who help their interests; those who don't vote, many of them illiterate, by default get a government that does not need to know they exist. The result is a kind of apartheid. The government has lopsided representation, which results in decisions which further alienate and discourage the unrepresented. The gap between the haves and the have-nots in Canada is already greater than at any time in this century, and widening. Urban apartment houses are the work places of crack dealers, the streets are increasingly unsafe, and households have installed electronic security systems. The poor, if asked, would have better answers than guard dogs. The best, most lasting responses to crime and addiction and violence are literacy programs, coupled with job training and full employment.

• (2200)

Schools are in disgrace, with a failure rate of fully one-third of all high school students. A soup company with such a record would be out of business in a day. The educational system has managed to exacerbate the class differences which are developing in this country. Canada's millions of illiterates went through school the required number of years, give or take time out for truancy, illness, running away from abuse, and confinement in detention homes. These human discards, identified promptly in the first years of elementary schools, will ever after drift around disconsolately. They are surplus people, spare parts for which society has no use. Unless there is a waré.

Carole Boudrias is working on a project, Moms in Motion, to help young mothers to get off welfare rolls. She says to them, "What do you want?" They reply, "To go back to school."

Another chance. Five million Canadians need another chance. Maybe they can become literate, maybe they can become healed and whole. What a lovely goal for the 1990s.

Another outstanding Canadian writer, one of our most outstanding, has also contributed to this book. I refer to Robertson Davies. His contribution takes the form of a chat about literacy between a writer, presumably himself, and a student. It goes like this:

> Writer: So we're going to talk about literacy, are we? What do you think the word means?
>
> Student: Being able to read and write; isn't that it?
>
> Writer: That's it, certainly. But literacy is one of those words that means different things to different people. For instance, if I say that somebody is illiterate, what do you think I mean?
>
> Student: That they can't read and write. Or not very much.
>
> Writer: There, you see? Already you have made a qualification when you say, "not very much."
>
> There are hundreds of thousands of people who would be very cross if you called them illiterate, but it is true that they can't read and write very much. People who can't read and write at all are not numerous in a country like Canada. Most people can write their names, and they know what signs that say STOP and GO mean, and perhaps even DANGER. But they can't read the directions on a bottle of medicine, for instance, or the handbook that comes with the car they are driving. Often they are clever at concealing the fact that the world of print is close to them. That is a very dangerous kind of illiteracy.
>
> Student: How many kinds of literacy do you suppose there are?
>
> Writer: Suppose we say three. There is the kind we have just been talking about—being shut off from everything that requires understanding of even quite simple things that are written down. Of course that really only applies in a country like ours, where the written word is so important. There were millions of people in the past, and there are millions now, who do not live in what we might call the Verbal World. A hundred and fifty years ago you could be an efficient farmer or blacksmith without being able to read or write. You were a valuable person and you knew your job thoroughly. You could get somebody else to do any reading or writing you needed. But now we live in a world where that is impossible. Though there are other parts of the world—Central Africa, for instance—where reading and writing count for very little—it would be wrong to say that people who do not belong to our Verbal World are stupid. Millions of those people want to join the Verbal World, and CODE helps them. But we are talking about our world, right here, which is very much part of the Verbal World.
>
> Student: But you said there were three kinds of literacy. What is Number Two?
>
> Writer: Number Two takes in all the people who can read and write, have no trouble with medicine bottles or books of directions, and may be skilled in technical work of some complexity. They read the newspapers; sometimes they read magazines. They don't pay much attention to books, unless the books are concerned with their work. Some of them are professional people who read and understand complicated books about law, and medicine, and insurance, and all kinds of business. They have fair-sized vocabularies and their grammar is pretty good, but not precise. No doubt about it, they are literate, in the Number Two sense of the word.
>
> Student: What's Number Three, then? It seems to me you have been talking about everybody that matters.
>
> Writer: The whole idea of literacy is filled with shady areas that overlap. The Number Two people can read anything that concerns them. But consider yourself, as an example. Do you want to join the adult world knowing your job and the daily news, and nothing else?
>
> Student: I'm not sure I understand. What else is there?
>
> Writer: What you have just asked me is the kind of question Socrates used to ask people when he wanted to make them think. I am sure you know what else there is that is involved in literacy. Do you now who Socrates was?
>
> Student: Vaguely. He was a Greek philosopher, wasn't he?
>
> Writer: Yes, and like you he pretended not to understand what people said in order to make them clarify their thinking. To a tremendous extent thinking is a matter of language.
>
> Student: Yes, but everybody has language. Even the Number One people you talk about have language.
>
> Writer: Not to the same degree that the Number Two people have language. And the Number Three people have language in a degree that the Number Ones and the Number Twos do not have it, because they can use it to extend their personal knowledge in a way that goes far beyond the others. They can use language to ask hard questions, and explore kinds of thinking that the Number Ones and the Number Twos never bother their heads about. They can define things accurately and they can discuss things intelligently about which strict accuracy is impossible. They are the people who enlarge human knowledge—perhaps only their own knowledge, or perhaps the knowledge of the whole world.
>
> Student: Give me an example.
>
> Writer: There you are, being Socratic again. Well—here's an example. Suppose you become a doctor, a healer. Are you going to be content with what you have learned in medical school, and never venture beyond it? I hope not. I hope you would be one of those who perpetually question what you have learned and look for new approaches to medicine. If nobody had ever done that we would still be treating tuberculosis by hanging bags of herbs around the necks of sick people, because that was what our teacher had told us.

Student: But that's thinking. What has that got to do with literacy? When I think of literacy I think about having to read books I am told to read in school—books that tell stories, or poems that don't even do that. I don't see how that teaches you to think.

Writer: Yes you do. Those books have taught you to think: What good is all this stuff? What does it tell me? That's thinking.

Student: In my class we have to read *Huckleberry Finn*. It's a pretty good book, but what does it teach me? What is there in *Huckleberry Finn* that is any good to me?

Writer: It teaches you a lot about the value of independent thought. Huck was a simple boy—a Number One, in fact, but an unusual Number One because he thought that slavery was wrong and that black people have rights just as much as white people. That wasn't the kind of thinking he met with among the people around him, and he supposed he was a very wicked boy because he thought differently. But do you think he was wicked?

Student: Oh no. He was right. Everybody knows that. I mean, anybody can see that slavery is wrong. Imagine owning somebody else, and buying and selling another person just as you pleased.

Writer: Not everybody knew that was wrong in Huck's time and a lot of people don't know it now. But you know it, and at least, in part, you have learned it from *Huckleberry Finn*. You are standing on Huck's shoulders, so you can see farther and clearer than he did. Now, about poetry-

Student: I don't see the use of poetry at all. Just a tangle of words.

Writer: Wait a minute. When I was about your age I had to memorize a poem that didn't mean much to me. It went like this:

It is not growing like a tree

In bulk, doth make Man better be;

Or standing long an oak, three hundred year,

To fall a log at last, dry, bald and sere:

A lily of a day

Is fairer far in May,

Although it fall and die that night

It was the plant and flower of light:

In small proportions we just beauty see;

And in short measure life may perfect be.

You see, I have remembered that for more than 60 years, and what it says—*That it isn't how long you live but how well you live*—is extremely important, and it has taken me a lifetime to understand all the poet meant.

Brian Doyle is also a Canadian writer. His great grandfather came to Ottawa on a famine ship in 1847, and the Doyle family has resided here in this city ever since. His contribution to this book is as follows:

School wasn't getting along with me very well lately. And I wasn't getting along very well with it.

It pretty well started back when I was in grade five and Miss Strong just laughed at me when I said I wanted to be a writer when I grew up.

She didn't really laugh, I guess, she just made a kind of sound with her mouth like you would if you were blowing a little feather or a hunk of fluff off your upper lip just under your nose.

Or maybe it was way back in grade four when we had the I.Q. test. They gave all the grade fours an I.Q. test and I was the only one who had to go back the next day and do it over again. I saw Miss Frack and Miss Eck discussing mine. They were standing facing each other talking about my test. I knew because they looked over at me a couple of times. They both had huge chests and they were standing kind of apart so their chests wouldn't bounce off each other.

They looked like huge robins discussing a worm.

• (2215)

There was a lot of signing and then they came and told me that I'd have to do the test again the next day. By the looks on their faces I figured they were saying that they knew I was stupid, sure, but could I possibly be that stupid? Could I be something subhuman? You'd have to be in a coma or something to score that low.

But Dad said that maybe I scored so high that the test couldn't record it—maybe I blew out all the tubes in the thing and they figured only a genius could score that high and they figured something went wrong with their test because even Albert Einstein couldn't score that high.

And they say he invented the atomic bomb.

That made me feel a bit better.

But I didn't really blame Miss Strong for laughing when I said I wanted to be a writer.

After all, I was the second worst writer in the class. Melody Bleach was the worst writer in the class. Her main problem was she never had a pencil and she couldn't write with a pen and a nib because she pressed too hard.

Dad said the reason was, she wasn't organized.

And she always put her tongue out when she tried to write after she borrowed a pencil or the teach gave her one.

She'd stick her tongue between her teeth when she was trying to think of what to write. Some of the kids would laugh at her and make fun of her.

I laughed at her too but I also felt sort of sorry for her.

Specially when she wet herself. That was in grade three, I think. Melody wet herself. She was too scared of Miss Frack or Miss Eck, or whoever it was, to ask if she could leave the room.

So she just sat there and the water ran down off the seat into a pool on the floor under her desk. And the

water ran down her cheeks from her eyes. There was water running out of her from both ends.

I think Dad was right. Her main problem was that she wasn't organized. Dad always says, get organized and you can't go wrong.

Suddenly I heard Blue Cheeks saying my name. Everybody was looking over at me. And Blue Cheeks was getting bluer. He was asking me about a grammar sentence. He was writing on the blackboard but he was looking at me.

Blue Cheeks could turn his head *right* around without moving his body. His head would start turning slowly and it would keep turning and turning until it was facing the other way. Then it would start back until it was back almost to the same spot. He could turn his head left and right so far that he could cover the whole 360 degrees without moving his shoulders. His head must have been on a swivel or something.

He would write grammar sentences on the board so that we could copy them out and then tell him what was wrong with them.

All the sentences he ever wrote on the board were wrong.

Every day we wrote down hundreds of sentences that were wrong.

Some of them were quite funny but if he heard anybody laughing or snorting, old Blue Cheeks's head would start coming around, slowly, slowly. And we'd all sit there, hypnotized by how far his head could come round.

I used to think it would unscrew and tumble right off onto the floor.

But then, of course, if that happened he could catch it just before it hit because his hands hung down there near the floor anyway.

Somebody must have coughed or something and he looked around but couldn't catch anybody so he noticed I was in a trance and picked me as his victim. I must have been staring into the blackboard like I was hypnotized. Dad said after that I must have looked like a cow watching a train go by.

"you! What is wrong with this sentence?"

He was pointing at the sentence he had just written on the board.

"Read the sentence, please," he said.

I read it. "Ralph edged closer as the moose sniffed suspiciously and snapped the picture," the sentence said.

"Well?" said Blue Cheeks.

I looked at the sentence again.

"Tell us, Mr. Daydreams, what is wrong with this sentence."

"It's something to do with the camera," I said.

"It's something to do with the camera, is it?" His head was right around facing me full-on now and his shoulders were still facing the blackboard. It seemed impossible.

"And the moose," I said, "and something to do with the moose."

"The camera and the moose," said Blue Cheeks, sarcasm dripping off his lips like syrup.

"And Ralph," I said, just to make sure, there's something wrong with Ralph too."

"And what do you suppose it is that is wrong with Ralph?" said Blue Cheeks.

"He hasn't got the camera," I said.

"And who has the camera?"

"The moose seems to have the camera."

"And why has the moose got the camera instead of Ralph?"

"Why has the moose got the camera?"

"Maybe he took it from Ralph?"

"Why hasn't Ralph got his own camera?" Blue Cheeks's face was dark blue now.

"Maybe it *isn't* Ralph's camera!" I said, thinking I was on to something. "Maybe Ralph hasn't got a camera and the moose has a camera and Ralph's sneaking up on the moose to steal his camera!"

"Read the sentence again!"

"Ralph edged closer as the moose sniffed suspiciously and snapped the picture." I almost knew if off by heart now.

"What is wrong with that sentence?"

Behind me sat Geranium Mayburger, the dumbest girl in the school. Geranium loved to whisper answers to people. Specially people in trouble.

"Hooves," she whispered behind me. "A moose can't take a picture because his hooves are to big for the button."

"Five seconds," said Blue Cheeks, "or you stay and write lines!" He sounded like he was choking. I was desperate.

"A moose could never hold a camera properly or snap a picture because of its large and clumsy hooves," I said, trying to make the best sentence I could.

I knew I was doomed, so I sat down.

Blue Cheeks gurgled, "One hundred lines - 'I must learn my grammar'!"

A few minutes later the bell rang for recess and I was suddenly alone.

Peter Gzowski has become one of the most prominent figures in Canada working on the literacy issue, and he has developed, over the last few years, a tremendous fund-raising activity in the form of literacy golf tournaments throughout Canada. This year, they took him even to the Northwest Territories in the snow. More recently he had one in Fredericton, in Victoria,

[Senator Fairbairn.]

and just a week ago, for the first time, in Calgary, Alberta. Peter contributed this story to the literacy yearbook. It is called "Beyond Statistics":

> The game of golf has had so much to do with my own involvement with literacy that, if I don't pause to think about it, the story I want to tell here, which involves a golf *pro* and how she got caught up too, seems almost inevitable, as if there could have been no other conclusion. I tell it, though, for what it shows about what both she and I now call simply "the cause," and with the hope that others will think about its point, and maybe even want to join in.
>
> My involvement, as I've written elsewhere, began casually and serendipitously. In the summer of 1985, I was feeling very lucky about things. A couple of years earlier, after a long and miserable time away, I had returned to CBC Radio. To my intense relief, I had found myself able to pick up where I had left off, and the program I was hosting, *Morningside*, was going better than I might have dared to hope. By 1985—*Morningside* affords its host a much-needed summer hiatus—I had found a cottage in the part of Ontario where my grandparents had summered when I was a child, and had taken up once again, and on the same course I had played with my grandfather, the game of my youth. Playing golf one day with the woman who shares both that cottage and my life (I can still remember where the idea was born, as I contemplated a challenging six-iron into the eighth green and revelled in the summer air and the sound of birds), I began to wonder about holding a tournament for my friends. If I did it right, I might even raise a little money. It would, I thought, give me both a chance to say thank you for my good fortune and, perhaps, an excuse to turn down some of the too-many other functions, all for good causes, I was constantly invited to attend.
>
> Only then—how strange it seems to write this now, when the literacy movement fills every spare corner of my life—did I begin to think about what to raise the money *for*.
>
> My mind went back to the previous radio season. I had interviewed a woman who had grown up in the Palestinian refugee camps and come to Canada as a teenager. She was smart enough to bluff her way around her inability to decipher letters. Among the jobs she'd held before she came out of the closet and took reading lessons (she has an MA now) was a spell in the McGill University library, a feat she brought off by memorizing the size and colour of the books on the shelves. Her story, which made a profound impression on me, had disabused me forever of the notion that illiteracy implied a lack of intelligence, and, inspired by her accomplishments, I had begun to sniff around the edges of the Canadian situation. Literacy, as a cause, was still not fashionable here; the figures Peter Calamai (who played in my first tournament) later turned up for the Southam newspaper chain were not yet available. But, as with many still-unfashionable concerns, there were a lot of dedicated people working out of the limelight.
>
> One of them, I remembered, had been nagging me by mail. He was John O'leary of Frontier College, who had heard my interview with the refugee and detected my own interest. In his letters, he had suggested I recruit what he called "*The Morningside* Army" to help the college in its then-pioneering work of teaching reading. since books and writing were (and are) a seminal part of my life (I'm a librarian's kid as well as a struggling author), he had struck a chord. But I was unwilling to use the public facilities of the CBC as a medium of advocacy for even so uncontroversial a cause. A game of golf on my own time, though, was different. I called John and asked him if he thought a tournament to raise both money and some public awareness would be an acceptable ideal, and by the next spring we were of and running.
>
> Now, not quite five years after the idea dawned, the informal tournament I wanted to hold for a few friends, has become almost a national chain: the Peter Gzowski Invitations. We've had four at the Briars, my grandfather's old course, two in Ottawa, one on Vancouver Island. As I write this—fresh from our debut in Victoria, where we made $18,000, and after which the mayor of Vancouver, who had flown across the Gulf of Georgia to join us, expressed an interest in holding one in *his* city—we have firm plans for Calgary (1990), and at least sketchy ones for Saskatchewan, Prince Edward Island and . . . who knows?
>
> We've raised something over $300,000 so far, and the pledge I scribble recklessly on a cocktail napkin after our first heady even at the Briars—a napkin that might have been a little damp with Scotch whisky, I admit, on which I wrote that I would raise a million dollars before I was through—now seems possible to fulfil. As well—and I could not have known how important these other aspects would be when we began—our tournaments (now supported by national sponsors that range from Air Canada to Labatt's, and from the Post Office to Petro-Can, and featuring music, poetry, a mixture of golfers that has extended from George Knudson and Sandra Post to rank beginners, and in which we've managed to mix a lot of powerful people from business and the professions with a lot of workers for literacy) have helped recruit both attention and new people to the cause, not to mention having turned me, from my almost incidental initiation, into a fervent missionary. The more tournaments I've held, the more I've learned about the reason I hold them; the more I've learned, the more I've wanted to help.
>
> Which brings me, at last, to my golf pro.
>
> Her name is Danielle Nadon. She's in her early thirties, fluently bilingual (and, I hasten to add, comfortably literate not only in English and French but in the Spanish she's acquired on the international golf tour), the mother of a ten-year-old. A natural athlete, she picked up golf at university and turned professional shortly after gradua-

tion. She was a student of George Knudson's and shares not only George's fluid swing and ability to teach but his insouciance about putting. Like Knudson, she loves to hit the ball, she plays with joy. Once, on a friendly round with her, I watched her follow the missing of an eight-foot birdie putt with a booming, 240-yard drive.

● (2230)

I met her our first year in Ottawa, where she was the pro at our host club. She played a round with us, and enjoyed herself and the tournament so much that the next year she came—at her own expense—to the Briars, which is where, I think it's fair to say, she got hooked.

It was our poet who did it. Poets, as I've indicated, have been a part of all the Invitationals. From the beginning, we wanted to underline the literary aspects of why we were playing golf by commissioning a poet laureate for each tournament. He (or she) would simply spend the day with us, and, at the concluding ceremonies, offer the players a poem about what had occurred, just as the bards of old used to sing the occasions of their time. The idea had worked beyond our wildest imagining. In the first three years at the Briars, for example, Dennis Lee, Michael Ondaatje, and (bless her memory) Bronwen Wallace, all established stars, had given us spontaneous compositions that drew a standing ovation from the golfers whose achievements they celebrated—or, in passing, gently mocked.

For the fourth tournament the year Danielle came down from Ottawa, we wanted to ring a change. With the co-operation of people from Frontier College, I invited a writer not even the most studious of our golfers could have heard of, since she had never been published. Her name was Carole Boudrias. She's a single mother of five who, after a childhood and adolescence strewn with violence and poverty, had, with great courage, determined to learn to read and write. For the purposes of the tournament, the punchline of her story was that money we had raised by playing golf had made that possible for her, so, as you can imagine, the moment when she read her poem, seven deceptively simple stanzas that packed a wallop of both humour and grit, was one of high emotion—as well as being, I confess unabashedly, a handy inspiration to solicit even more financial support from our patrons.

What lingered in Danielle's mind, though, was an insight she had gained privately the evening before. At the pre-tournament barbecue, the golf pro and the learner, both mothers and sharing a first language, found themselves chatting quietly in a corner. Afterward—and I can still see Danielle shaking her head in wonder—she came up to me in another corner and said, simply, "You know, if you can't read, you can't cook.

That's true, you know. Oh, you can muddle through, imitating your mother or asking other people what they're doing—just as, for example, you can work in a library if you can memorize books by size and colour. But it's hard. You can't read receipes (just as you can't understand the menu in a restaurant), can't make out the directions on the packages, can't, if there are no pictures, even know what's in the cans. The woman who accepted a symbolic cheque for the money raised in Victoria, for example, another amazing single mother who had raised four children before she went back to school said, in a brief speech that brought the golfers to their feet even *before* Susan Musgrave read her poem, "I don't know how I did it."

And, hearing what not reading had meant to Carole Boudrias, Danielle Nadon, creature of enthusiasms, was moved as no statistic ever could have moved her.

Except for the friendly round we played at her new club—she's the general manager of historic Chaudière now, across the river from Ottawa—I didn't see Danielle after the 1989 Briars tournament until we went to Victoria in the fall. By then, she was as given over to the tournaments and their purpose as I was, a kind of pro in residence to the Gzowski Invitationals; she had joined the Ottawa committee and, by phone, was helping plan our now burgeoning expansion.

In Victoria, her golf was spectacular. I put her in a foursome with a local newspaperman, a serious golfer renowned for his public disdain for, in order, feminists and French-Canadians, and, her usually almost unaccented English growing more *habitant* with every hole, she took delight in beating him convincingly. The rest of the time, though, she spread the word about literacy, cornering the captains of local business and power with tales of what they could do, and how important the work was.

When the Victoria tournament was over, a group of us, Bill Ardell, the president of Coles bookstores (a supporter from the start), Kevin Peterson, publisher of the *Calgary Herald* and his wife Sheila O'Brien, head of public affairs for Petro-Can (Kevin and Sheila are the moving spirits for Calgary), Bob Duncan, a filmmaker from Montreal who has moved to Vancouver and wants to help take us there, and a few other veterans, gathered for a drink, exhilarated yet again by the good feelings of a day on the course. The talk ranged far and wide, and I'm not sure how we came around to it, but suddenly Danielle had the floor.

"I haven't told you about my brother-in-law, have I?" she was asking. "He's 58 I think, married to my husband's oldest sister. At one of our family gatherings over the summer, I was talking about the tournaments and what the money goes for . . . you know, just chatting, the way we all do. And afterward, he came up to me.

"'You were talking to me, weren't you?' he said.

"I said no, I hadn't been, but . . . Anyway, you know what? He's illiterate? I never realized that. When he told me, of course, I remembered all the clues I might have seen—the way when we went to a restaurant and the menus were passed around, he'd always say "Oh, I'll just have the same as you," or how, when you were reading a newspaper, he'd come up behind you and say, "Anything

interesting today?" All the signs—except, of course, I couldn't see them. Fifty-eight years old, and I never realized . . ."

There was a silence for a while. And then, while Bill Ardell ordered another round of drinks, we began figuring out how, before we left Victoria, we could all get together for a round at the fabulous course at Royal Colwood. But before we could even arrange partners for that foursome—everyone wanted Danielle as a partner, I noticed—we started talking about a letter that had come across my desk the week before, from Saskatchewan. There was a literacy group in Prince Albert, working with the prisoners in the penitentiary there, and the author of the letter wondered if, if she could get us on the course at Waskesiu, we'd like to start a tournament there.

"I don't know about the rest of you," said Danielle Nadon. "But I'm in."

Michael Ondaatje was mentioned in that story by Peter Gzowski and he also contributed a short piece to this book from *In the Skin of a Lion.* Ondaatje wrote:

The event that will light the way for immigration in North America is the talking picture. The silent film brings nothing but entertainment—a pie in the face, a fop being dragged by a bear out of a department store—all events governed by fate and timing, not language and argument. The tramp never changes the opinion of the policeman. The truncheon swings, the tramp scuttles through a corner window and disturbs the fat lady's ablutions. These comedies are nightmares. The audience emits horrified laughter as Chaplin, blindfolded, roller-skates near the edge of the unbalconied mezzanine. No one shouts to warn him. He cannot talk or listen. North America is still without language, gestures and work and bloodlines are the only currency.

But it was a spell of language that brought Nicholas here, arriving in Canada without a passport in 1914, a great journey made in silence.

He took a train for Toronto where there were many from his village; he would not be among strangers. But there was not work. So he took a train north to Copper Cliff, near Sudbury, and worked there in a Macedonian bakery. He was paid seven dollars a month with food and sleeping quarters. After six months he went to Sault Ste. Marie. He still could hardly speak English and decided to go to school, working nights in another Macedonian bakery. If he did not learn the language he would be lost.

The school was free. The children in the class were ten years old and he was twenty-six. He used to get up at two in the morning and make dough and bake until 8:30. At nine he would go to school. The teachers were all young ladies and were very good people. During this time in the Sault he had translation dreams—because of his fast and obsessive studying of English. In the dreams trees changed not just their names but their looks and character. Men started answering in falsettos. Dogs spoke out fast to him as they passed him on the street.

When he returned to Toronto all he needed was a voice for all this language. Most immigrants learned their English from recorded songs or, until the talkies came, through mimicking actors on stage. It was a common habit to select one actor and follow him throughout his career, annoyed when he was given a small part, and seeing each of his plays as often as possible—sometimes as often as ten times during a run. Usually by the end of an east-end production at the Fox or Parrot Theatres the actors' speeches would be followed by growing chaos as Macedonians, Finns, and Greeks repeated the phrases after a half-second pause, trying to get the pronunciation right.

This infuriated the actors, especially when a line such as "Who put the stove in the living room, Kristin?"—which had originally brought the house down—was now spoken simultaneously by at least seventy people and so tended to lose it spontaneity. When the matinee idol Wayne Burnett dropped dead during a performance, a Sicilian butcher took over, knowing his lines and his blocking meticulously, and money did not have to be refunded.

Certain actors were popular because they spoke slowly. Lethargic ballads, and a kind of blues where the first line of a verse is repeated three times, were in great demand. Sojourners walked out of their accent into regional American voices. Nicholas Temelcoff, unfortunately, would later choose Fats Waller as his model and so his emphasis on usually unnoticed syllables and the throwaway lines made him seem high-strung or dangerously anti-social or too loving.

But during the time he worked on the bridge, he was seen as a recluse. He would begin sentences in his new language, mutter, and walk away. He became a vault of secrets and memories. Privacy was the only weight he carried. None of his cohorts really knew him. This man, awkward in groups, would walk off and leave strange clues about himself, like a dog's footprints on the snowed roof of a garage.

Another particularly poignant story in this book is by David Adams Richards who is from New Brunswick. He, too, is a writer and his story is *Illiteracy: A Personal Perspective.*

● (2245)

This is a true story about my godchild.

He is fairly ordinary. Bright, tough, and good-hearted. He has a good memory. For example, a lover of hockey and baseball, he can remember the number or name of a player after hearing it once. He remembers where and when a player was traded, who was traded for him, and why the deal was made.

In games he is clumsy—but a dedicated and fierce opponent. It goes against his nature to give in.

To him this story would not be significant. I suppose he wouldn't look at it the way I do at all—just as my great uncle, who never learned to read or write, might not understand how humbled I was when, forgetting myself, I asked him how long a canoe he helped build was. He looked at me sheepishly a moment, looked at the canoe, and then proudly said, 'She's long enough, I guess.'

My godchild was also determined to find ways around questions. At school he was average, or better. But he did disturb the class now and again by talking out loud and singing, getting up and scratching his bum, or, now and then, rolling down the aisle in a wrestling match; all those things we should all be allowed to do anyway. (And how can you disrupt kids who always love to be, and go out of their way to be, disrupted?)

Sometimes, when he was quite small, he had to be tied to his bed with a fishnet so he wouldn't get up in the middle of the night and climb up on the roof. To make this point a little clearer: some friends of mine were walking home from the bar at two in the morning and saw this little fellow, sitting on the highest eave of the house, waving at them in pyjamas and gumboots.

To him, it was clear. He wanted to do it—he never thought of falling.

So as I have said, he is a fairly ordinary boy of about four-foot something. And he started the fourth year of school without much fanfare. But unfortunately, things were not all that they seemed.

I guess there were just too many traps laid out for him. Nobody knew they were traps, except himself. He knew they were traps but he could tell no-one about them. So we could not help him. He had to dodge them, think of ways to get around them by himself. That he did it for so long is a measure of his ultimate triumph, the true measure of his intelligence.

Things started to close in after a while though, about October of that year. Too many pages piled up, too many words had to be kept in place. Finally one day at school he had to answer too many questions.

At first, he denied he couldn't read, surprised it had all ended at the principal's office one rainy autumn afternoon.

It was as if he knew those words of advice: "Don't complain—don't explain—and if worse comes to worse—sue."

Senator Simard: Would Senator Fairbairn allow me a question?

Senator Fairbairn: Certainly.

Senator Simard: Senator Fairbairn, from what are you reading?

Senator Fairbairn: I am reading—

Senator Stollery: A very important document.

[Senator Fairbairn.]

Senator Simard: There are many good and important documents.

Senator Fairbairn: Senator Simard, I am reading from a book of short pieces by Canadian writers which were put together in order to promote International Literacy Year. It is a book entitled, *More Than Words Can Say*. As with my earlier remarks, I have been trying to use this as an opportunity, seeing as I have been denied an opportunity to be out in western Canada to promote the biggest conference the Province of Alberta has ever had on illiteracy, to underline the importance of this issue to the house, and, I hope, to the country.

Senator Simard: Who exactly denied you the opportunity to attend the conference?

Senator Hastings: It was her duty.

Senator Simard: I would like the record to show that I did not ask Senator Hastings, but Senator Fairbairn.

Senator Fairbairn: I would be glad to repeat what I said at the beginning of my remarks.

Senator Stollery: Would you please do that, Senator Fairbairn. I missed a few of your first sentences.

Senator Fairbairn: At the beginning of my remarks, I was pointing again, as a number of people have in the last few days, to the events of last Thursday when we began a situation in which through the abuse of the rules, or the tossing away of them, we were locked out of the chamber and refused the opportunity to vote. What that led to was this question of privilege, which I believe was started initially by our colleague, Senator John Stewart. The importance of the issue and the importance of parliamentary rights for each senator in the house has resulted in the continued sitting of the house. It is a fundamental issue for this chamber. As a consequence, we have found ourselves, and rightly so, here in Ottawa in the Senate at our desks trying, through discussion, to—

Senator Simard: You might want to address all of us. I am getting jealous.

Senator Fairbairn: I would be delighted to do that. We have found ourselves here in this chamber trying, and I hope successfully, to set a scene or a series of conditions which will enable us to go beyond what occurred last week. The purpose of my remarks tonight on illiteracy have to do not only with my feeling that my own rights and privileges have been affronted, but that there is a kind of double jeopardy in that by having to remain here I am unable to carry out the responsibilities I consider to be as much a part of the equation as being a senator in Ottawa, that is, to serve the area from which I come in Alberta on a national issue which I think is important for the country.

Tonight, since I could not go to Edmonton on Tuesday of this week, and since I cannot go tomorrow, what I wish to do is convey here my thoughts on some of the statistics, concerns and some of the efforts of other Canadians which are revealed in this book.

Hon. Jean-Maurice Simard: Thank you. I would like to offer a few comments, if I might.

Senator Hastings: If you have a question, then ask a question.

Senator Sparrow: Who are you, the Speaker?

Senator Simard: I appreciate Senator Fairbairn. On any subject I think she makes so much more sense than does Senator Gigantes, among others. I hate to make that comparison, and I am sure Senator Fairbairn would not want me to carry on with it.

You feel that you were denied rights last week, and you mentioned Senator Stewart's motion. You are referring to the battery motion. His watch ran out. His battery failed and he could not make it here. I realize which motion we are talking about.

You have now shared some information with us in order to educate us, and that is very good. It is much better than the history of the world football league, something to which we were subjected by Senator Davey. You have a knack for picking a subject much more interesting than he does.

I would ask you to keep in mind that you people are only three or four, five or six at the most at any one time, and sometimes you are down to two. That indicates to me that possibly you could have made it back to western Canada to attend the conference. You could have made a great contribution. I have a hard time following you with respect to your being denied the right to go to western Canada to participate at this conference. Perhaps you would want to—

Senator Hastings: You have a hard time following a lot of things. In fact, you have a hard time following anything.

Senator Simard: I am not finished yet. I am coming to my question. Do you really feel you're adding much to the battery motion by talking about this problem? Just out of courtesy, do you not think that the house has heard enough of—

Senator Stollery: Speaking for myself—

Senator Simard: Do you feel that you have made a case for your point of order? While I am on my feet I will ask the Chair to rule whether he feels—

Senator Hastings: He does not rule on anything.

Senator Simard: —whether he feels he has heard enough of this point of order, or question of privilege, and I will ask him to rule on it.

Senator Fairbairn: Honourable Senators, I appreciate Senator Simard's intervention. However, I have not finished my remarks.

Some Hon. Senators: Oh, oh!

Senator Simard: No. I rise on a question of privilege myself now. The rulemaker is back. I am referring to Senator Frith. He told me last night that I could not rise on a question of privilege.

Senator Hastings: Then what are you up on?

Senator Simard: What I am doing tonight is addressing the point that people across the way have been addressing since two o'clock this afternoon. Mr. Speaker, I am saying that any fair-minded Canadian would think that after almost two and a half days of debate on this same point of order, this same battery motion of Senator Stewart's, that perhaps the Chair has heard enough. These people have failed to make their case in almost three days—twenty-four hours a day.

Senator Lefebvre: You are a slow learner.

Senator Simard: No, you are not very eloquent or convincing.

Senator Lefebvre: You are a very slow learner.

Senator Simard: I will get back to you later.

Mr. Speaker, I am asking because my rights are being denied, as are the rights and privileges of the people across the way—

Senator Stollery: No. My rights are not being denied.

Senator Simard: There comes a time when the Canadian people have to put the question and realize that if they, as Liberal senators have failed to make their point after almost three days, someone has to put his foot down. I am asking you to make a ruling. I do not have to be happy with your ruling. That is my question of privilege.

• (2300)

These people have been abusing my privileges. I am told that this filibustering has been causing taxpayers roughly $70,000 extra a day. The Liberals opposite, with Senator Frith heading the gang, have shed crocodile tears over the plight of the poor pages. I raised that very question this morning. The pages are not the only ones who are tired and need a rest, although many people are being paid overtime.

Canadians need to know what this circus is costing them. This circus started in May, not just in the last three days. Senator Buckwold confirmed that it was a circus when we were in Halifax. We know that the first part of this circus cost over $1 million. I am waiting for Mr. Wilson, the clerk of the committee, to give me some figures. He is waiting to find out the cost of the security—the RCMP, CSIS, and God knows who else. I have reason to believe those costs will go beyond $1 million.

This present exercise is costing $75,000 extra per day. I am talking about my question of privilege. I am talking about the cost to Canadians. In the Victoria Building, the East Block and the Centre Block we have security around the clock. There are many other people working behind the scenes. I mention $60,000 or $70,000. It could be more than that. I have written a letter to Senator LeBlanc requesting final figures. I do no need that tomorrow, because these things take time.

Senator Frith, it was not sufficient to try to placate the pages. There are many more people who are seriously affected here.

Senator Hastings: That speech gets better every night.

Senator Simard: After the Speaker has ruled, I would like to know from Senator Frith if he is working on other groups of employees, trying to find a quick fix for them. The Liberal irresponsibility has denied not only my rights, but has prevented Senator Fairbairn from attending a conference on the weekend, where she could have made a good contribution. There are other senators who would have liked to go back to their ridings.

There was an announcement affecting Atlantic Canada made by Marcel Masse, the Minister of Communications. I would have liked to have been there, but my first duty is to be here. I am here; I do not mind that.

Senator Fairbairn, you are not the only one whose rights have been denied. In your case, perhaps you could have arranged for other senators to take your place—those who have been here only in the last couple of years.

Mr. Speaker, I am asking you to rule en français, en anglais ou en grec; c'est la même chose.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I should first like to deal with the question of privilege. The question of privilege that has been before us is still before us. A separate question of privilege cannot be raised during the course of that question of privilege. That came up last night when Senator Simard wanted to make some comments. We said that he should be given a chance to do so, but on this same question of privilege. In fact, Senator Kenny yielded to him and he made his contribution on this question of privilege. We then continued on with the question of privilege that has been before us for some time.

With regard to the pages, the Clerk Assistant came to me and said he would like a response to the plan that he had formulated.

Senator Simard: When was the first time he came to you?

Senator Frith: I did not make notes today. He came to me at 8 o'clock, when we came back in.

Senator Simard: Eight o'clock tonight?

Senator Frith: Tonight, yes.

Senator Simard: Is that the first time you heard of this problem?

Senator Frith: Of course not.

Senator Simard: When was the first time you heard about it from Mr. Greene?

Senator Frith: The first time I heard about it from Mr. Greene?

Senator Simard: Or anyone else from the Table?

Senator Frith: I do not understand what this is all about. This is what happened, honourable senators. I came into the chamber at 8 o'clock. Mr. Greene came to speak to me and said that many of the pages—and it turned out all of them—were concerned about their academic responsibilities. He was making some plans to have replacements. He asked me to discuss it with caucus. I said I did not think it was necessary to discuss it with caucus. I thought that was a good idea.

I spoke to Senator Murray about it, and he said that it was a good idea. I said to Mr. Greene, "Do you think it would be a good idea if I put something on the record about it?" He said "yes." I spoke to Senator Murray and said that I was going to put something on the record. That is the whole story from beginning to end.

Of course the pages are tired, and there are others on the staff, as Senator Simard said, who are tired. I hope it is clear that at any time if Senator Simard or anyone else wishes to move a motion for adjournment, we will support that motion.

Senator Kenny: Make a move, Maurice.

Senator Frith: The failure to adjourn is not on our side. For good reasons, the government does not want to adjourn the house. We should not get confused about the fact that we are prepared, if the government wants to adjourn, to support a motion at any time.

With regard to a ruling at this time, I am not clear whether or not Senator Simard is asking for a ruling.

Senator Simard: I want a ruling at this time, yes.

Senator Hastings: You are not going to get one.

Senator Stollery: We have not all spoken on this question of privilege. It may take us another week to deal with your question of privilege.

Senator Frith: I am not clear whether or not Senator Simard is asking for a ruling on the question of privilege that Senator Stewart raised. If he is asking for a ruling on that point, then we are in some difficulty. When I came back to the Senate today, I was told that an issue had arisen about a ruling by Senator Ottenheimer on the question of privilege that is before us. What developed was a submission, to put it mildly, that it would be strange indeed if the Chair made a ruling to stop the debate on a point of privilege that raised the partiality of the Chair as its question of privilege. It would be like the accused making the judgment.

The agreement or understanding that I was told was reached by both sides was that when this question of privilege had been sufficiently debated, it would be settled on a consensus basis. I pursued that with Senator Murray, and I thought that was where we stood at the moment. If I am wrong about that, then I have to make a number of changes about when I felt we could move off this particular question of privilege. I understood it was not going to be a matter of ruling, but a matter of consensus. I thought that was an understanding between Senator Murray and myself, but I may be wrong. If I am wrong, then that changes a number of things.

If, on the other hand, we are talking about a question of privilege raised by Senator Simard, then it cannot be dealt with now because we are in the midst of another question of privilege. However, if he should like to debate his own question of privilege in due course when this question of privilege is considered on a consensual basis to have been debated, then, of course, that can happen. I hope that where we are at at the

moment is where we were before Senator Simard got up to speak.

Senator Fairbairn: I got so excited about that intervention that I lost my place.

Senator Simard: It was a question of privilege. Mr. Speaker, You will decide when you want to rule on it. It is not that urgent. If there is some mythical agreement that sufficient time has elapsed, I will not do anything to obstruct that. I am quite flexible as opposed to the people on the other side.

The Hon. the Acting Speaker: The Senate and the Chair have allowed great latitude in this debate on privileges for the last several days and last week. Before the Chair makes a decision, it would like to hear more from other senators who might have opinions.

Senator Cogger: Senator Simard has asked me to convey apologies to you, Senator Fairbairn. He confessed to me that he is a young man in a hurry. He said, "Frankly, I think it's pushing it after 60 hours of debate to seek a decision." I said, "Maurice, you are entirely right. Let me apologize on your behalf to Senator Fairbairn." So please continue, senator.

Senator Frith: We accept that apology. Everyone knows about the impetuosity of Senator Simard. We understand that it is not always easy to hold it in check.

Senator Simard: Sixty hours is rather short.

Senator Cogger: He said to me, "We're good for another 60."

Senator Fairbairn: Honourable senators, that is a relief. I enjoyed the impetuosity of his intervention. Senator Simard's province has been, for years, one of the leading provinces in this country on the question of dealing with literacy and learning disabilities. When this is over, Senator Simard is going to be back there using that energy and eloquent gift to support the people of his province.

• (2315)

Senator Simard: I might say that Senator Robertson had much to do with that situation.

Senator Fairbairn: I know. Senator Robertson and I travelled—

Senator Frith: This is certainly a nice change.

Senator Fairbairn: —together several years ago on a committee before which some of the most compelling testimony on the subject was heard in the province of New Brunswick.

To continue with the contribution that our Canadian writers have made to this issue in 1990, the International Literacy Year, I would like to read from a contribution by a writer who many of us know, Harry Bruce, who, although born in Toronto has lived for many years in Nova Scotia. His contribution is entitled "The Dark Hole of Illiteracy." It reads:

> Aware that more than two billion people can neither read nor write the simplest message in any language, the United nations has declared 1990 International Literacy Year. I've been reading for half a century, and it is as hard for me to imagine what its like to be illiterate as it is to imagine what it's like to be mute, blind, and deaf. Being illiterate must be life imprisonment in a dark hole.
>
> I recently read out loud to two dozen grade six children from a tough neighbourhood in north end Halifax, and though they were not illiterate, neither were they book lovers. My reading embarrassed them. They weren't sure why they were there, and as I droned on, they ceaselessly whispered and sniggered.
>
> But when I read to grade six children in the city's south end, where the cats were fat, the reaction was totally different. These kids were with me. They really listened. They got my jokes. They knew that books were important, and writers worth hearing.
>
> Since the rudeness of the poor kids annoyed me, I cut their reading short, and invited questions. One boy, who had the cockiness of a gang leader, asked how much money I earned, and I replied, "Well it varies, but I usually make a few hundred dollars a week." This amazed him and his friends. They found it incomprehensible that anyone could sell words on paper for hundreds of dollars.
>
> He wanted to know how I had become a writer. "My father was a writer," I said, "and maybe that had something to do with it. Our house was full of books, and by the time I was eight I was crazy about reading."
>
> Another murmur of astonishment rippled throughout the class. Eyes rolled in disbelief. A house full of books? A boy who was nuts about reading? Could this possibly be true?
>
> I now realized I'd been wrong to be annoyed. These youngsters lived in dwellings in which books were as rare as jacuzzis, or Alex Colville serigraphs. Some of their parents might have been illiterate. I felt these kids were doomed to become chambermaids, hookers, street fighters, and crack dealers.
>
> Their dismal future, I was sure, had something to do with the fact that they had never known houses in which people loved books, and never would. They were denizens of Halifax's own third world.
>
> All my life, I had been luckier than they. Before I could read, my mother read to me *The Jungle Book* and *Just—So Stories* by Rudyard Kipling, and I can still hear her drawling that magnificent description, "The great gray-green, greasy Limpopo River, all set about with fever tress." She also introduced me to Toad, Rat, Mole, and Badger of Kenneth Grahame's *The Wind in the Willows*.
>
> When I was seven, I paid my first visit to a small, warm lending library in central Toronto. I took out four books in the morning, read them at home, and went back in the afternoon for more. (They had big pictures, and big print.) That dusty little institution smelled of well-fingered bindings, and like the three neighbourhood movie theatres, it became a beloved hangout of mine. It loaned me books about wolves, sharks, bears, birds, trains, ocean

liners, planes, bush pilots, explorers, soldiers, smugglers, cowboys and Indians.

I read *Treasure Island, Robinson Crusoe, With Clive in India, Dale of the Mounted, Twenty Thousand Leagues Under the Sea. The Call of the Wild,* scores upon scores of lesser yarns, and as I grew older, the works of John Buchan, H.G. Wells, Ray Bradbury, Shirley Jackson, F. Scott Fitzgerald, Ernest Hemingway, William Faulkner, John Steinbeck, the British poets of World War I, Robert Frost, E.E. Cummings, T.S. Eliot, Dylan Thomas . . .

Each writer gave me the dazzling richness of a world that he or she had created. I was still a boy when I learned to revel in the invented kingdoms of writers. Long after my mother told me to turn out my light and go to sleep, I'd pull my bedcovers over my head, and read by flashlight.

I did this for years, which may be why I've had to wear glasses for four decades. But it may also be why I can do something as miraculous as selling words on paper for hundreds of dollars.

Remembering the way sleepiness and the weak flashlight beam made my eyes burn under the covers, I know precisely what Halifax-raised broadcaster Robert MacNeil meant when, in his recent book *Wordstruck*, he talked of "the discovery that words make another place, a place to escape to with your spirit alone. Every child entranced by reading stumbles on that blissful experience sooner or later."

The tragedy is that hundreds of millions of children are not entranced by reading. They can't read, and never in their lives will they stumble on that blissful experience. They are in the hole.

Mr. Bruce is followed in this book by the late Morley Callaghan and his contribution is called "My Love for Miracles of the Imagination". It reads:

One night back in the 50's when television was making it's first big impact, my friend Ralph Allen, at that time editor of *Maclean's*, said to me: "We'd better all start learning to handle pictures and images. From now on there'll be less and less reading of stories or anything else. In fact, we should be worrying about whether reading is on the way out."

I simply couldn't believe this. We argued. I wasn't quite sure why I was so utterly positive I was right, and I remember that on the way home I tried to figure it out, and now I think I did.

I saw then that watching television and reading are two entirely different experiences. You can love one and hate the other. You can get so drugged by television that you can't take the time to read anything. Reading becomes an effort. Television is a spectator sport.

What you are watching is all outside you and goes on even if for long stretches you are falling asleep. I watch a lot of television; I get comfortable in the chair and half the time I'm daydreaming, I'm thinking of something else, half hypnotized, mentally inert, but comfortable, very comfortable.

But reading—this this vastly different experience—requires work from me. My inner eye comes to life. If it's a story I'm reading, the figures come to life on the screen of my own imagination.

Language, just words, is making the miracle. The greatest wonder of humankind is probably the development of language, and the second wonder, growing out of the first one, is learning to read; letting another man or woman who is maybe dead, or maybe 10,000 miles away, reach into one's imagination and create a vivid, moving world.

A man sits alone with a book, the whole world around him grows silent, a voice so secret it can't be heard, just felt, is whispering to him and leading him deep into the world of the greatest wonder and power—his his own imagination.

To this day I remember the first long story I ever read. It was called "The Fall of the House of Garth." I was nine years old. The book was a cheap pulp horror story. I forget who gave it to me. But I'll never forget my rapt attention or how the figures were dancing around so wildly in my imagination.

I had discovered reading and what it could do for the free, fresh imagination and how it could enlarge the whole world of wonders, and as time passed and I grew much older, and though I read and read a thousand works, I think I was always looking for some writer, some book that would give back to me the fresh imagination of a child.

Ripeness is all, freshness is all—how do you get this stuff? Where do you get it? And looking back, and looking around at others, I can see that the person who keeps stimulating his or her imagination, stretching it like a rubber band through the visions of others coming through lovely reading, never grows old in the heart.

I had a friend, a Russian Jew who had some serious optical problem. He wore glasses with very thick lenses. I asked him what had ruined his eyesight. He said that when he was a boy in Russia his parents had been very poor. He had to work hard. His mother always got him to bed very early and turned out the light. But he would have a flashlight in the bed, and pulling the covers over his head, he would read by the flashlight.

He read the stories of Chekhov, then book after book of Tolstoy before his eyes finally went on him. Looking back on it, he couldn't regret the damage to his eyes, he said. In his little tent under the covers his beam of light had opened up new worlds, worlds he would walk in the rest of his life; worlds that put him far beyond his poverty-stricken home and made him aware of lives far different than his own.

[Senator Fairbairn.]

As this man knows, now that he is middle-aged, you don't have to have money, or go to college, to find the magic of reading bringing new planets swinging into your ken. It happened in a big way for me, though, in my first year at college. Up to that time I had been reading for fun all the boys' books, then Dumas and the Three Musketeers, and so on.

And then one day, sitting in the Hart House library, I picked up a short novel by a Russian I had heard of, Dostoyevsky. The little book jarred me; I knew I was being forced to look at things in a new way. I had got my first taste of real writing. I was excited. I had to find other writers who had other upsetting visions. For me they became the great writers. I remember being curled up on a couch in that library, reading Flaubert's *Madame Bovary*. I should have been at a lecture. But I had to get to the end of the book. Yet I did not want the book to end.

● (2330)

Well, Flaubert, in one of his letters to the great Russian Turgenev, said that there was nothing new for a writer to say, but there had to be new ways of saying the old things. All my life I've had this in mind as I read and read, and when I find a writer who has his own way of saying things, I get excited; another angle of life; again the new planet.

I used to find that sometimes I was not in the mood for new things, and then I would read as I watched television—just relaxing. At one time I read all of Agatha Christie, and all of the tough mysteries of Raymond Chandler. I'll read any newspaper, too. The newspaper is in my blood. I have to know what's going on.

But back in my mind, always is the longing to read something that will not only stir me, but give back to me the unspoiled freshness of imagination that I had as a child when I read "The Fall of the House of Garth." The trouble is I'm a professional writer, and even when I'm reading a good book now, my critical intelligence is getting too often in the way of my imagination.

Another bad thing I have to guard against as I grow older is finding it easier to read nonfiction than fiction. A book like Barbara Tuchman's *A Distant Mirror* about the European fourteenth century can completely absorb me. I don't have to use my imagination at all. Ah, that worries me!

Then I look around eagerly for good new story writers. I now know I have one simple rule for knowing if they're good. They're good if they make me want to write. Or excite my imagination.

I know what it's like for a man who finally comes to realize that he has let his imagination wither and die and has grown old in the heart. He knows he is half dead. I saw it one night in a man I knew who was with me at a big party.

He was a very successful executive and only 55. He was having trouble with his wife. Sitting on the stairs he called, " Morley, sit with me. I want to tell you something." Holding my arm tight, he said desperately, "When I come home at night I'm tired. The rat race. I eat, I have a drink, I pick up *Time* magazine. I read three pages and fall asleep . . ."

He had started to cry. Tears were running down his cheeks. I know I'm a little drunk," he said, "but I used to read all the time. When I was at college I was crazy about Katherine Mansfield and Virginia Woolf. I read Sherwood Anderson, I read . . . oh, what happened to me?"

I often think of this man, particularly when I'm about to fall into a sweet little sleep, watching television.

One author from western Canada whom many of you may know, as he is acclaimed as one of Canada's foremost novelists and a great supporter of the literacy cause, is Rudy Wiebe. He was born back in the 1930's and grew up on a Mennonite homestead in Saskatchewan. He published his first novel in the early 1960's and won the Governor General's Award for Fiction in 1973 for a book called *The Temptations of Big Bear*. He now lives in Edmonton. I would not be surprised if he, too, were having some involvement in the literacy conference going on there this week. His contribution to this book is called "Speaking Saskatchewan":

In the summer the thick green poplar leaves clicked and flickered at him, in winter the stiff spruce rustled with voices. The boy, barefoot in the heat or trussed up like a lumpy package against the fierce, silver cold, went alone to the bush where everything spoke: the warm rocks, the flit of quick, small animals, a dart of birds, tree trunks, burning air, ground, the squeaky snow: everything as he breathed and became aware, its language clear as the water of his memory when he lay in the angle of the house rafters at night listening to the mosquitoes slowly find him under his blanket, though he had his eyes shut and only one ear uncovered. Everything spoke, and it spoke Low German.

Like his mother. She would call him long, long into the summer evening when it seemed the sun burned all night down into the north, call long and slow as if she were already weeping and when he appeared beside her she would bend her wide powerful hands about his head and kiss him so hard his eyes rang. "Why don't you answer, you?" she would speak against his hair. "Why don't you ever answer when I call, its so dark, why don't you ever say a word?" While he nuzzled his face into the damp apron at the fold of her thigh, and soon her words would be over and he heard her skin and warm apron smelling of saskatoon jam and dishes and supper buns love him back.

His sister laughed at his solitary silence. "In school are thirty kids," she would say, "you'll have to talk, and English at that. You can't say Low German there, and if you don't answer English when she asks, the teacher will make you stand in the corner."

"Right in front, of people?" he would ask fearfully.

"Yeah, in front of every one of them, your face against the wall. So you better start to talk, English too."

And she would try to teach him English names for things, but he did not listen to that. Rather, when he was alone he practised standing in the corners of walls. Their logs shifted and cracked, talking. Walls were very good, especially where they came together so warm in winter.

But outside was even better, and he followed a quiet trail of the muskrat that had dented the snow with its tail between bullrushes sticking out of the slough ice, or waited for the coyote to turn and see him, its paw lifted and about to touch a drift, its jaw opening on a red tongue laughing with him. In summer he heard a mother bear talk to her cubs among the willows of the horse pasture, though he did not see them, but he found their sluffing paw prints in the spring snow and his father said something would have to be done if they came that close to the pig fence again. The boy knew his father refused to own a gun, but their nearest neighbour west gladly hunted everywhere to shoot whatever he heard about and so he folded his hands over the huge, wet prints and whispered in Low German, "Don't visit here any more. It's dangerous."

The school sat on the corner, just below the hill where the road turned south along the creek to the church and the store. He never looked at the school, the tiny panes of its four huge windows staring at him, just staring. The day before he had to go there every day like his sister, the planes came for the first time.

Their horses were pulling the wagon up the hill as slowly, steadily as they always did and it happened very fast, almost before he looked around. There had been a rumble from somewhere like thunder, far away, though the sky was clear sunlight and his father had just said in a week they could start bindering the oats, it was ripening so well, and his mother sat beside him broad and straight as always her braided, waist-long hair coiled up for church under her hat when the roaring planes were there as he turned, four, yellow-and-black, louder than anything he had ever heard. West over the school and small grain fields and pastures and all the trees and hills to the far edge of the world. His father would not look around, holding the horses in carefully, muttering, "Now it comes here too, that war training," but the boy was looking at his mother. Perhaps his own face looked like that next morning when the yellow planes came over the school at recess, so low he saw huge glass eyes in a horrible leather head glare down at him before he screamed and ran inside to the desk where his sister had said he must sit. When he opened his eyes the face of the teacher was there, her gentle face very close, smiling almost up-side-down at him between the iron legs of the desk beneath which he crouched. Her gentle voice.

"Come," she said, "come," and after a moment he scrambled to his feel; he thought she was speaking Low German because he did not yet know that what that word meant was spoken the same in English. Not touching him, she led him between desks to a cupboard against the wall opposite the windows and opened its narrow door. Books. He has never imagined so many books. There may be a million.

She is, of course, speaking to him in English and later, when he remembers that moment again and again, he will never be able to explain how he can understand what she is saying. The open book in her hand show him countless words: words, she tells him, he can now only see the shape of, but he will be able to hear them when he learns to read, and that the word "READ" in English is the same as the word "SPEAK," *raed*, in Low German and through reading all the people of the world will speak to him from books, when he reads he will be able to hear them, and he will understand. He is staring at what he later know are a few worn books on a few shelves, and then staring back at the few visible but as yet unintelligible words revealed in her hand, and slowly he understands that there are shelves and shelves of books in great stack on many, many floors inside all the walls of the enormous libraries of the world where he will go and read; where the knowing she will now help him discover within himself will allow him to listen to human voices speaking from everywhere and every age, saying everything, things both dreadful and beautiful, and all that can be imagined between them: and that he will listen. He will listen to those voices speaking now for as long as he lives.

Gordon Korman, from Montreal, Québec, was twelve years old when he first wrote a book as a grade seven English assignment. At age fourteen, he was a best-selling author. The title of his piece in this book is "Don't Wait For The Movie":

> I remember a conversation with a producer who was working on turning one of my books into a feature film. The more I heard, the more I became convinced that I had better savour the moment when "Based on the Novel by . . ." flashed on the screen, because it was going to be the only thing in the movie even vaguely reminiscent of what I wrote.
>
> I think it finally sank in when the producer said, "Well, you know the scene where Steve—?"
>
> How ignorant of me to think that, as the guy who write the book , I should actually be able to recognize the hero. Especially after they plotted, replotted, unplotted, added, excised, and replaced personnel like Harold Ballard. Can't tell the players without a scorecard.
>
> Then I thought of the junior high school student who might someday be called upon to do a book report on my book. He would plow over to the video store to rent *that* movie, save time, and come up with a report destined to flunk with flying colours. (The character sketch of Steve would lay a particularly large egg.) Every one of us has beaten a deadline by condensing a lot of reading time into a 90-minute movie.

All this is hypothetical, of course, because the proposed movie never got made—which is why I am not dictating this piece over the cellular phone in my Maserati. But it did get me thinking about book versus movie, and what makes a book so special, since it obviously isn't time efficiency.

Lately, teachers have thrown us a curve. Now we have to read the book *and* see the movie, and compare the two. Teachers are very big on comparisons. Here it works. Almost invariably, the book gets the nod.

• (2345)

That's not to say that all the movies are bad. After the books, though, they're just somehow incomplete. The novel always seems to have something more—a greater depth, a different perspective, a more incisive insight and humour. There is something unique to the written word—to that relationship between author and reader—which cannot be reproduced any other way. It's more than just reporting or storytelling. It's *different*.

A reader participates in a novel. In a sense, it is almost a collaboration between him and the writer as, reading, he supplies his own interpretation—the reader's draft. No two are ever alike. You can read the same book as someone else without reading the same book. (For instance, everybody who read *Lord Jim* and liked it read a different book than I did. That may be because I'm a poor "collaborator" with Joseph Conrad). There is a feeling of accomplishment when you come to the end of a very good book—you have completed a successful collaboration. Don't expect royalties.

This is all coming from someone who was a staunch non-reader in elementary school. Once, in a book report, just to avoid actually reading anything, I went so far as to make up an entire novel, characters and all, using my friend's kid sister as the writer. There was even a section on "other books by the same author," and an excerpt from the *Boston Globe* review. It took ten times as much energy as doing the assignment properly, but to me, no amount of figuring the angles was unjustified. I didn't want to read, period. I got an A. Crime pays.

What finally hooked me in was humour. When I found books that made me laugh, my sense of the "work" of reading was replaced by something wonderful and totally unfamiliar—a desire to find out what happened next. It was a crucial connection. From then on, I equated reading with enjoying myself, and I was a reader for good.

This may sound like an oversimplification, but beware. Relating reading and enjoyment can't be taught; it has to happen. It's a click. Without that click, no amount of explanation, no pleading, no assurance that this is a "great story" will do any good. In my case, humour produced the desired click. But mystery, suspense, adventure, science-fiction, romance, and nonfiction can do the job too. I tend to stick with the funny stuff as the best bet. Tastes can be very specialized, but just about everybody loves to laugh.

My father used to summarize his reading history with the statement, "I read a book once," which was, unfortunately, not greatly exaggerated. Then, out of parental loyalty, he started reading my work. But when I didn't seem to be churning them out fast enough, he tried other authors, and found that you don't have to be a blood relative to appreciate good writing. Now it's not uncommon to find him with a good book in his hand. Reading helps you develop a facility for language, which in turn helps you to read. A neat circle.

Being literate, by definition, is being able to read and write and function in society with these acquired skills. After that, you're on your own, and your reading is what you yourself choose to make of it. Education and reading material are abundant in Canada, and sharing with the rest of the world is something we are fortunate to be able to do. But we, who have all the advantages, often lack something the disadvantaged have to a man—motivation. Too many of our kids don't *want* to read. They equate reading exclusively with work and school—something that is done only under duress, never voluntarily. I had one childhood friend whose parents actually used it as punishment; the greater the infraction, the more days he would have to spend reading. I've lost touch with him, but I'm pretty sure he reads nothing to this day. Would you?

We have to play up the entertainment side of reading as our kids take their first step towards books. If they latch onto a topic that grabs them, the books will do the rest. Then, in the all-important war for rapidly dwindling leisure time, reading will have a fighting chance with the big boys—hockey, MuchMusic, *Friday the 13th: Part 173*, and Super Mega-Deluxe Mario Brothers 40. We don't have to wipe out the competition (we haven't got a prayer, and we shouldn't want to) but it would be nice to be on the program.

I once got a letter from a ten-year-old boy who wrote: "I hate reading, but your books are different. I'm going to read them all." It was not only flattering and good business, but also encouraging. I *know* that kid will discover, as he develops the reading habit with my stuff, a lot of other authors who are "different," and that he'll go on to be a real reader.

Chalk one up for our side.

The next author is Janice Kulyk Keefer, born in Toronto, educated at the University of Toronto and Sussex University in England. *Arks and Tunnels* is her contribution:

I was saved by a book. Not a religious book, I hasten to add—I'm not talking about that kind of salvation. I can't remember the title, or the author's name, but in the end, that's not important. What matters is the book, the world hidden between its covers, and the doors it opened for me.

I was perhaps ten or twelve, growing up in a prosperous suburb of Toronto, and leading a life that was perfectly ordinary. That was the problem. I wanted more, I needed more than the Dick and Jane world which my schooling offered, a world in which everyone had blue eyes, a big backyard, and names like Smith or Campbell. My own last name was unpronounceable to most of my schoolmates and teachers; I might live in a split-level, yellow-brick house, but my mother had grown up in a thatched cottage with an earthen floor; my grandparents knew little English, and the stories they had to tell of their lives spoke of war, hunger, illness, exile. The knowledge that I had a foot in two worlds as unlike each other as possible bred in me an unsettling sense of difference from my peers, a difference which was a source both of vulnerability, even humiliation, and of enormous, ambitious pride. It also led to a split in my sense of who I was, and what I wanted my life to be, a split that no recourse to parents or guidance counsellors, records or television could remedy. Perhaps I didn't want to be cured of this sense of otherness, to be made "ordinary", but simply to discover ways of using difference, of exploring, understanding, and creating from it. What I did need, however, was some outside confirmation that difference, and the ambivalent feelings it produced, was a valuable part of my being; that it could empower as well as distress.

It was then, in that shaky and uncertain period of my life, that I found the book. A fortuitious find, brought about by the bookmobile that came round to our little cul-de-sac each week. There may have been the word "ark" in the title, for the book had to do with the struggles of a family to put their lives back together in a Germany that had been blown apart by World War II. It was not a happy story; there was no romance and little adventure in it, and the characters were neither heroic nor depraved. But neither were they ordinary. They were foreign—their world, their history, their society was utterly different from mine, or for that matter, from my parents—my mother's family had been lucky enough to leave Poland three years before the Nazis invaded.

The book, whatever it was called, became a passageway between my own sense of difficult difference, and a recognition of the difference of other people's lives. It also brought to me a sense of community—that I and the characters in the book, the author of the book, shared a common world much larger and more complicated than I had ever dreamed. And that I was being welcomed into another person's mind, relieved of the often unbearable lonliness of my own. What struck me most about the book, what kept me reading—and I read this book compulsively—was the honesty and acuity of the author's vision—how she saw things, what she singled out for observation, and how she let incidents and situations speak for themselves, so that I was neither bullied nor seduced by the narrative, but simply made to feel at home, to emphasize or to resist according to my own ideas, my own experience.

Later, at university, I underwent another sort of crisis. First came the avalanche of despair when I realized how many books there were to be read, and how little I knew, or would ever know. And then I went through that dark, or at least sombre night of the soul which most university students experience, encountering a world of ideas so vast, complex, and contradictory that it explodes the little set of views and values on which one's childhood and adolescence are structured. This time, as well, it was a book which saw me through—not by shoring up the ruins, but rather by completing the demolition of my previous assumptions. About this book I remember specifics: it was Herman Hesse's *Steppenwolf*. I stayed up all night reading it; I raced through each page as if it were a tunnel into a light that was dubious, and perhaps deceptive, but light, all the same. That book made me question everything I'd previously taken for granted. I wanted to throw out every possession, every bit of conceptual baggage I had acquired up till that moment, and yet I also wanted to pile those crutches high, and hide behind them. As the sun rose that morning, as the sun always does rise, even on Spadina Avenue, I felt that the floor of my life had fallen away, and that all I had to keep me from tumbling into the pit was a swaying line, no thicker than a thread. And that I had to walk it or else remain forever in a world of outgrown ideas and attitudes, of clichés and prejudices that were a worse kind of pit than anything into which reading might catapult me.

I never read anything else by Hesse—I didn't become an eastern mystic, or feel the need to slavishly adopt this writer's vision of reality. I've never reread *Steppenwolf*, partly from the fear that what I then found so extraordinarily powerful, I would now pick apart and dismiss. But the point is that I went on reading, and that for me, as for most of the people I know, not to read is to curl up and die, or at least to go into hibernation, a state all the more dangerous since there may well be no world left for us to wake up in, at all.

Literacy can be lost; those of us who, after graduation from high school or university never open any other book than the telephone directory, or even the latest Danielle Steel, are among the lost. To me, literacy means more than the ability to read manuals and signs, bank statements, or even income tax forms. It is, most important, the ability to read and to be moved by literature, which can take any form from fairy tales to the lyrics of songs. Real books—literature—rely on imagination rather than wish-fulfilment for their power, and bring us closer in some way to what is true. Truth of course, is almost always other than what we want it to be; and as writers as varied as Henry James and Alistair MacLeod have shown, one of the most important truths we can discover

is the way in which we evade or suppress knowing what we *do* know.

• (0000)

October 12, 1990

That very abstract term, literacy, has the connotation of bringing light into darkness, of educating millions in the third world—and thousands in our own country—who live impoverished and oppressed lives, deprived of the skills that would allow them to find the work and to assert the rights that might give them the chance for a decent and dignified life—or for life at all. Literacy for these people, whom we must consider not as "them" but as part of us, our people, means the difference between dumb endurance of intolerable hardships and the experience of living, developing one's individuality, coming to fruition as a human being. But literacy in another sense, the sense in which it affects most Canadians, is not something acquired merely to advance oneself economically or socially. Literacy—the reading of literature—is something to be valued for the complex pleasure which knowledge brings: knowing about ourselves and about others, about the world we live in, and the worlds outside to which we're all connected—South Africa, Poland, China, or perhaps Newfoundland, the B.C. interior, or Toronto's drug-bound inner city. To be truly literate is not to demand the easy satisfactions that formula romance or thrillers provide, but rather to seek out books which initiate conversations on those subjects from which we most want to hide, but about which we most need to know.

To ensure literacy, to make it flourish, we must fight for certain principles. We must oppose any government that attempts to put a tax upon reading. We must oppose sales tax on books, and any withdrawal of support from Canadian publishers and printers. In what has been called a "post-literate" age, it is becoming increasingly difficult for the printed word to make an impact on our collective consciousness—Salman Salman Rushdie's *The Satanic Verses* notwithstanding. And that writer's tragic situation seems to me to put the case for literacy in the most pressing terms imaginable. For telling the truth as he sees it, for using the imagination to contest and satirize and also to explore a particular religion and the world views it fosters Rushdie has been made a universal scapegoat by vast numbers of people who have not even read his book. To condemn *The Satanic Verses* without having read it, and to attempt to prevent others from reading it is to deny or endanger our most precious human right—the right to know, to develop a critical understanding of whatever is presented to us as universal truth, eternal law, immutable right and wrong. The children who held up placards saying "Rushdy must Die" or "Kill the Blasfemer" are precisely the ones for whom Rushdie has written his book—the ones who, if they are to develop to their full potential as human beings, must read voraciously and omnivorously—must make up their own minds as to what is true and what false, what blasphemous and what revelatory. They must not be denied access to that process which, for example, Hermann Hesse's *Steppenwolf* began for me.

Literacy—reading—is a human right to be continuously cherished and fought for. It is not only in military dictatorships that the rights to read and to publish freely are under fire. Writers with political views considered subversive or undesirable by the powers-that-be-writers such as the distinguished linguist, Noam Chomsky, author of *The Political Economy of Human Rights*—have had enormous difficulties in getting their works published and distributed in what we like to think of as the "free world." And the increasing transformation of traditional publishing houses into offshoots of mega-corporations may well mean that fewer and fewer new, risky, alternative voices will be heard; that only what sells, and sells big, will be published. And though the Alice Munros and Margaret Atwoods are there to prove that the most accomplished literary art is compatible with the highest sales figures, one can't help anticipating that real books will be squeezed out of the publishers' lists, to be replaced by fast and phoney reads—the books which do just fine on the red-eye special from Toronto to Vancouver, but which have nothing to offer when one needs something to bring one closer to life.

For there is not real polarity between books and life. Literature is a form and a way of life; it allows us to live more fully, intelligently, and honestly. And, of course, more joyfully, too. True literacy has more to do with the delights than the mechanics of reading. It is not a skill to be acquired once in a lifetime, but an art to be practised and polished one's whole life long.

Senator Cogger: Senator Fairbairn, if I may, before you go on, might I ask you a question?

Senator Fairbairn: Certainly.

Senator Cogger: First, on behalf of senators on this side I wish to thank you for your graceful and poetic reading. I think the words of Chief Morning Bird are appropriate. Thank you, Chief.

Chief, if I look at the calendar it still says October 9. I believe you have spoken before. It seems to me that Rule 28 states:

> A senator shall not speak more than once to any question or other matter before the Senate except . . .

As best I know, we are still on the question of privilege concerning the defective watch battery of Senator Stewart. I believe that you had a graceful two hours last night and you are into your second graceful hour tonight, Chief Morning Bird. Might I ask you how that complies with Rule 28.

Senator Frith: Honourable senators—

Senator Cogger: I am sorry, senator, might I ask Chief Morning Bird to answer.

Senator Simard: We do not have a watchmaker, we have a rule maker.

Senator Frith: Senator Fairbairn just said her answer is that she would like to have a bit of a rest and perhaps I could try to answer the inquiry.

Rule 28, as read by Senator Cogger, states:

> A senator shall not speak more than once to any question or other matter before the Senate except in explanation of a material part of the senator's speech in which the senator may have been misunderstood, and then that senator shall not introduce new matter.

One has to find out what is meant by the word "question". In that regard we turn to the definitions section of the rule book and see that it states "question, except in respect of the question period and a question of privilege . . ." According to the rule book, there are three types of questions. First, there is the question in the sense of a matter, that is, the question before the house. Second, there is a question as the term is used in Question Period. Then there is question as it is used with respect to privilege. One of the reasons we tend to talk about a point of privilege is to make the distinction. Actually, the right term is question of privilege and it does not fall under Rule 28. That is illustrated by the fact that people on both sides, including Senator Murray, myself and others, over the course of the last few days have spoken two or three times on this matter.

Senator Cogger: If I might, please, Chief. I understand the intervention of Senator Frith, and with limited resources I would call on my best resources to speak for hours and, frankly, to call on Chief Morning Bird to address this august chamber at this late hour is a very smart move. However, it seems to me that—let me go at it in French. I think that I will be better at it.

[*Translation*]

And I quote:

> A senator may speak to any question before the Senate, a question of privilege, or upon a point of order . . .

I am sorry I am not quoting from the right Rule. I will now come back to Rule 28.

> A senator shall not speak more than once to any question or other matter before the Senate except in explanation of a material part of the senator's speech . . .

If I remember correctly, when we sat on October 9th, Senator Stewart rose first saying: "on a question of privilege I see that according to Hansard there is mention of a vote having taken place prematurely.

We are now in our 60th hour of debate on this precise subject and if my memory serves we well, Senator Fairbairn is rising in the Senate for at least the second time on the same subject. What is going on?

Senator Frith: That includes all Senators, including Senators from your side. We have discussed this question of privilege more than once, and so has Senator Simard.

Senator Simard: No.

Senator Cogger: I submit that though other senators have broken the rules, it is no excuse for continuing to do so. In my view, the wording of Rule 28 is broad and I quote:

> —to any question or other matter before the Senate—

The wording is very broad, and it covers just about everything.

> A Senator shall not speak more than once . . .

Therefore I respectfully submit to you that Senator Fairbairn, by rising in the Senate for the second time in the same sitting, is out of order. As a result, she must unfortunately sit down.

Senator Frith: I can repeat the same thing in French. As I said earlier, the word "question" means three things in our book.

Senator Cogger: In French, Rule 28 does not speak of a "question". It says *un sujet ou une question.*

Senator Frith: So it is a question. Which brings us to its definition in Rule 5, which says:

> 5. o) "question", except in respect of the question period and a question of privilege—

It is a very straightforward and simple explanation of a question of privilege. It is an exception to the rules which impose or confer the right to speak once only to a motion or to a question in the Chamber. The same applies to the word or to the use of the word "question", during question period. What I am saying is that there are three uses of the word "question". I mentioned that myself and other Senators, on a question of privilege, just as on a point of order, are not limited and can speak more than once.

Senator Cogger: In other words, according to your interpretation, Senator Frith, a question can deal with anything except a subject that is brought up during question period or as a question of privilege.

However, for the past 61 hours we have been hearing questions of privilege, which is exactly what Rule 28 does not allow. It says that we shall not speak more than once. Otherwise, the rule is meaningless.

> 28. A senator shall not speak more than once to any question or other matter before the Senate—

et cetera. Now, what does "question" mean?

> o) "question", except in respect of the question period and a question of privilege, means a proposal—et cetera.

This is precisely a question of privilege. Are you suggesting, Senator Frith, that because Senator Stewart rose at 2 a.m. last

Tuesday on a question of privilege, that Senators Fairbairn, Lefebvre, Stollery and any other Senator can rise eight, twelve or fourteen times until Easter on the same question?

I think that would be quite contrary to the interpretation of Rule 28. Why, Senator Frith, did Senator Stewart (Antigonish-Guysborough) when he rose last Tuesday take the trouble to say "You will note that I did not rise last week because I have a new question of privilege, the battery in my watch is dead. I have just realized that the vote took place at 5:25 p.m."

Senator Stewart, whose question of privilege we are discussing, was careful not to take part in the debate during all of last week. His slate is clean, so to speak! He is now "joining" the debate. I believe that there were some 50 speeches made. You all rose in the Senate. When we were finished, we all went home for Thanksgiving weekend etc.

Last Tuesday, Senator Stewart said: "I rise on the new question of privilege, not on the one that the others have debated".

So Rule 28 does not apply to Senator Stewart. He was confident of that. But since Senator Stewart made his speech, there have been some 40 others, and things have become quite repetitive.

I submit that this is contrary to Rule 28. Otherwise, why would Senator Stewart have taken the trouble to point out that he did not rise last week?

Senator Frith: He began by saying that he had not spoken last time on a question of privilege. He also said that the question of privilege is "his question of privilege".

These are separate questions of privilege. We are not rising to debate Senator Stewart's motion. We are rising on our own questions of privilege.

Senator Cogger: Once!

Senator Frith: No, because it is clear that Rule 28 does not apply in the case of a question of privilege or a point of order.

If you would like to change it . . . am I to understand that Senator Cogger wishes to rise on a point of order?

Senator Cogger: Look, unlike you I do not pretend to be a great strategist. We have been listening to questions of privilege for the past 60 hours.

I would like you to clarify this for me because you have such a keen sense of procedure.

• (0015)

[*English*]

You are the great strategist on the other side. Section 28, both in French and English, appears reasonable to me, but after 60-some hours I begin to wonder. Senator Stewart came into this chamber on Tuesday last at 2 p.m. He said, "I only just this minute found out that a vote had been called at 5.25. Before then I wasn't too sure because the battery in my watch was weak, and maybe I should change the battery. But now I am certain that my privilege was trampled upon." Therefore, he stood in his place and fought for his privileges.

Non-stop since last Tuesday we have heard each and every one of the senators on the other side—

Senator Hastings: Not me.

Senator Cogger: I am sorry, you have not addressed the matter of the battery?

Senator Hastings: No.

Senator Cogger: You will be given a chance, I am sure. How many times do we on this side have to listen to each and every one of you on the question of the battery?

Senator Hastings: Until you understand.

Senator Cogger: I know why they asked Senator Fairbairn to speak after midnight. That is why they call her "Chief Morningbird", I suppose. I hope they do not call on you again at 3 a.m. and 4 a.m. There are only so many resources. I read that you have an inflatable mattress in your office.

Does one read section 28 as meaning that on one given question of privilege you have the right to speak three, four, five or nine times each on the same question?

Senator Frith: No, on each one's individual question.

Senator Cogger: I will go to the Commissioner of Human Rights. This is just too much. If you will give me a moment, I will read to you the intervention put forth by Senator Stewart.

Senator Frith: I am off at 2 o'clock. You can keep going until then as far as I am concerned.

Senator Cogger: Do we have the time?

Senator Frith: Absolutely.

Senator Hastings: His watch works.

Senator Cogger: The intervention of Senator Stewart was at the beginning of the October 9 session. He reminded honourable senators that he had not addressed the other question of privilege.

Senator Frith: Yes, that is what he said. He wanted to address that question and another question, which he can do.

Senator Cogger: I should like to ask the Table Officers to get me the transcript of the beginning of the session on Tuesday. We have the time, do we not?

Senator Frith: Sure. We will wait for that.

Senator Robertson: While we are waiting, I should like to ask a question of Senator Fairbairn.

Senator Fairbairn, are your comments over the last two and a half hours in relation to the privilege identified by Senator Stewart? Are you speaking to his 50 to 60-hour privilege process?

Senator Fairbairn: Yes.

Senator Robertson: I regret that. I slept well this afternoon and I thought we had advanced to the Orders of the Day. I thought perhaps you were speaking to an item on Orders of the Day, because we have had speeches, discussions and debates on illiteracy in this chamber before.

Your comments are always commendable, but I am concerned that your comments tonight are tied in with this great marathon—this charade—of 60-some hours of the most severe critical debate. What we have endured for the last 60 hours is pure politics.

Senator Hastings: Politics?

Senator Stollery: Politics?

Senator Robertson: I find it most regrettable to have Senator Fairbairn's remarks tied in with someone reading the Parliamentary Guide, 1972 speeches, baseball, football or whatever I was listening to when I was half asleep this afternoon and all those other silly issues that were being repeated here. I find it discouraging.

I am sorry you missed your conference. Most of us in this chamber have missed a conference or two in the last few days and we will probably miss a few more. I am very serious about this. I regret that you chose this topic to mix with this other garbage that we have heard for the last 60 hours.

Senator Hastings: GST is garbage?

Senator Robertson: There are subjects that you cannot mix with political philosophy. You know what those issues are. They are bigger than politics. I would submit that illiteracy is one of those issues that is much bigger than politics, and I regret that you chose to use this forum for that speech this evening. It makes a mockery of the issue. I know you do not mean to make a mockery of the issue because I know you feel sincere about it. It makes a mockery of the issue to throw that serious topic in with these 60 hours of foolishness. It certainly makes a mockery of privilege. I would have expected more from the honourable senator. It is very deplorable. It is sad when you mix serious issues in with this foolishness that we have been listening to for the last 60 hours.

Hon. Peter A. Stollery: Honourable senators, I do not wish to interrupt Senator Fairbairn, because she has been making a very interesting speech. I must protest the idea that this has been nonsense. I recall very well the question of privilege brought forward by Senator Stewart, and I recall equally well that he had not spoken last week when the original event that started all this took place. I protest the implication or the statement that this is a lot of nonsense. Anyone who heard Senator MacEachen on Tuesday, who put our position forward regarding the events raised by Senator Stewart and many others last week, can only say that he put our position clearly. We do not think that Senator Charbonneau's actions on Thursday were nonsense. We think they were done with deadly seriousness. Until that issue has been resolved, we on this side will continue to exercise our collective rights to protest what is, in our view, an unprecedented breach of parliamentary practice. So I would not want anyone to think that this is nonsense. It is certainly not nonsense.

• (0030)

None of us enjoy sitting here all night. None of us is looking forward to the weeks to come when we will be sitting here all night, all because there was a breach of parliamentary procedure. We are obliged to express our outrage, and we shall continue to do so. I do not think that it is justified to say that this exercise is nonsense, because it certainly is not nonsense. I thank Senator Fairbairn for giving me this moment to respond to the previous comments. I would like very much to hear what she has to say.

Hon. Brenda M. Robertson: It is a serious matter. The quality of the speeches we have heard for the last 40 some hours has been pure nonsense. I am sorry that Senator Fairbairn has mixed a serious topic in with that other trash that we have been listening to, and it is serious.

Senator Fairbairn: Honourable senators, first I would like to thank Senator Cogger for his gracious intervention and also for his reference to my new name "Morning Bird" that was given to me this summer by the Blood Tribe in South-Western Alberta. I am very proud to be a member of the Kaindi Chieftainship.

To Senator Robertson, I thank her also. Naturally, I do not share her point of view about the manner of my intervention in this debate. I know she too feels strongly about this issue. I believe that the issue of literacy or, perhaps more correctly, illiteracy, rises above politics.

Senator Robertson: Exactly.

Senator Fairbairn: I believe that any time I have an opportunity to speak and perhaps raise the interest of a single person in this issue I should take that opportunity, and I do so on all occasions in a completely non-partisan and non-political way. I wish to thank members on both sides of the chamber for listening and indulging me in that opportunity tonight.

HIBERNIA DEVELOPMENT PROJECT BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-44, respecting the Hibernia Development Project and to amend certain acts in relation thereto.

Bill read first time.

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the second time?

On motion of Senator Murray, with leave of the Senate and nothwithstanding rule 44(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

CRIMINAL CODE

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-54, to amend the Criminal Code (joinder of counts).

Bill read first time.

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the second time?

On motion of Senator Murray, with leave of the Senate and notwithstanding rule 44(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, we on this side have received a very large number of petitions on the subject of the goods and services tax. We intend to present them for the interest of honourable senators and as a relevant prelude to the debate, whenever it may take place, on the goods and services tax. Of course, the report of the Banking, Trade and Commerce committee contains the recommendation that the bill proceed no further. The consequences of the adoption of that report would be that the bill would not be permitted on the order paper again in this session and would therefore die.

I would like to put something on the record about petitions, because we believe, particularly on this occasion, when there has been so much public interest in the goods and services tax, that the petitions that we mean to present have a special significance. Chapter 16 of *Beauchesne*—

Senator Murray: *Beauchesne*; my goodness gracious.

Senator Frith: What is the question?

Senator Murray: I thought that *Beauchesne* had been banished forever from this chamber. At least, that seems to be the case every time I try to make reference to it.

Senator Frith: I cannot imagine what would lead anyone to that conclusion, but it is late and one can get confused. I have always felt that *Beauchesne* is a great help whenever there is an absence of a specific rule on the question or the point of order in our own rule book or in our own customs. Certainly it is an excellent source on such subjects as petitions. Petitions are dealt with on page 209 of the fifth edition. Under the heading "Petitions" is a header that reads:

> *Right to Petition—Form of Petitions—Remonstrances—Signatures—Substance of the Petition—Petitions from Aliens—Presentation of Petitions—Method of Presentation—Irregularity of Petitions—Procedure Following Presentation of the Petition—The Report of the Clerk of Petitions—Petitions of Urgency.*

The fundamental principle with regard to petitions can be found in the first citation, 666, under the heading "Right to Petition", and it reads:

> The right to petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution and has been exercised without interruption since 1867.

Allow me to read the next two citations:

> 667. Although the House of Commons is a representative institution, it only considers questions submitted by its elected Members. Therefore the ordinary citizen has no right to appear personally before the House of Commons. If he has a grievance, he may present a written petition through a Member within the conditions laid down in the Standing Orders of the House.
>
> 668. The practice of addressing petitions to the House of Commons has decreased considerably, now mainly due to the development of Courts of Justice and administrative bodies.

The presentation of petitions to the Senate, on the other hand, has, if anything, increased in the time I have been here. We have already presented some petitions on the goods and services tax. A large number of petitions were presented on the drug patent legislation. So if there has been a diminution in the presentation of petitions to the House of Commons, I think we could all agree, at least those of us who have been here over the past couple of years, that the slack has certainly been taken up here in the Senate.

Citation 669 deals with the form of petitions. It reads:

> Every petition should commence with the superscription:

In our case, the form is well stated. The heading reads:

• (0045)

> On the subject of the proposed national goods and services tax, the undersigned, your petitioners, humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

So that is the form that applies here in the Senate and I can pass on from that heading, where the form in the House of Commons is dealt with.

I now move to Chapter XXXII, "Public Petitions" under "Course of Development of the Form of Petitioning":

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution. It has been uninterruptedly exercised from very early times, and has had a profound effect in determining the main forms of parliamentary procedure.

This is from Erskine May's "Treatise on the Law Privileges, Proceedings and Usage of Parliament". It is the eighteenth or 1971 edition. The editor is Sir Barnett Cocks K.P.B. O.B.E., Clerk of the House of Commons. Continuing:

> The historical and constitutional aspects of petitions to the Queen in Parliament, which were originally directed to judicial rather than legislative remedies, and from which in the medieval period the form of legislation both by public and private bill was only gradually derived, will not be considered in this work. This section is concerned with the modern form of petitions to one or other of the Houses of Parliament, principally to the Commons, which grew up in the seventeenth century, when parliament had come to be regarded as a political and legislative body rather than as the highest court of justice. Public petitions may pray for an alteration of the general low or the re-consideration of a general administrative decision, and they may also pray for redress of local or personal grievances.
>
> The rights of petitioners and the power of the House to deal with petitions were laid down by two resolutions of the Commons in 1669.

So that is how long that right to present petitions to parliament has subsisted. There are some interesting comments about the character and substance of petitions. This is on page 795:

> The language of a petition should be respectful and temperate and free from disrespectful language to the sovereign or offensive imputations upon the character or conduct of parliament.

Certainly, none of the petitions that we mean to present are worded in any but the most acceptable terms.

I want also to refer to *Constitutional and Legal History of England* by MM Knappen of Michigan State College. This is from 1942, and the part I wish to refer to is at page 151 dealing with the question of petitions and, as the subheading states, their influence over legislation:

> The second advance—

The first having been dealing with the documents with the official rank as a statute:

> —was the winning of the right to petition the king as a body for redress of grievances, a right from which later legislative powers sprang. Wherever the king went in the Middle Ages, he was besieged by suitors requesting justice or favours of one kind or another. On ceremonial occasions when the monarch, surrounded by churchmen, nobles and representative subjects, was supposed to be in especially good humour and in a mood for business, the number of these petitions increased so greatly that in the thirteenth century is became necessary to appoint special committees Great Council to receive and try them. Some of the petitions were referred to the ordinary courts, while others were turned over to the king with a recommendation of some particular body of redress.
>
> Conciliar meetings held to consider these petitions were thus very important and the special name of Parliament was given to those held for such purposes. Originally "colloquium" "Parliament" (talkfest, from the French parler, to speak), was considered merely another name for "council" and the technical significance of the term as applied to special sessions of this body developed but slowly. The Knights and Burgesses did not take part in the receiving of these petitions, but they developed the practice of presenting joint petitions and requesting favourable royal action upon them at this time, commonly in conjunction with the magnates who made up the council itself. Thus developed the idea of petition which was not that of a private individual, but one expressing the wishes of the members of parliament as a whole. If the King wished to act favourably upon it, he and his advisers would draw up a decree or a statute embodying the substance of the request, which the Great Council thereupon approved. In this way representative knights and burgesses might make some small contribution to the process of legislation. In this period, however, they seem rarely to have initiated any petitions of their own, but rather to have supported those already drawn up by the nobles. Indeed the presence of knights and burgesses was as yet not considered necessary, either at the session of Parliament that heard the complaints or in the meeting that approved the subsequent statutes. Parliament, as the term was then used, might and did often meet without either knights or burgesses when financial business was not to be taken up or when it had been disposed of and the representatives of the lessor orders dismissed.

Honourable Senators, there is one other reference in the work of Lord Campion and I make reference to "Procedure by Petition or Bill" on pages 10 and 11:

> The practice of petitioning the Crown goes back far beyond Parliament. Procedure on petitions was a large part of the business of Parliament from the beginning. They were submitted in writing and were dealt with systematically by being sorted by receivers and heard by committees of the council in Parliament called Triers. In the great Parliament of 1305, the records of which are unusually complete, nearly five hundred petitions were presented and they were heard by four bodies of Triers. Most of these petitions were from individuals, some from groups outside Parliament, and a few were parliamentary in the sense of being from groups from within Parliament. Two of these, presented by *Les Pauvres Hommes de la Terre* are supposed to have been from the Commons collectively. No distinction was made at this time in the treatment of petitions. Whether individual or collective. From the individual and group petitions Private Bills are descended; from the collective Commons' petitions, Public Bills.

Honourable Senators, I may present some petitions myself at a later time, but I want to lay down that foundation for the

large number of petitions that we have from citizens dealing with, specifically, the goods and services tax, and I am going to ask one of my colleagues to start.

POINT OF ORDER

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Excuse me, but, on a point of order, I listened very carefully to the Honourable Senator's remarks and the citations to which he referred with regard to petitions, the background of petitions, the right of citizens to petition their parliament, the form in which the petition should be presented, and so on. What I did not hear him discuss was the way in which these petitions are presented in this House. I simply want to confirm with him that in this House we do not read the texts of any petitions, and we most emphatically do not read each name on any petition. We came to that agreement in this place in the course of a discussion some time ago. In fact, I believe Senator Hastings, if I am not mistaken, was involved in one of the particular petitions that caused the discussion or the controversy at the time.

The practice in this house is not to read the texts of the petitions, and certainly not to read all the names of those who have signed them.

Never did I think I would be presenting Senator Hébert as a paragon of anything, but just to refresh your memory, what we have been doing typically in this place is illustrated by Senator Hébert in the Senate *Debates* at page 2258 on September 26 when he said:

> Honourable Senators, I have the honour to present a petition signed by 250 residents of the Noelville region, Ontario, who object to the Goods and Services Tax bill.

He then went on in exactly the same words to table a number of other petitions. I simply want to confirm what the practice was and is in this house.

Senator Frith: Well, honourable senators, the practice and the customs of this house with regard to petitions are indeed set out at page 57 of the Appendix under the heading "Presentation of Petitions". It reads:

> Documents are tabled by the Leader of the Government or by a senator on his behalf. No debate is allowed at this stage except with the consent of the Senate, but a brief explanation may be given of any document.

And Senator Murray has done that with respect to some documents. It continues:

> A senator may present any petition entrusted to him.

I think it is important to realize that these petitions are not like postcards or letters. They are the property of the Senate and are entrusted to a senator to present them to the Senate. Then it says:

> *See Rules 5(m), 51, 52, 53, 87, 88, 89 and 94.*
>
> A senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition. The petition itself is not read. The test of the petition and the names of the petitioners attached thereto is not printed in the *Debates of the Senate* or *Minutes of the Senate.*

And he is right about that.

Hon Peter A. Stollery: It does not say anything about saying them; just not printing them.

Senator Frith: I think that has clearly been our practice, but I do not think there is anything—in fact, I know there is nothing—to prevent the senator referring to the petitioners and referring to them by name. However, they are not taken down. They are not put in the minutes and printed as such.

Hon. Jean-Maurice Simard: May I ask a question of Senator Frith? First, I just want to understand exactly what your last two sentences mean. You say it has been the practice to have on the record the names, and so on; but if senators should start reading in a few minutes, am I to understand this is going to be another type of delaying tactic? Should the names of the petitioners be mentioned on the floor of the house? Is that your suggestion? Or is it your understanding that the record will delete those names?

Senator Stollery: You should read page 57.

Senator Simard: I am asking Senator Frith.

Senator Stollery: He just read you page 57.

Senator Simard: I may not agree with him, eventually, but at least we will all know what he means. If it is not the practice, but, for the purposes of your exercise today, names of petitioners, one or ten or a thousand, are mentioned, will the names be recorded?

Senator Frith: Well, honourable senators, the principle is that we have tried to avoid having to print in the *Minutes* the names of all the petitioners.

Senator Simard: That is the past.

Senator Frith: And the point is, as I have tried to establish, that this is a right that goes back very far indeed, and I think it is very important to understand that these are not like tabling or referring in debate to some postcards or letters that somebody has received. They are petitions addressed in accordance with very ancient and well-established parliamentary principle, and they are ready to be presented to the Senate. Each senator is presenting them as a trustee, in effect, of these petitions and on behalf of the petitioners, and each senator, therefore, has the privilege to decide how he is going to present the petition that has been entrusted to him for presentation to the Senate. If he or she decides that the way the petition will be presented is to read names or a selection of names, or refer to areas from which they come, then that, to the extent that it refers to individual names and addresses, will not be printed. They will be referred to but they will not be printed in the *Minutes*. However, each senator having a petition is entitled to present it, and I think it is clearly a matter of

privilege. If there is any concept of preventing the senator from presenting the petition in the way that he or she thinks is most effective to have it come to the attention of the Senate, then, unless I misjudge my colleagues, that will certainly give rise to some questions of privilege. However, it is quite right that each name and address, and so on, is not printed, but the manner of presenting the petition is up to the senator in whose care that petition was entrusted. As far as I am aware, all of them will be extremely relevant, because they relate to a very important piece of legislation that is before the Senate. There is nothing abstract about this. It is people speaking out on the GST, exercising their right to petition Parliament and to have their views presented to the Senate by senators. So that is what we propose.

• (0100)

Senator Simard: In the name of clarity and understanding—

Senator Frith: I cannot make in any clearer than that. I consider this a matter of right and privilege that citizens have, and a question of privilege for senators to present these petitions. I am not going to stand here and tell other senators how they are going to do it.

Senator Simard: As the organizer of this exercise here, Senator Frith, obviously you have to assume some responsibility. Are you telling us that these petitions are precious documents and that they express the wishes of people? A number of your colleagues, or one of your colleagues, will decide to read the petition, and although they are very precious documents which have been entrusted to them, the senators will each decide what to read, what to extract, and what to have recorded in *Hansard*?

Senator Frith: You may have some on your side that you wish to present.

Senator Simard: I wonder if those documents are as precious as Senator Frith would have us believe. In other words, petitions have been signed in malls all over the place. All of us, and the people who have signed those petitions, would be entitled to see the whole document in the record or none of it. However, to leave to each Liberal senator the decision as to what should or should not be in the record is stretching it a bit. Perhaps Senator Frith has an explanation.

Senator Frith: Sure.

Senator Simard: You say you do not want to limit any of your members, although I suspect you have much to do with how some of your people have been operating.

Senator Frith: You are a very suspicious man.

Senator Simard: Some of your people have been reading and acting up. Maybe you can answer the question: Is it fair to have impartial, incomplete—

Senator Frith: It is not just a matter of fair; it is fair, right and proper that the senator presenting the petition decides what portion and how he or she wishes to present it. They do not decide what is printed. The appendix clearly states that the names are not printed in the *Minutes*. That does not mean that they are not to be referred to here in the chamber. I am not going to tell individual senators how to present the petitions. I will present the petitions that I have in the way I think they ought to be presented. The result of that presentation will be that the names will not be listed verbatim. However, I am not going to tell any other senator, nor would I tell Senator Simard, how he should do it. He may very well have some petitions for or against the GST.

We should rejoice in the fact that on a piece of legislation like this the people are sufficiently interested to say to the Senate, "Please present these petitions", to try and persuade the government, or whatever the petition states. It should be a treasured occasion, a very important part of the legislative process, and an important part of our legislative deliberations to know what the people want and also to know where they come from. That is exactly what is up to the individual senator, and it is the individual senator's right, privilege and duty to present it in whatever way he or she thinks is appropriate.

Senator Simard: So in this treasured moment, individual Liberal senators will decide?

Senator Frith: That is how I believe it should be done, and that is how I believe my colleagues mean to present them. Certainly I mean to present some petitions, and if you wish to know how I will be doing it, I will let you know and you can buy a ticket.

Senator Simard: Senator Frith, I have two questions. First, in the past year has Senator Hébert been the official Liberal mailman delivering petitions on the GST? He seems to be the professional, unless he was acting on your behalf all the time. Has he received his instructions, or is he giving you the instructions to prolong and probably use the better part of the weekend to read petitions? Senators, this is just the beginning of phase two of this filibustering.

Senator Stollery: No, it is 1a.

Senator Simard: I am inclined to agree with Senator Murray that up until now there had been an agreement. However, now this is another indication that Senator Frith has decided to throw out the rule book.

Senator Kenny: Charbonneau threw the rule book out.

Senator Simard: I thought we were back on the Order Paper and have the ability, among other things, to receive bills from the House of Commons and that gentlemen and ladies opposite had decided to make an attempt to come back to their senses and perhaps the rules as we know them would now apply. Now they want to reverse and fly in the face of convention and tradition.

Senator Frith, I think you will be disappointing many people. I want to urge you to reconsider and confirm whether Senator Hébert is giving you instructions or you are giving him instructions, or you are giving each individual senator new instructions depending on the province he or she comes from and the degree of support and non-support for the GST. Will the addresses be read or the phone numbers, because some of the petitions have phone numbers. I think we are treading on difficult ground here and inviting problems in the future.

Senator Frith, tell us what is behind this? Why don't you confirm it now so that we can make plans for the weekend. Why don't you tell us if you have made up your mind? Tell us if you are still waiting for orders from Mr. Chrétien, Senator MacEachen, or both of them, and whether they are complementary or contradictory. Tell us all that so we can make plans for the weekend, and maybe we can tell Canadians how much this exercise is going to cost.

Senator Frith: The official mailman is not an office in our party. It may be in yours. If it is, I would like to know who yours is. Neither Senator Hébert nor anyone else is the official mailman, to answer the question directly.

There is nothing more that can be added to what I said about the petitions. There is no question about throwing out any rule book. In fact, we mean to follow the rules, as I said, as far as printing is concerned, and we also mean to follow the very well established rights, privileges and duties that have related to petitions for hundreds of years, and consider it particularly important to do so on this important legislation that touches everyone. As we can see from the petitions, everyone feels very strongly about it.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Earl A. Hastings: Honourable senators, I have the honour to present a petition entrusted to me to the Honourable the Senate of Canada. It is the petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable Senate will therefore provide a remedy, humbly sheweth, that whereas the new universal 7 per cent federal goods and services tax proposed by the Conservative government will create serious and unjust and inhuman difficulties—

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, excuse me. We may have an argument at a later date about the business of reading the names out, because we did have quite a discussion on that a couple of years ago; but that is not the point I wish to raise now. The point I wish to raise now is that my honourable friend is reading the text. This is a point of order.

Senator Kenny: He is summarizing it.

Senator Murray: No, Senator Hastings is reading the text.

Senator Kenny: It is going to be a long night.

Senator Murray: I know it is going to be a long night, but let us try to conduct it within the rules, shall we? Senator Kenny does not know much about the rules. He is in charge of other matters around here feathering his nest.

Senator Hastings has been reading the text of the petition, "humbly sheweth", et cetera. I want to remind him again of what was read into the record by Senator Frith:

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.

As I suggested a few minutes ago, the honourable senator might emulate the example of Senator Hébert, who simply indicated a week or two ago that the petitions he was tabling were in opposition to the proposed goods and services tax. But it is not open to him, I suggest, to read the text of the petition, or indeed to enter into any comment whatsoever about the petition, as I can demonstrate to him by reading from *Beauchesne*, if he wishes; but I am sure that in the case of Senator Hastings, as always, a word to the wise would be sufficient.

Senator Hastings: Honourable senators, I wish to make a brief statement with respect to the petition I am presenting in conformance with the rules which state that I may make a brief statement to inform the Senate of the content of the petition I am presenting. The petition I am presenting to the Honourable the Senate of Canada is showing that the signatories to this petition are not in favour of legislation presently under consideration by the Parliament of Canada, particulary the goods and services tax. In this petition the petitioners have offered a substitute proposal to the Parliament of Canada which they feel in their wisdom would be a better proposal than the goods and services tax which we have under consideration. The petitioners in this respect are the following:

(*Names of signatories read.*)

• (0115)

I have the honour to present a petition entrusted to me to lay before the Honourable the Senate of Canada. The petition is from residents of Canada who avail themselves of their ancient and undoubted right to petition the Parliament of Canada, with a certain assurance that honourable senators will provide the remedy. The petition of the petitioners pertains to the goods and services tax presently under consideration in this Parliament and particularly in the Senate of Canada. Your petitioners in this petition have graciously presented to your honourable House an alternative to the goods and services tax to which your petitioners have criticized.

(*Names of signatories read.*)

Senator Cogger: Would Senator Hastings permit a question? May I ask you one quick question?

Senator Hastings: You can ask me later when I am finished.

Senator Cogger: It relates to the petition.

Senator Hastings: You can ask me later.

Senator Cogger: I would ask you to read into the record where this petition comes from. I have a copy of the one you have just presented. It says here that it is a supplement to the *Michael Journal* in Rougemont, Quebec. Is that correct?

Senator Hastings: I do not know where it comes from.

Senator Cogger: Does it not say that on the petition?

Senator Hastings: I am reading a petition, honourable senators, which the petitioners entrusted to me—

Senator Cogger: It says here "Supplement to the *Michael Journal*".

Senator Hastings: What does that have to do with me?

Senator Cogger: I want you to know from where it comes. Do you know where the *Michael Journal* comes from? You should be ashamed to be reading that into the record.

Senator Hastings: A petition entrusted to me by the undersigned petitioners to the honourable Senate in which your petitioners avail themselves of their ancient and undoubted right to present a petition to your honourable House in certain assurance that your honourable Senate will therefore provide a remedy. The petition I have the honour to present to this House pertains to the Goods and Services Tax which is presently under consideration in this House and in this Parliament. Your petitioners in this petition also provide an alternative to the Goods and Services Tax which they have criticized.

(*Names of signatories read.*)

Hon. Nathan Nurgitz: Honourable Senators, I rise on the point of order. I have discussed with my friend opposite, who has been the quarterback for the first portion of the sitting, the question of the names not appearing in the *Debates of the Senate* or in the Minutes of the Proceedings. I raised with Senator Frith the question of our Hansard reporters being required to take the names down. I noticed that the reporter has been taking them down. As is the tradition, the *Hansard* reporters take everything that is spoken, and record the words. Since our friends opposite are keen to carry this on, to keep mentioning all the names, and if it is their right to do that, I am wondering whether or not we can instruct the *Hansard* reporters that they are not required to write the names down. We need to be subjected to it, but they do not have to be.

Hon. Peter A. Stollery: Honourable Senators, we have noticed the same thing on this side. I was, in fact, speaking to one of the stenographers. I think that probably the gentleman is not aware of the fact that the names are not actually recorded in Hansard, that they are being read out and that he can sit back and forget about them.

Senator Nurgitz: Then it is agreed. I notice that there is a new Hansard reporter sitting herself down. She should be advised of the same, as should the other Hansard reporters coming in.

• (0130)

Senator Hastings: Honourable senators, I have the honour to present a petition entrusted to me.

Hon. Gérald-A. Beaudoin: I would like to say one word on that point of order. You have the right to say that you have so many petitions, and you have the right to summarize them. However, if the names are not recorded, why are they mentioned and read? That is not clear under the rule on page 57. I would like to know more about that.

Senator Stollery: That was explained very clearly by Senator Frith. On page 57 it says:

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.

Senator Frith made it clear that any senator can present the names in any way he or she may see fit. Whether or not that is clear to Senator Beaudoin is not relevant to the question.

I agree with Senator Nurgitz that the stenographer is clearly not required to list the names. As far as we are concerned, that is the end of the issue. The question raised by Senator Beaudoin has already been answered by Senator Frith, who has returned to the chamber. If you wish, he can answer it again, but I thought we had settled that question. If Senator Hastings would like to proceed with the names, I would be happy to hear them.

Senator Hastings: It is my responsibility to present this petition entrusted to me in accordance with the rules, as you have stated. It says in the rules that I make a brief statement and present it in a manner I believe the petitioners would wish me to present it. I appreciate the fact that the names will not be recorded, but I do have a responsibility to these petitioners to read their names.

Senator Stollery: Agreed.

THE SENATE

PAGES—ACADEMIC STUDIES—TEMPORARY REPLACEMENT

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I should like to interrupt for a moment. Some of you may or may not have been here when I put on the record that the pages—many of whom have academic careers that are at risk in this period—have been replaced in order that they may get back to their studies. We put that on the record earlier and read out their names. We wish them well in turning their attention to their academic careers. I thanked the pages at that time for their devotion.

I should like to add that two people have been working around the clock in the Debates branch. They are Katina Papulkas and Jennifer Wormald. Both of them have academic careers that could be at risk if they have to spend much more time away from their studies. Therefore the same arrangement is being made for them.

For those of you who were not here earlier, Mr. Greene asked if we would approve that. I said it was not necessary to take it to caucus. I said we would approve it and, in fact, encourage it. I spoke to Senator Murray and he agreed.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Senator Hastings: Honourable senators, I have the honour to present a petition that has been entrusted to me: To the Honourable Senate of Canada. The petition is from petitioners who avail themselves of their ancient rights to petition this house in the certain assurance that the Honourable Senate will provide a remedy.

The petition humbly shows to honourable senators that the petitioners do not agree with the Goods and Services Tax as proposed by the Government of Canada and the petitioners offer a reasonable and logical alternative to that tax.

(*Names of signatories read.*)

Hon. Colin Kenny: Honourable senators, I have been entrusted with some petitions on the subject of the Goods and Services Tax.

Senator Cogger: Senator Kenny, does this petition also mention that this is a supplement to the "Michael" newspaper?

Senator Kenny: This is from irate citizens. That is what it says on the bottom of this one.

Senator Cogger: May I look at it?

Senator Kenny: If you do not trust me, you are welcome to.

Senator Cogger: I will. You told me I was welcome.

Senator Kenny: I said, "If you do not trust me." You are an offensive little person, aren't you?

Senator Cogger: Yes.

Senator Kenny: Now I will take your apology.

Senator Cogger: You do not have to trust me. The reason—

Senator Kenny: I do not need a reason. I will carry on with my petition.

Senator Cogger: I wanted you to avoid making the same mistake as your colleague.

Senator Kenny: I shall read the names of the petitioners.

(*Names of signatories read.*)

That concludes the names of the 26 people from Beaverton and the Peterborough area who are extremely unhappy with the goods and services tax.

Honourable senators, I have a further petition of 27 names. The undersigned have entrusted me with this petition. They are very unhappy with the goods and services tax. They would appreciate it if the government did not introduce it. They would like the Senate of Canada to prevail upon the government to stop the introduction of the tax.

(*Names of signatories read.*)

• (0145)

The twenty-seven people on this petition are very unhappy with the GST.

Senator Cogger: May I ask the honourable senator whether those petitions are addressed to him. I had heard him say that the petitions had been entrusted to him.

Senator Kenny: They were entrusted to me.

Senator Cogger: Were they entrusted to you?

Senator Kenny: They are entrusted to me.

Senator Cogger: I ask because Senator Hastings was reading Senator Hébert's mail. The address on the back said, "To Honourable Senator Hébert." Are you in the process of reading someone else's mail into the record?

Senator Kenny: Are you going to sit down?

Senator Cogger: I'm asking you a question.

Senator Kenny: Sit down and I will answer the question.

Senator Grafstein: May I respond on behalf of Senator Kenny?

Senator Kenny: Certainly.

Senator Grafstein: As I understand the reading of petitions, the only prohibition with regard to any senator reading any petition relates to petitions of his own or of the Speaker. However, a petition to this House can be dealt with directly by any senator on this side or on the other side.

Senator Cogger: I was raising the question for the following reason only: This petition, addressed to Senator Hébert, happens to be a supplement of the "Michael" Journal of Rougemont, Québec, which is published by a well-known outfit in my province that goes by the name Les Bérets Blancs, and they are a quasi religious group that is well-known for, among other things, its violent anti-semitism. If Senator Hastings and Senator Hébert want to be spokesmen for such a group, that is fine by me. I just think that the blame should be attached to the right place.

Senator Kenny: Honourable senators, I am presenting my petition now. If you want to talk to other people, you can talk to them at another time. If the honourable senator cares to come over here, I can show him that these petitions are from irate citizens.

Senator Cogger: We on this side of the house are prepared to accept the petitions as read.

Senator Kenny: This group of citizens, and there are 28 of them, is very unhappy with the GST. They went to a lot of

work in the small rural Ontario towns to collect signatures, and they are petitioning the Senate of Canada to stop the government from introducing this terrible law. The people on this petition who have gone to all this trouble—

POINT OF ORDER

Hon. Jean-Maurice Simard: Honourable senators, I rise on a point of order.

Senator Kenny: —come from—

The Hon. the Acting Speaker: Senator Kenny, Senator Simard rises on a point of order.

Senator Simard: It relates to my earlier question to Senator Frith. He told us that each senator would decide whether to mention the names, postal codes, and so on. I am not sure I got what I wanted, but that is neither here nor there. I had understood that the names would be mentioned but not recorded in the Debates. It is unfair of the people of *Hansard* and the translation to leave out or censor the words and speeches of honourable senators. I think that is unfair and uncalled for. It is without precedent and it should be stopped immediately. In other words, when we eventually get the final product, it will be something that only partially reflects what was said in this House. This is without precedent and I appeal to Senator Frith and Senator Molgat.

[*Translation*]

. . . Senator Molgat, who is a highly experienced defender of the Senate Rules would not want to be associated with such a ploy and agree that names will be mentioned whether the people are from Rougemont or elsewhere, and so on. Whether these are irate citizens or not, the point is that we are in the process of establishing a whole new set of Rules.

[*English*]

—from the seats of pants.

Your Honour, I am asking you to rule. You are charged with the responsibility of the record, for decorum, respect of the rules, and order of this house. If we can leave out parts of what was said, we are heading into dangerous ground. It is better that we take five minutes to let Your Honour rule on this point.

Hon. Jerahmiel S. Grafstein: In the process of the past few weeks, we have all been compelled to examine the basic premises and principles that govern the procedures of this place. We have learned that privilege is substantive and goes to the very basis of the rights of senators to receive notices of proceedings, to speak, and to vote. We have spent many hours on how important that particular privilege is, and we have learned, even from Senator Murray, that privilege is sacred. We have what appears to be, according to *Beauchesne*, a breach of privilege. Notice was sent out by the Speaker without authority to certain members of this house and a vote was taken. That vote was not in accordance with the particular notice but occurred five minutes beforehand. His notice called for a vote to be taken at 5:30, and *Hansard* of October 4, 1990 records that the doors were locked at 5:25.

So, on the face of it, we have a grievous breach of privilege. According to *Beauchesne* it is a privilege that affects the rights of all senators.

Senator Simard: Are you speaking to my point of order now?

Senator Grafstein: I am coming to that.

Senator Simard: I am trying to make a connection.

Senator Grafstein: I am coming to it. In the course of examining the breach of that privilege, if Senator Simard would examine *Erskine May*, *Beauchesne* and our rules and, more importantly, the proceedings that took place upon which those claims for breach of privileges are based, he will come to the conclusion that of equal importance to privilege is the right of citizens to petition. The first petition that all of us know—certainly it is familiar to all of us who are schooled in common law—lays out the substance, style, and, in effect, the direction of the petition, and that is the *Magna Carta* of 1215. The very first chapter of that petition contains a recitation of names. It goes on to deal with the substance of the complaint at great length. So, for Senator Simard to suggest that this House should not listen to petitions—

Senator Simard: That is not my point.

Senator Grafstein: Perhaps you can make your point a little more clearly. If I took it out of context, I apologize.

Senator Simard: I accept your apology. Earlier we had an exchange with Senator Frith. I had understood that the recording of the proceedings would be done in a certain way. One thing I had understood was that senators would decide how to present the petitions, whether to read everything that was in the petition, including names, postal codes, phone numbers, and so on, and, if they did so, *Hansard* would delete the names that they heard. That is what I am questioning and what I cannot accept. Anything that is spoken should be recorded, not left to the whim of Senator Frith or other people in this house who may think they will decide what will be put in the record. That is my point of order.

Senator Kenny: Honourable senators, Senator Nurgitz has made the suggestion, and it is consistent with page 57.

Senator Simard: What is page 57?

Senator Kenny: Did you not hear what your colleague said?

The Hon. the Acting Speaker: Honourable senators, I did not get into the propriety of reading the names. I appreciate what they are attempting to do and what they may have the right to do. I discussed the matter with Senator Frith in the hallway, that it was unnecessary for the *Hansard* stenographers to take down the names when, in fact, they would not be printed. My understanding of what we agreed was that they

would take everything down except the names, but be ready at the conclusion of the reading of names to take whatever came after, whatever was the commentary was; but not the names.

• (0200)

Senator Frith: I understand the agreement is that because our rules provide that a brief statement may be made about a petition when it is introduced, reference will be made to the names and comments made about the petition—not arguments but comments, about where they come from, including comments about names—and that the procedure will be as follows: If, for example, a senator says, "and from this region is included the following names," from that point on the names will not be recorded—

Senator Simard: Who agreed to that?

Senator Frith: —but any comments about them will be taken down; so that, as Senator Beaudoin said, one does not end up with a Senate *Debates* that just looks blank. That is what I understood. Senator Nurgitz and I had agreed to. That is what I understood; I think it is workable, and I am going to bed.

Senator Cogger: On September 26, at page 2266, Senator Frith said:

> There is no rule against a filibuster. They can talk about almost anything as long as they like, but they should at least change the show. Change the bill of fare somewhat and let us have a filibuster on something else for a change.

I am just pleading for the same thing. I mean, please! Are we going to listen to names and addresses all night?

Senator Austin: I thought you wanted a change.

The Hon. the Acting Speaker: On the point of order, Senator Beaudoin has been trying to speak.

[*Translation*]

Senator Beaudoin: Honourable senators, I would like to make my point of order in French as I wish to be clearly understood.

I think we all agree that the right to petition does indeed exist and that we all agree that this right has very ancient source in English and Canadian history.

Where we disagree (and I think Senator Frith would concur) is that one cannot simply recite a list of names in the Chamber for five hours on end, knowing full well that those names will not even be reported in the *Debates of the Senate.*

There is something that goes both against the spirit and the letter of the Rules of the Senate.

[*English*]

It is against the letter and the spirit of the rules. If it is not against the letter of the rules, it is at least against the spirit of the rules. I want to be clear-cut on this. We may follow what is stated at page 57 but we cannot systematically have names for hours, and hours, knowing that nothing will be recorded for five hours. That obviously is something that is illogical, wrong, and certainly against the letter, or at least the spirit, of the rules. That is all I want to say. But I want that to be on the record.

Senator Simard: What I want to know is, who entered into an agreement. You said an agreement was entered into or agreed to somewhere in the back of the Senate. What is the agreement? Who agreed to this agreement? What is it all about?

The Hon. the Acting Speaker: No agreement was entered into. Please be clear. I only raised the absurdity of the stenographers taking the names down when they were not to be printed in either *Debates* or the journals. When I raised the matter, Senator Frith agreed with me that it was absurd. I then raised it as a point of order some time ago, when I was not in the Chair but sitting over there, and I thought that all sides agreed that the stenographers should not take the names down.

Now, on the point of order that was raised, I am in some difficulty. I would ask honourable senators if they can give me some authority, as I have none. *Erskine May* on the question of petitions says in the 21st Edition at page 761:

> . . . on the presentation of a petition, may make a statement as to the parties from whom it comes and the number of its signatures.

I am not sure what that means. Our own Rules Committee, in its Sixth Report tabled in the Senate on March 15 of 1988 said, as we all know:

> Your Committee therefore recommends that, in future, all public petitions and the names of the petitioners not be printed in the *Debates of the Senate* or in the *Minutes of the Proceedings of the Senate.*

It then goes on to say:

> Your Committee further recommends the explanatory text under the heading "Presentation of Petitions" in Appendix I of the *Rules of the Senate* on page 57 thereof be amended to reflect the above recommendations by deleting the third paragraph thereof and substituting the following:

Which says:

> A senator presenting a public petition—

which I believe these are:

> makes a brief statement—

And that is another question, I suppose, that could be raised, as to how brief these statements are:

> makes a brief statement to inform the Senate of the content of the petition and the petition itself is not read. The text of the petition and the names of the petitioners attached thereto are not printed.

Honourable senators, the next item in the report does not deal with the matters before us, so I will not read any further.

That is not helpful to me and I am not attempting to make a ruling. I am saying that none of this helps me to make a ruling.

Senator Grafstein: We have to be consistent.

The Hon. the Acting Speaker: Exactly. As a result I do not know what can be done to stop that. Senator Kelly?

Hon. William M. Kelly: This is not on the same point of order, honourable senators. If Senator Molgat has something to add to what is already being discussed, I give way to him, but I would like an opportunity to speak.

Hon. Gildas L. Molgat: I will speak briefly on the point of order. I was not here when the discussion was held between Senators Frith and Nurgitz.

The Hon. the Acting Speaker: No one else was.

Senator Molgat: But I understood that there was agreement in the house that that would be the case. If there is no agreement, then, if Senator Simard wishes to have all the names printed, I suppose that decision could be made. However, I understood that it was agreed that all the names would not be printed.

The Hon. the Acting Speaker: I do not wish to make rulings, but I think one cannot even agree to that, because that contravenes the rule. It says "not printed"; so they cannot be printed.

Hon. Paul Lucier: Honourable senators, on that same point of order, I was here during the question that is now being discussed and Senator Nurgitz has just described exactly what took place. The agreement was that the names not be printed in the *Hansard*, and that was agreed to on this side. Senator Stollery's the one, in fact, who said that he had already been talking to one of the clerks and had pointed that out. The reason the names were being taken was because the stenographer who was taking them was not here during the earlier discussions; but as Senator Nurgitz has just said, it was his suggestion that the names not be printed. I do not think he went beyond that. It was his suggestion that the names not be printed, and it was agreed on this side. So if it is not agreed on that side, it was agreed on this side that the names not be printed; but it never went beyond that.

Senator Cogger: What is the point of reading them, then?

The Hon. the Acting Speaker: I just want to be clear. Following Senator Lucier's comment, I never asked that the names not be printed. That has never been a suggestion of mine. Someone in 1988 said we cannot do it. I asked because I noticed, as these proceedings started—and I appreciate that we may have many hours, if not days, of this—that the stenographers were taking the names down. That was the difficulty I had. I then attempted to meet Senator Frith, and the only place I could do that was in the hall. I reported on that in the chamber and I think everyone agreed that the stenographers should not take down the names.

Senator Kenny: That was clear, honourable senators. The rule book, page 57—

Senator Simard: Honourable senators—

Senator Kenny: I am speaking to this. I am entitled to speak to it, just like anyone else is. Hold your turn. I have listened to you.

Senator Simard: I just want to know what you are speaking to.

Senator Kenny: The rule book is clear that the names are not to be printed, and you are quite right, Senator Nurgitz. You were simply pointing out that, even though the names were not going to be printed, the stenographer was taking them down, and that seemed to everyone in the chamber at the time to be an unproductive exercise. There is no point in the stenographers taking down the information if, in fact, it is not going to be subsequently printed. So what Senator Nurgitz says is quite true. However, the agreement, or the understanding, or the situation, frankly, is that senators here are entitled to present the petitions the way they choose, and some may choose to do it in a more fulsome way than others, and that is their business. If you want to present your petitions in a more abbreviated form, feel free too, senator. I shall present my petitions in the way I wish to do so.

The Hon. the Acting Speaker: Might I point out to the honourable senator that when honourable senators present them they make a brief statement; and this question of being more fulsome, I think, does breach the rules. However, I merely point that out; I am not commenting on any that have already been presented.

Senator Grafstein: Honourable senators, may I respond to that? I was not aware of this discussion or the rule that names not be printed, although I understand the question of public inconvenience to print countless names. However, surely, honourable senators, we must come to some different conclusion with respect to petitions. Senator Simard, I think, is correct in a certain sense. How can you have a petition that appears as a basic right of the Senate and right of the citizen to petition the Senate, and it becomes an invisible petition, other than being stacked in some file? I direct this to the Chair, or to honourable senators: How does a citizen know that his petition has been received and that his petition has been presented? How does he know that?

Senator Simard: It will have been presented orally and then deleted from the record. That is completely unproductive.

Senator Grafstein: I am suggesting that the rule appears to be inconsistent with the principle. The principle is that citizens have a right to have their petitions presented. Then we have a rule, on the other hand, which, I think, is inconsistent with the principle that Senator Simard raises. That rule says that petitions should not be printed. We understand the question of costs. We understand the question of public convenience. However, surely there can be another way of ensuring that the

citizens' petitions are, first, received, if they are so received, and, secondly, that they are, in fact, presented. I think that what I would like to do, when I deal with my petitions which come from my province—and they are numerous—is at least to raise that as an issue at a future moment and reserve my right, as a senator, to come back and address this issue when there is a fuller opportunity to discuss this point. I agree with Senator Simard: it makes the principle unworkable.

The Hon. the Acting Speaker: Honourable senators, if it is of any assistance to honourable senators, and since no one seems to want to take the lead—let me say that I appreciate that my honourable friends are attempting to do something—please allow me to make a suggestion. Senator Hébert, in presenting his petitions, followed, it seems to me, the spirit and the letter of our rules, and accomplished what Senator Grafstein and Senator Simard are saying. Again, this is not a ruling; but, from reading an example of this in *Hansard*, I think the procedure followed by Senator Hébert was appropriate. He presented two petitions "of residents of the Province of Quebec concerning . . . ." That is fairly standard. This was a rather long petition, because Bill C-62 amends several bills. Perhaps that is not a very good example. The next several exampled are good ones. There is one from Maidstone in the Province of Saskatchewan, which, I assume, is a small community. That petition would have been tabled, and therefore those people would at least have had a record of their petition. That procedure could serve the purposes of friends on this side, who are anxious to have a lengthier presentation for other purposes; and although some may wish to criticize Senator Hébert, it was done in accordance with our rules and was recorded; so that he achieved the result that everyone seems to want. However, that is for honourable senators to decide.

[*Translation*]

Senator Beaudoin: Honourable senators, a distinction is being made between the right to petition and the official report of the Senate. I agree with you that the right to petition is a sacred right. It goes back at least as far as the British Bill of Rights of 1689. I am in full agreement with that. That is quite clear.

The fact is that the names of the petitioners are not printed, and that is what the Rules of the Senate state on page 57, I do not see how it could be that, for hours on end, those names would be read in the Senate Chamber inasmuch as those names will not be reported in the Debates of the Senate.

• (0215)

[*English*]

There is something that is fundamentally illogical. If the names are not reported for hours and hours, they should not be read for hours and hours. The rules are clear on this and logic is part of the rules to a certain extent—at least, I hope they are.

Senator Grafstein: I think I have made my point with Senator Simard. However, Senator Beaudoin raises another interesting point. My remembrance of this particular portion of British tradition is not clear, but, as I recall it, the original petitions were to be made in court, the two Houses of Parliament being defined as the high court of the land.

Senator Beaudoin: The highest court of the land.

Senator Grafstein: The highest court of the land. If one historically traces the role of the court, at one juncture the court was politically and judicially influental as opposed to legislative. However, petitions were brought to the court in right of Her Majesty and presented in open court, not being a legal court, but in support of or in aid of Her Majesty's prerogatives, and it was done in open court.

Senator Beaudoin: Yes.

Senator Grafstein: The only way the practice now makes some sense—and I still do not agree that they should not print petitioners' names: but that is a second question—in order for the petition to be presented, they must be presented in open court, which we are doing here, and in order for us to facilitate that petition, the petition must designate on whose behalf the petition is made.

Senator Nurgitz pointed out that Senator Hébert brought some petitions forward from small communities. Perhaps it was so clear to those individuals that they were satisfied that they could be so designated. We would have no right to refuse a citizen who wanted a petition read in open court, which is now the Senate, and wanted the citizen's name designated and the opportunity of hearing the name being presented in open court, since physically the citizen cannot enter the precincts of the court. The only way that the rule makes some sense is that citizens are entitled to have their petitions read in court designated "as a petition from a certain married petitioner."

Senator Beaudoin: Even if it is not recorded?

Senator Grafstein: I agree that we are getting close to some practice that might be helpful. The recording is a designation in *Hansard* that a petition was indeed made, from a particular locale, by certain individuals. I agree with Senator Simard that is not totally satisfactory, but it allows a citizen to know three things: one, a petition from a citizen's region was heard; and, if the citizen is interested, he or she can come and listen to that petition being presented in open court so that the citizen hears his or her name and the substance of the petition. In our rules we cannot deal with other than a brief explanation of it, so it cannot be argumentative. Finally, there is a repository for such petitions with the Table Officers. They are not discarded and the Senate has a record. It is not a record in *Hansard*, but there is a Senate record.

To return to my point, I agree with Senator Simard that hopefully we can arrange some type of response to a proper complaint that a citizen is entitled to have his or her name noted when presenting a petition.

Senator Simard: As far as I am concerned, Your Honour, I detected from your statement that you were looking for direction. Are you still looking for direction? I appreciate Senator Grafstein's agreeing with some of my points, but I have two problems. If these petitions are so sacred, perhaps they should all be read and not left to the whim of senators to decide which part will be read into the record. If names, among other things, are read into the record, I object to the fact that they be left out of the record, because the spoken and written records would not match and would not reflect totally what was said. Surely we cannot have one set of rules for one senator and another set of rules for another senator. I do not know how we are going to get out of this box here. I do not know what is more important.

I would hope that the names would not be read, for the reasons Senator Grafstein has stated, because that has been the situation, the convention and the tradition for a long time. The petitions were kept, tabled and stored somewhere else and there was no need to put them in *Hansard*. If it has worked so far, I do not know why we want to change it. I may be wrong, but one would think that reading all those names is to waste time. I think we should refrain from that, but I am not going to raise any more points.

I would invite Your Honour to summarize and perhaps rule eventually.

Senator Kelly: Honourable senators, this is not in any way to frustrate the enthusiasm of senators opposite to proceed with business, but it does refer to the question we are discussing, which is the question of what constitutes a petition. I wonder if we could perhaps examine some of the documents that I have here. I realize that I am taking a great risk with Senator Molgat and Senator Austin, and they may catch me cold on this, but my reading of the issue starts with our own rules. Under Part I, Interpretation, it states:

> (m) "petition" means a written prayer presented to the Senate, and includes all petitions whether relating to public or private matters, matters of general policy, or to redress of local or personal grievances;

The operative section is "a written prayer." I noticed that when Senator Hastings presented his petitions he followed a certain preamble that was in the form of a prayer. I noted that the document he presented seemed to go in that direction on all the petitions he filed.

Again, to further the form of the petition, I refer to *Bourinot, Fourth Edition*, page 234, Section II which states:

> Every petition to the two houses should commence with the superscription:
>
> "To the Honourable the (Senate or House of Commons) in Parliament assembled:"

Beauchesne's, Fifth Edition, page 209 has a similar reference. Citation 669 states:

> Every petition should commence with the superscription:
>
> "To the Honourable the House of Commons in Parliament assembled."

That is an echo of what I heard Senator Hastings do and what I saw on the petition documents he filed.

Erskine May, Twenty-First Edition, at page 754 refers again to the form of petitions and states:

> Petitions to the House of Lords should begin, 'To the right honourable the Lords Spiritual and Temporal in Parliament assembled'; and to the House of Commons . . .

In that case, he points out that without a prayer the document shall not be taken as a petition.

On the other hand, I note that the petitions that are presently being presented by Senator Kenny—who is a great friend of mine, so I would not want him to take this personally—would look as though they do not fit the description of an acceptable form of petition that are referred to in *Bourinot*, *Beauchesne* and *Erskine May*. I am not suggesting that this means that they are not valid. These petitions have obviously been collected. People have gone door to door and said, "Do you want to sign this document?" Were they clear on where the document was going and whom they were petitioning? It is not specific, admittedly, but it does say "on the proposed goods and services tax the undersigned petitioners humbly call upon the Senate to prevail on the Government of Canada," but that really is quite far off the form that is set out in the references to which I have referred.

I am really suggesting that perhaps this is another matter that needs to be clarified as time goes on, because there can be all sorts of documents that refer to grievances and so on, but there should be some framework within which a petition becomes receivable. We mentioned the history of petitioning, and Senator Frith went on at some length. There must have been a reason in early times for setting this framework, outside of which a petition would not be receivable.

Senator Grafstein: To correct *Hansard*, I believe in my earlier comments on the origins of petitions I was mistaken in the sense that I indicated a petition for general relief was given in open court as a legislative matter. As I understand a petition, it was the reverse of that. The petition was started as a form of judicial relief in a very narrow cast in court, the court being Her Majesty's court.

Dealing with Senator Kelly's point, if we start with *Beauchesne* and examine the first explanation of *Beauchesne* in terms of public petitions, and we are dealing with public petitions. As one of the Table Officers pointed out to me, when we deal with a private petition, which deals with a specific subject matter and a specific remedy, that person's name is, as a question of practice, printed. In terms of a public petition, while it is clear, based on what I have gathered, that names can and should be read, it is not required as a question of practice to have those names printed other than some designation that, in fact, they were treated in the Senate.

If I were to turn to two sources to give some support to this contention, I would start with *Beauchesne's, Fifth Edition*, where he deals with petitions being a basic right and indicates how it started at the very earliest time. Initially it was a judicial remedy rather than a legislative remedy. Petitions were transformed into legislative relief when the Houses of Parliament came into being and grew up as a tradition. He goes on to state that: "Public petitions may pray for an alteration of the general law or for reconsideration of a general administrative decision", and that they also pray for redress of local or person grievances.

• (0230)

I would now like to turn to Webster's Third New International Dictionary. It is interesting to note that "petition" is defined in there after tracing the latin root which is petere, which means to go, to seek, to request, which is consistent with what we talked about earlier, namely, an individual seeking and requesting redress. It goes on to state that it is a supplication, a solemn prayer. It then states, "a bill in the form of a request by which Parliament formerly presented measures for the king's granting." It indicates that they must be in writing and embody a formal request. They must ask for some process to take place.

To my mind that seems to be very inconsistent with the argument that has been made that there has to be a petitioner, a name, a list, and that they have to address themselves to some type of grievance. Essentially, the petitions of Senator Kenny, and those that I have, which are quite numerous, all deal with a specific grievance.

Senator Kelly: Honourable senators, with respect, Senator Grafstein really has not addressed my point. I am talking about the form of the petition. For example, you mention in your reference formal petitioning. I believe you referred to the word prayer, as do our rules. In other words, you are saying that I cannot send a piece of paper that says, in Senator Buckwold's immortal words, "Axe the tax, Bill Kelly, 530 Laurier Avenue". That is not quite formal enough. There is a long space between that and what we describe here as acceptable forms of petitions in the references I made earlier in *Bourinot, Beauchesne,* and in *Erskine May*.

In response to Senator Grafstein, I am not talking about whether or not names should appear. Of course they should appear. I am not talking about whether or not the grievance should be described adequately. Of course it should. I am questioning the framework of the petition and asking: Is there any limit beyond which a perfectly legitimate grievance is not acceptable because it is not in the proper form? That is the point I am making.

Senator Molgat: Honourable senators, this has been discussed in the past in the Rules committee. As I believe Senator Nurgitz indicated, this matter came before the committee, and here I might again refer, as did Senator Kelly, to our own rules. Rule 5(m) states:

> "petition" means a written prayer presented to the Senate, and includes all petitions whether relating to private matters, matters of general policy, or to redress of local or personal grievances;

Essentially, there has to be a prayer. I agree with Senator Kelly that it cannot simply be a case of letters that we receive. I have stacks of letters in my office on the point. I do not think it is intended that we come in and read letters that we have received. In certain cases they could be considered prayers, but normally they are not. They are simply letters of objection. That is not the objection. My understanding is that the petitions from which Senator Kenny is reading at the moment specifically say, "On the subject of the proposed national goods and services tax." They identify what it is they talk about. They say, "The undersigned, your petitioners, humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax". I would say that indeed is a prayer. It identifies what the purpose is. It identifies to whom it is addressed—the Senate of Canada. It says, "humbly pray." I think even if the words "humbly pray" were not there, I would charge that they could still be a prayer.

I have been advised also that before these irate people, who have been signing these petitions, proceeded they took the text to an eminent authority on the matter of the Senate. That is to say none other than Senator Forsey. It was after consultation with him and on his advice that this particular text was settled upon. So it seems to me it meets the provisions of our own rules and the general purpose which was described by Senator Grafstein of the original prayer.

Senator Kelly: Thank you, honourable senators, that is very helpful. I understand.

Hon. Nancy E. Teed: Honourable senators, very briefly, the definition of a petition, as I read it, is very clear. On page 57 of the rule book it states that the petition itself is not read. That means that the preamble, the prayer, the written names and the words that carry on thereafter are simply an explanation of what the petition itself is. In that regard, I refer to the tabling of the report of the banking committee the other day. It was not read in this chamber. I was here and I do not believe I heard it read. However, it has been printed in *Hansard*. I must say that I come from another chamber where it was clear and simple. Names were not printed in *Hansard*; nor were they read into the record. But am I not correct in saying that the petition itself is not read, which that means that the preamble, the prayer and the written or printed names on the petition are not read?

Senator Molgat: Honourable senators, on that point, once again, there was a lengthy discussion in the Rules committee on this matter. I do not know how many of my colleagues here are members of the Rules committee. Our discussions are generally very lengthy.

The Hon. the Acting Speaker: No one will fess up to being on the Rules committee now.

Senator Molgat: I suppose the events of the past week indicate that in future the discussions of those meetings may be even lengthier. One thing that has come out in the past week is that we need to have a review of the rules. There was a lengthy debate on the question of petitions. You will note in the report that nothing is said that the names should not be read. There was some concern about printing, which is something that at times we have trouble with here, because of budgets and because of the problem of receiving the copies of our *Debates* on time.

I am sure all honourable senators will agree when I say that we like to come in each day to have the *Debates* of the previous day on our desks. There was the concern that if we printed all of the names, that would delay the *Debates,* and that what we are looking for in the *Debates* are the statements made by honourable senators. If we wished to see the specific names on the petitions, we could go to the petitions and find them, since lists are kept. It was that reasoning which guided the Rules committee in saying that we will not insist that they be printed. It was felt that we had to leave it to individual senators, remembering that most of these petitions come from people in the regions that we represent and that we could not have a hard and fast rule that a senator could not proceed with names if a senator so felt because of his particular commitment.

To come to Senator Grafstein's comments, it is the historic right of the citizen to appear in person, if the citizen wishes; to do it by petition, if the citizen wishes; but that it ought to be the ability to recognize that the individual has indeed been heard. It was our view that if a senator wished to read the names, then it would be in open forum as we are here; that anyone can be in the gallery and hear what is going on; that there is a public way for that individual to be heard. That is why we did not put in the rule that the names cannot be read. It was our view that it would take away from the basic right of the citizen to be heard in the highest court of the land—Parliament. We did not put in the rule book that the names could not be read. That is the gist of the discussion, as I recall it, in the committee.

Senator Beaudoin: Honourable senators, I would like to respond to these comments. There is no journalist here—there is but one person in the gallery. How do you relate your comments to the present factual situation? The fact is that, rightly or wrongly, it is stated in the rules that the text of the petition and the names of petitioners are not printed in the *Debates* nor in the *Minutes of the Proceedings*. We might have reached another conclusion, but the fact is that that was the decision. If it is the case, and it is clearly the case, and if you follow your logic to the extreme, then it would mean that you may read names for a full day and nothing will be recorded. The right to petition is an historic right, I agree; but what is said on page 57 of the rule book is an explanation of the internal bylaw of the Senate. That is what it is. I do not object; but, I would like to have an explanation that is more logical.

Senator Grafstein: I do not want to deal with the senator's latter argument, because I think we have responded to it. However, I would like to deal with the first part of his argument, which deals with having the name read in open court—the Senate. I came in to the Senate at one o'clock this morning, and a young couple came through the door virtually at the same time as I did. They talked to the officer and said, "Could we go into the Senate?" His response was, "Yes, you can. Just go up the stairs." We have not exercised a rule to clear the galleries, as we could. We are here to present these arguments in open court, as it were. It is obviously clear, not only here but in a court of law, that a court of law is not a court of law if the public is prevented from entering it to hear the court's business. That is the case, unless the court finds, as a specific ruling, that it is not in the interests of the individual, or of the public, that the public be present. Usually that is only the case in matters of espionage, treason or high crimes against the state, or respecting children, where the public interest should not be prejudiced or biased. Clearly, we are sitting here in a very strange way in open court.

The Hon. the Acting Speaker: In addressing the latter point of order raised by Senator Kelly, since no one has raised the question of approving petitions, I would like to deal with it. The second kind of petition that we have is one that is approved strictly as to form. In fact, Mr. O'Brien who is one of our table officers today has, in addition to other duties, the duty of Examiner of Petitions. For example, the form of a petition which ultimately becomes a bill, of which we have many in the Senate, is carefully examined. The report of the examination is made in this chamber. That later becomes a Private Member's Bill, or a bill. In any event, that is one kind of petition.

• (0245)

The authorities indicate that it must have various forms of prayer and other matters in order to be a petition, but does not require a strict examination. I do not know how you do it, because that also would get into the question, I suppose, of their reading the petitions, which the rules say we cannot read.

I believe we all agree that the printing or not printing violates the spirit of what we are attempting to do. Various senators on both sides would agree that it does violate the spirit. That is the rule. Whether we like it or not, it is the rule today.

I am troubled with the fact that the rule does say that the senator may not read the petition. Does that mean that he cannot read the petition or a portion thereof, because that is what we are doing. We are standing and reading a portion of it. It seems to me that it is more a breech of the rules than any other. That is the troublesome part.

Senator Molgat: The wording of the rule is "the petition itself is not read." It does not say that the names are not read. The petition, in our view, is the heading. We specifically did not say that the names will not be read. It was because we felt that this was really a senator's bringing before the other senators a request normally from his constituents. I have much sympathy for what Senator Simard says about the printing of the names. I believe you are right, but it was a question of getting the debates out in time and the question of printing costs.

It may be that there is a way out of this. We will not be able to change it now, and the rule is clear that the names are not printed. In the future, when we are again looking at the rules, we could consider having petitions printed in an appendix to the Debates that would not necessarily be produced on the same day as the Debates. There would be no delay in the production of the daily Debates, which would be accessible to all of us, but there would be a printed text where the names appear. That would not deal with the question of costs, but there would not be a need for the stenographers to take down all of the names as they were read. The printing costs would remain the same. That may solve our problem in the future, but at the moment the rule is clear that they are not printed. I have given you the reasons for it. This is something we should be looking at in the future.

In so far as reading the names, the committee was clear in that regard. That is a matter for each senator to determine, based on the source of the petition and what it dealt with. We deliberately did not put in there that the names not be read. That was a clear decision. There was a great deal of argument in the committee, but that was the final conclusion reached by the committee.

The Hon. the Acting Speaker: I should like to direct a comment to Senator Molgat, for whom I have a great deal of respect. You might also have put in the rules that the names could be read.

Senator Molgat: Yes, but I understand that if it was intended that it not be mentioned, then it is not excluded. That is the basic rule, but I have to depend on my legal friends such as yourself.

The Hon. the Acting Speaker: As I have indicated, I am not making a ruling on it. Proceed and take your time.

Senator Kenny: Thank you, Senator Nurgitz. This has been an enlightening 45 minutes. It was an interesting discussion. I know more about petitions than I thought I would ever know.

You will recall that this petition is from a group of folks who did not much like the GST. They were principally from the Beaverton area. In fact, there were only four people left that I wanted to mention.

(*Names of signatories read.*)

These people are all part of the IRATE citizens group. I am told that "IRATE" stands for I'm Rebelling Against Tax Excesses.

Honourable senators, this concludes the petitions I have for this evening. I must inform the chamber that I have others that I will be presenting at a later time.

Hon. Paul Lucier: Honourable senators, I have the honour to present a petition to the Honourable Senate of Canada, on behalf of the citizens of Canada who asking that the Senate prevail on the Government of Canada to stop the goods and services tax. It seems that 85 percent of Canadians are opposed to the goods and services tax. They know it is going to be a detrimental tax.

Some of the names on this petition include Betty Gordon from Buckhorn, Ontario, Donald McFaddle of Lakefield, Ontario. These are people who have had the opportunity over recent months to pay attention to what has happened in this country with the goods and services tax. They have seen the fact that this government is determined to inflict this tax on us at all costs. They object, and they object very strongly. They object in great numbers. Quite frankly, I believe they are bewildered as to why the government insists on committing suicide on this particular issue.

Maureen Webster from Peterborough, Ontario is another name on this petition, another person who is objecting to the goods and services tax; K. Cheesman from Richfield, Ontario also objects to the government proceeding with the goods and services tax and inflicting this tax on the people of Canada at a time when we are being told that there is a recession. It seems as ludicrous to them as it does to the rest of us that we should be inflicting such a tax of seven percent on Canadians when they are in the midst of trying to deal with a recession.

These petitioners are people who are having a difficult time trying to make ends meet, trying to pay mortgages, trying to survive and trying to figure out how they are going to do it with an extra seven percent tacked on top of the problems they are dealing with now.

Senator Cogger: Senator Lucier, would you allow me to ask you a question?

Senator Lucier: Absolutely. In fact you can take an hour if you wish. That is an hour in which I will not have to do anything.

Senator Cogger: I have just a simple question. The rule book says that a senator may present a petition entrusted to him. I realize that Whitehorse is a beautiful city. Have the good people of Peterborough, and various places, entrusted their petition to you? Are you suggesting that you personally received this petition, or was it entrusted to you by another senator or another means?

Senator Hébert is from my own province of Quebec. There have been many petitions entrusted to him. Not a single one

comes from Quebec. They are all from Ontario. He is a very popular in Quebec.

Senator Lucier: Senator Cogger, I would be only too happy to answer that question. This petition has obviously been entrusted to me or I would not be standing here with the petition in my hand. It had to be entrusted to me or how would I have it in my hand? I do not want to go through the routing of how it got here. I do not know which mailman picked it up and delivered it to which clerk. I do not have the routing; but it has been entrusted to me. I have it.

I am pleased that you have mentioned the people of the Yukon. I appreciate your comments about the Yukon. It is an interesting place. I would like you to know that the people of the Yukon are in double jeopardy regarding the goods and services tax. They will pay more goods and services tax on exactly the same product than you and your people in this part of the country will pay. They are doubly offended by the tax. It is not a fair tax.

Senator Cogger: I did not want to offend you with my question. Put it down to my suspicious mind, if you like. It seems to me that if I were a resident of Ontario and I was very upset with something, and I wished to bring it to the attention of the Senate, popular as you may be, you would not be the first person who would come to my mind to bring it to the floor of the Senate. After all there are 24 senators from Ontario and a good proportion of them are Liberals and presumably opposed to the GST.

Having said that, please do not be offended. Your popularity obviously extends well beyond the Yukon, just as Senator Hébert is a very popular man in Ontario.

Senator Austin: He is a famous senator. Senator Hébert is famous for his protests.

Senator Cogger: Thank you. You have answered my question.

Senator Molgat: I believe that Senator Lucier has roots in Ontario.

Senator Lucier: I was born in Ontario and spent the first 19 years of my life there. Senator Austin will tell you who is the most popular senator in British Columbia, other than himself. If honourable senators go to the Okanagan Valley and mention the name of Paul Lucier, everyone there will know whom you are speaking about; and, if they have a problem they know whom to come to.

• (0300)

Senator Cogger: Out of friendship, I thought I would help you use up the time.

Senator Austin: May I add, honourable senators, that the people of the Okanagan Valley believe that Senator Lucier is their senator. I would like to ask Senator Lucier a question.

Senator Cogger: I am also informed that he is big in Toronto as well. We might as well go on about your popularity; we have time.

Senator Austin: Following on the point raised by Senator Cogger, I understand that in the Yukon this tax is much more regressive than it is in other parts of Canada.

Senator Lucier: That is correct. For example, the GST will not affect the price of food directly, but it will affect freight. The difference between the price of products in the Yukon and the other parts of Canada is essentially freight. I was talking to Senator Keon about this very point last week. A litre of milk at Hull Beach in the Northwest Territories costs $3.86. Theoretically the price of the milk itself in Hall Beach should be the same as the price of a litre of milk in Edmonton or Calgary, wherever the milk comes from. So the difference between the price of a litre of milk in Alberta at $1.00 and the price of a litre of milk in Hull Beach at $3.86 is obviously the cost of the freight to get the milk there. There are no roads, and it has to be flown in by aircraft. To fly a litre of milk from Calgary to Hall Beach costs a lot of money. So, by putting GST on freight, you are putting it on food, and it is the people who can afford it the least who must pay.

The same applies to a pair of shoes. They do not make shoes in Old Crow. They make the greatest moccasins in Canada, but they do not make shoes. If you want to buy a pair of shoes in Old Crow, they must be made in Toronto. If those shoes cost $50 in Toronto and $100 in Old Crow, included in that price will be the cost of freight.

I know that honourable senators opposite do not like to hear that kind of thing, but I think they should pay attention, particularly those senators who were brought in here specifically to vote for the GST. I particularly ask that of my new colleague, Senator Twinn, with whom I look forward to working, in the future. I can tell you, sir, that even though you have agreed to come here and support the GST, it is an unfair tax for the people of your province as well as for the people of my area. I have a lot of trouble accepting that the Prime Minister of Canada, who is at 9 per cent in the polls in your area, is really worth that much trouble to you.

Senator Austin, that is a brief explanation, and I hope that it will suffice for the time being. If you have other questions, feel free to bring them up.

Senator Austin: I am sorry I interrupted you.

Senator Lucier: I accept your apology. Another petitioner on this same petition is Mr. Bob Nelson of Buckhorn, Ontario. I have not had the privilege of visiting Buckhorn, Ontario, but I am sure that this gentleman is very honest and sincere and that he has taken the trouble to put his name on this petition to object to the goods and services tax that is being imposed on the people of Canada at the very time we are in a very difficult situation because of problems in the Gulf that are causing the

price of fuel to rise. The price of everything is going up. We are in a recession, and inflicting a 7 per cent tax upon us at this time does not make a lot of sense.

Senator Comeau: What is your alternative? Do you prefer the manufacturers' sales tax?

Senator Lucier: Absolutely. I think that is a good question. The first alternative is that you do not have a GST. You already have a tax in place.

Senator Comeau: If you do not want the GST, is it because you prefer the manufacturers' sales tax?

Senator Lucier: Another good question. I prefer the manufacturers' sales tax to the GST, along with 85 per cent of the people of Canada. You happen to be of the 15 per cent, but, as I said the other day, it seems to me that 85 per cent of the people of Canada prefer the MST, as it presently exists, to the GST, even though they want the MST changed as well. So when 85 per cent of the people of Canada feel a certain way about a certain issue, they have the right to be wrong, they have the right to say, "In your wisdom, you may think that this is not proper for me, but I think it is." It is the same as if you were buying a car. That car may not be what your neighbour would like, but if it is the car you want, you have a right to buy it. Even if it is a bad deal, you have the right to buy it. That is the case with the people of Canada with regard to the GST.

No one has ever suggested that the MST should not be changed. Experts on the MST appeared before the committee in Vancouver and said that changes must be made to it. They also said that if we are going to replace it, then why replace it with one that is worse than the one we are replacing. So, if you want to change the MST, by all means do so. In the meantime, if you are suggesting that the GST is the answer, you are wrong, and Canadians have been telling you that you are wrong. You have not been paying much attention, but they have been telling you that you are wrong. They have a right to feel the way they do, and they have a right to express that opinion through these petitions.

Senator Grafstein: Honourable senators, to assist the honourable senator opposite, today I received a statement—and I would be glad to send it across to the honourable senator—from Professor Robin Boadway of the Department of Economics, Queen's University. The last paragraph is a short one, and it deals directly with this point of an alternative to the GST. He said:

> The second alternative is to follow the advice of the Carter Commission of almost 25 years ago and have the federal government vacate the sales tax field altogether in favour of income tax revenues. This could be done without the explicit cooperation of the provinces, but at the cost of some short-run disruption to the tax system. However, in the long run, it would result in the federal government maintaining its dominant position in the income tax field (not unlike the United States), thereby contributing to a harmonized system of income taxes and consolidating the ability of the federal government to pursue its redistributive goals.

Essentially, he is saying that we should follow the advice of the Minister of Finance, who said that the first priority in this country should be to make fair our tax system and to harmonize it with that of the United States. But the GST does the reverse of harmonizing. It is counterproductive. The Canadian Tax Foundation, which is well known to many gentlemen opposite as being one of the most respected independent bodies of thought dealing with tax measures, has clearly come out against the GST.

• (0315)

Senator Lucier: Incidentally, the Canadian Association of Public Accountants has also come out with alternatives to the GST. There are many alternatives out there. I think the point still remains that you do not replace something that is supposedly not very good with something that is ten times worse. That is probably something most Canadians can understand, whether they are accountants or not. I have here a list of names of petitioners.

(*Names of signatories read.*)

Honourable senators, I would like to present another petition to the Senate on behalf of some people who are objecting strenuously to the goods and services tax and are prevailing upon the Senate of Canada to prevail upon the government to stop the introduction of this tax. These people are prepared to take a stand, to put their names on a petition, to present it to the Senate and to have their views known.

This tax does have alternatives. This tax will create very severe hardships for many people in this country.

(*Names of signatories read.*)

Again, these are people who really feel that this tax will be regressive. It will be very difficult for them to deal with in the years to come. I think they understand better than anyone else that the figure of 7 per cent that is bandied about is not the true figure. That is the starting figure. Everybody knows that the full intention of this government, or any government who replaces it, will be to impose a tax a lot higher than 7 per cent. It will be 9 or 11 per cent in a short period of time.

And this tax will be in addition to provincial taxes. It is a sort of double-barrelled tax on the people of these provinces.

(*Names of signatories read.*)

Honourable senators, the burden of taxation is being shifted on to the ordinary people of Canada. This is a tax that will increase the deficit. This tax is being imposed at the very time we are told that we are in a recession. This tax makes absolutely no sense to anyone other than to Conservatives, that I know of.

Honourable senators, I have other petitions that I will be presenting at a later time. I believe that other colleagues have petitions to present.

Senator Cools: Absolutely.

Hon. Roméo LeBlanc (Beauséjour): Honourable senators, I have no petitions to present. I have had a conversation with Senator Doody, and in the name of internal economy I think we should make one point. The staff is really being asked to serve unusual hours and repeated shifts. I think we should examine—and I am asking the Table Officers to take this on—wherever possible those things it is not necessary to keep in effect. I will provide an example: The constable outside the door, by administrative decision, has to stand. I do not see masses of people invading the foyer out there. I see no reason why, in cases like that, chairs should not be made available to these people. This point applies to a whole series of sectors. We are comfortable in this chamber—well, we are comfortable to a point. We can ask for glasses of water, and so on, but we should also keep in mind that some of our staff are getting tired. We have simply never prepared our administrative patterns to meet this sort of unusual circumstance.

Senator Cogger: Would Senator LeBlanc recommend to his colleagues the idea that there would be substantial savings by cutting short this filibuster? Why don't you propose a motion to adjourn?

Senator LeBlanc: Senator Cogger, I stood because I felt there was a humanitarian gesture to be made. I think that your present humour does you no great honour.

OFFICIAL REPORT

RECOGNITION OF CALENDAR DATES

Hon. Gildas L. Molgat: Honourable senators, if I may, on the point raised by Senator LeBlanc, I sincerely hope that something can be done in this regard to make it as easy as possible for our staff. As long as we are dealing with these other matters, one in particular concerns me. I wonder if I may speak to the house on it. Do I have leave? This is a different subject.

Senator Austin: Agreed.

Senator Molgat: My point has to do with the *Debates of the Senate*. As senators know, under our rules we have no choice but to continue, technically, the same day. We are continuing the same sitting day. The calendar on the Table reads Tuesday, October 9. If senators look at the debates for Thursday, October 4, for example, they will see that a large part of those debates took place on another day altogether.

I do not know whether we can ask the staff to do this, but I wonder whether we could recognize, somewhere in the *Debates*, the calendar dates.

Senator Doody: Who can tell?

Senator Molgat: Well, it may be difficult at times to tell, but it seems to me that we could indicate in the text itself or, possibly, in the index that these proceedings took place on different calendar days. This would make it much easier for senators, when they are going through the *Debates*, to seek information. It would also facilitate any research that anyone might wish to do in future on the events of the past. I just pass this on as a suggestion.

Hon. Richard J. Doyle: Honourable senators, if we move in that direction, the next thing we know, people will want to maintain the $153 a day for doing nothing but wasting time, which would be something, I am sure, we would all oppose.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Anne C. Cools: Honourable senators, I rise to present petitions. In honour of what Senator Doyle has just said, I regret that he is so bored by this whole experience. I have something before me that I think might relieve Senator Doyle's boredom.

As I was going through these petitions, I observed that several of them originate in Orillia. As Senator Doyle knows, Orillia was the birth place of Stephen Leacock, a man who above all things had a terrific sense of humour. He not only had a sense of humour, but, as Senator Doyle would know very well, he had a great appreciation for the institutions of Parliament.

Honourable senators, I should like to present a petition signed by 675 concerned citizens. The concern is the matter of the tax on cultural, educational and written materials. That is interesting because, after all, Senator Doyle, you are yourself a man of letters.

As I perused the names, I perceived that some of the people who have signed this petition are from Lakefield. As we will remember, Lakefield is where a very famous school is situated. At that school one of Her Majesty's sons, Prince Andrew, attended for a few years.

Senator Cogger: Are you telling us that Prince Andrew signed the petition?

Senator Cools: No, I did not say that at all. I said that many people who did sign the petition were from Lakefield, where Prince Andrew attended school. Going through the areas of Ontario represented by the people signing this petition, I am struck by the number of small towns and hamlets of Ontario that are represented here. I observe names from Gravenhurst, and, as honourable senators know, Gravenhurst was the birth place of Doctor Norman Bethune, who made a significant contribution in China and who, as we all know, has had films made about him. I presume that Senator Cogger has heard of Doctor Bethune.

As honourable senators know, I live in Ontario. Ontario means quite a lot to me. When I was a member of the National Parole Board I had occasion to visit an institution in Ontario to deliberate on some difficult cases. That is interesting, because many of the "inmates" of that particular mental institution were placed there by what are called Lieutenant-Governor's warrants, and they are detained there at the pleasure of the Lieutenant-Governor. Many of them have been declared to be criminally insane. I throw this out because one of the terrific advantages I think these petitions have is that one begins to get a flavour and a feel of the areas they represent.

(*Names of signatories read.*)

I notice that some people who have signed this petition come from Kingston. As many honourable senators know, Kingston was the constituency of the first Prime Minister of Canada, Sir John A. Macdonald. It is a fascinating town, a very pretty little town. Again, it is an area with which I have some familiarity due to the time I served on the National Parole Board.

(*Names of signatories read.*)

I would like to put on the record, because some of us may misunderstand these petitions from the IRATE Citizens, that I happen to know what "IRATE" stands for by virtue of the fact that this organization appeared before the Standing Senate Committee on Banking, Trade and Commerce in the city of Toronto. "IRATE" is the abbreviation for "I Am Rebelling Against Tax Excess." Perhaps the record could show that "IRATE" is the abbreviated name of that organization.

In addition, as I peruse these documents, I observe that not only do the petitions reflect the geography and the regional nature of Ontario, they also reflect the cultural mix of Ontario. This may be of interest to Senator Cogger. If I may, I will share with honourable senators the fact that the very first name on the first page of this petition is Ruby Pelletier—fascinating.

Senator Doody: Absolutely intriguing.

(*Names of signatories read.*)

• (0330)

Senator Cools: I should like to present another group of petitions. I prefer to do them in groups rather than individually. I understand that honourable senators on the other side may find the process somewhat boring. Nevertheless, honourable senators, I have the honour of presenting this batch of petitions, which was signed by 880 concerned citizens. These citizens are calling upon the senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax.

If we can get a sense of some of the people who signed these petitions and who are exercising their ancient right to pray before us, they include names such as Chris Frederick Marshall, from Delhi, Ontario; Albert Robinson, Port David, Port Perry. There is one from Mary Hamblin, Bracebridge, Ontario and another from Lakefield. I have already talked about Lakefield, but my colleague, Senator Lucier, said that he would like to know some of the names of the petitioners from Lakefield. Here is one. The name is Steven McGrath, RR 2 Lakefield. The postal code is here, but perhaps you do not want the postal code.

Senator Lucier: I could do without the postal code.

Senator Cools: All right. As I proceed, I note that the cultural mix of this country, and the names of the people, cities and streets are quite diverse. Here is one from Frank Cohen, 6062 Burmuda Avenue, Oshawa. I am certain that would at least ring a bell. Many of us here are probably wishing we were in Bermuda.

Senator Lucier: Could you tell us something about Bermuda, please?

Senator Cools: Bermuda is an interesting place. I have not spent any time there at all. Actually that is not true. I have never spent time there, but I recall that I once spent an hour at the airport. Bermuda is, I believe, a beautiful group of islands. It is still a colony, I think. Bermuda is important, just as was Barbados because up to about 40 or 50 years ago, before telecommunications and communication technology became so highly developed, Bermuda was a central communications channels for information moving from the continent through to North America. It used to be an important place. For many people it is still an important place.

It is interesting that you would ask about Bermuda, because Bermuda has no income tax. That is an interesting point.

Senator Lucier: I wonder if they will have a GST?

Senator Cools: Perhaps one day we will be able to find out.

Here is a name I cannot read, but the address is 101 Murray Drive, Aurora.

Senator Lucier: Perhaps that street was named after Senator Murray.

Senator Cools: Yes; it was named after him in advance.

We move along to Peterborough. I forgot all about Peterborough. There are many names from that city. Peterborough is a pretty city on the Trent River. There is Bill McLaughlin from Trent River and Fran Cooper of Peterborough. Fascinating. There is Steven Crap from 2436 Princess Street, Kingston. I believe that was the street where Sir John A. Macdonald had his office. I am not sure of that. My memory could be failing, as one of the senators was observing. Time is advancing and some of our memories are fading a bit here and there.

There is also Mary Maloney from Seaforth—again named after an interesting personality.

As I continue, I find this is fascinating. Here is Tom. I cannot read his last name, but he is from rural route 1 Lionshead, Ontario; and Diana Tetsky from Queenston Road, Cambridge. Cambridge, again is, another interesting place.

Senator Lucier: You do not have the exact location of Lionshead?

Senator Cools: No, I am not familiar with Lionshead. But since I am one of the senators from Ontario, I shall make it my business to visit there some time.

I shall continue with the names: Leonard Brown, Bowmanville, Ontario; Carol Oshkane, Kinmont, Ontario. I forgot about Haliburton. Here is one from Carol Anderson, Haliburton, Ontario.

Here is one from Penetang. It is Rita Charlebois. I had forgotten about it, but Penetang, in addition to being the location of a particular mental institution, is the home of many Ontarian francophones. I find it interesting to visit, because living in Ontario it is not often that we see bilingual signs; but when one drives up around that area one discovers bilingual signs. I find the francophone names interesting. Here is another one, Ginette, Lorette from Penetang, Ontario.

Senator Lucier: Could you read more of the French names.

Senator Cools: I am looking for some. Here is Rita Charlebois, of Penetang, Ontario. Next is an English name. It is Brenda Curry, from Penetang, Ontario. Here is an Eastern European name. I have difficulty with it. It is from Mrs. M. Koechne, from Penetanguishene. This is very interesting. Receiving these petitions is a reminder of where we come from and why we are doing it. For example, from the same part of the world, in Midland and Penetang, here is the name of Lee Rankin from 455 Russell Street. Russell Street may be named after Lord Russell, who knows.

As the French tradition in the Penatang-Midland area is maintained, here is the name of Julian Patineau of 27 Richelieu of Penatang. That is interesting because Ontario has quite a significant number of francophones and many of them are in that area.

Senator Lucier: Including Lucier.

Senator Cools: Absolutely. I had forgotten that. Yes, of course. Some people were questioning your ability to bring forth petitions from Ontario. But you must always affirm your roots. That is important.

Here is another name. This is from Olga Kararege from Lakefield. That is interesting. I hope I have demonstrated that I have carefully reviewed all these petitions and looked into them to see who these people were, where they came from, what organizations they were representing and whom they were representing. I carefully examined everything so as to be sure that these are authentic petitions. In other words, I looked at the handwriting and checked to see that the handwriting was different and that several pages were not written by the same person.

Senator Lucier: But you did not mention what they were objecting to.

Senator Cools: In this particular group of petitions they are calling on the Senate of Canada to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax. They are quite forthright and direct about what they are petitioning us about.

I have a few more names. There is M. Miller from Barrie, Ontario. Barrie is another small Ontario town. There is one from R. Howard, Morrisburg, Ontario. Morrisburg is a tiny community. It used to be important a long time ago. There were many United Empire Loyalists there. It is a dying community in a lot of ways. I have another one from Thelma Bach of Williamsburg. I even have someone here from Slater Street in Ottawa. Unfortunately, I cannot read the name. I have one here from someone who does not give an address. His name is Arnold Gross. He did provide a telephone number, though.

I want to give honourable senators the assurance that these petitions have all been read, studied and analyzed to ensure that they are authentic. I should now like to table them.

Senator Lucier: You have more for later do you?

Senator Cools: I have many more, but I shall proceed with those later.

Senator Doody, I hope you have not fallen asleep.

Senator Doody: No, I heard them.

Senator Cools: Thank you.

Hon. Jerahmiel S. Grafstein: Honourable senators, it is my honour to make a statement and presentation with respect to a large number of petitions that emanate from the Province of Ontario, which I so proudly represent in this chamber. This is the first time, honourable senators, that I have seen fit to present petitions to the Senate.

Before I deal with the substance of the petitions and the origins of the petitions and the nature of the petitions, I wish to bring honourable senators's attention something that has been troubling me as it relates to the definition of "sober second thought" and the responsibilities undertaken by senators when they are appointed to this place to follow their own conscience. Perhaps senators might forgive me if I take one moment or two to give them the benefit of my own experience about the importance of following one's own path and one's own drummer once appointed a senator, rather than slavishly follow the dictates of the government of the day.

I was appointed in 1964 by Pierre Trudeau. At that time, as the Leader of the Government of the day, Mr. Trudau had declared that he was not prepared to redress the prayer of a petition, a petition I believed was the most important petition

that had been received by the government of that day, namely, the petition by Canadian citizens of Japanese descent who had over and over again petitioned this house and the other house to remonstrate against their grievances and seek compensation for the acts taken by the government during World War II and following.

Senator Doyle will recall that his newspaper, the newspaper of which he was the managing editor, *The Globe and Mail*, was one of the leading advocates in the country for compensating Canadian citizens of Japanese descent for the unheralded and improper acts taken by the Canadian government of the day during World War II and following.

This petition, this prayer for redress, was the subject matter of my maiden speech. I decided that I should advocate this issue even though this petition ran directly counter to the policy of the government of the day and directly counter to the Prime Minister himself, who had appointed me. At the time I decided to immediately take the matter up with him personally and indicate to him shortly after my appointment-virtually after the first caucus-that I felt his position and the government's position on this important matter and this important principle of rights was mistaken. I told him that I intended to use the platform of the senate to remonstrate against him and his rejection of this prayer for redress. I spoke to him privately. I then spoke up in caucus. I then spoke to him privately yet again and spoke up in caucus yet again. In each instance, Prime Minister Trudeau, the Prime Minister who appointed me, said that I was wrong and that redressing this grievance was not the proper course and not in the nation's interest. He further stated that such decision would be unfair, unusual, and unprecedented. It would provoke similar claims. The government, he argued, could not redress all the wrongs of the past. He gave me a series of important cases and precedents that should have convinced me and other Canadians that compensating only Canadian citizens of Japanese descent for those horrendous acts taken by the government during the World War II and following would open a bottomless Pandora's box of historic grievances that would divert the public agenda from pressing matters of the day.

I traced the history of each one of those precedents. I came to the conclusion, after careful study, that each case that the Prime Minister had presented in argumentation to the Canadian public and to the caucus was not fully applicable. I told him privately that a lawyer's first responsibility is to segregate cases and to deal with each case on the facts, based on facts.

I then prepared a speech. I presented that speech to him before I presented it here. He said, "If this is your choice, go forward," yet he still disagreed. I told him that I intended both publicly and privately, within the confines of the party and in this chamber, to pursue the government and his ministers to persuade them to change their minds.

I felt my duty was clear, that if I felt strongly about an issue that was contrary to my government's policy, the proper course to follow was to advise the Prime Minister privately and then in caucus. I then pursued this course publicly in this place. My maiden speech was given on that subject.

That speech was given in 1984, months before Prime Minister Trudeau resigned. Senator Austin is here and as a member of the cabinet he will recall this episode. Just before Mr. Trudeau resigned, the government did propose that partial apology and aggregate payment be made to a charitable institution for citizens of Japanese descent, which I felt no way shape or form dealt with the issue of the damage to the rights of those Canadian citizens of Japanese descent who had lost their freedom and their property without due or adequate compensation.

Senator Austin: Senator Grafstein, are you suggesting that, just because the Trudeau government listened to the petitions of the Japanese Canadian Community and began a process of redress, that the petitions you have that are relevant to the GST will be listened to by the government?

Senator Grafstein: I appreciate your question, Senator Austin. The point I am trying to make to senators opposite is that the petition I made to my own government was not heeded.

Senator Doody: No.

Senator Nurgitz: I think that is the point Senator Austin was trying to make, namely, that the petition you presented to your own government was not heeded.

Senator Grafstein: And I criticized my government and my party in this place when they were in government. I stood up in my place and all senators that were there at the time will recall that I criticized my government, the government that brough me here, and the Prime Minister who had appointed me to this place, on a particular issues where he had taken a careful and deliberate decision against redress.

The point that I am seeking to make in raising these petitions against the GST is that it is open to all honourable senators not to listen to the conventional wisdom of the day but to follow their own conscience based on their own analysis.

To conclude this preliminary comment, I wish to say it was not a Liberal government that brought in an appropriate redress, it was the government of Mr. Mulroney. It was the Conservative government that brought in that redress. Senator Doody will recall that I would periodically stand up in this place at least once a month to remind Prime Minister Mulroney of the promise he made in the 1984 campaign to provide redress. Month after month I stood up alone—there was no one else in this chamber who regularly reminded the government of their election pledge.

Senator Doody: Only one senator is allowed to stand at a time.

Senator Grafstein: I understand that, Senator Doody, but no one else chose to rise after I had spoken or before I had spoken to deal with this issue.

Finally, not as a result of my efforts alone but as a result of many, including efforts on the other side, the government of the day finally brought complete and fair justice to those Canadian citizens who were so unfairly treated at the hands of their Canadian government.

When I rise on these petitions—and this is the second substantive petition—I hope honourable senators opposite will take into account what I considered to be the role of each senator, and that is to look independently, carefully and fairly at public issues based on the merits and based on the facts. Clearly, the weight, the substance and the quality of the petitions with respect to the proposed tax on goods and service presented by the Canadian public, is overwhelming. Academics, the Canadian tax foundation, and other expert specialists, indeed wherever you turn, in addition to thousands of ordinary Canadians, have the same prayer to the government: "Withdraw the GST, withdraw the GST, withdraw the GST."

Honourable senators we have received a series of many lectures from the government about the cost changing direction. What would be the appropriate course and what has been the appropriate course by previous governments when ministers of finance, with good conscience, put forward tax measures that were found to be unworkable, unfair and unreasonable? It is not that the principles were incorrect, but that the implementation of the principles were so unfair, chaotic and costly that the government withdrew.

Let me give you some examples before I turn to these petitions, because experience should be helpful. The first example that I recall full well—and Senator Stanbury is here and he will recall this as well as I—concerns the infamous first budget by Walter Gordon. It involved the three whiz kids, two of whom were friends of mine, namely, the late Geoffrey Conway, and Martin O'Connell. I forget the third name, Senator Stanbury.

Senator Stanbury: I do, too.

Senator Grafstein: There was also another gentleman. The minister of the day, the late and great Walter Gordon, felt that he would not get proper or adequate advice from his advisors, so they prepared a budget. The principles were immaculate and sound. The principles were fair and reasonable, yet when it came to the mechanics and the implementation, they were disastrous and counter productive. What did Walter Gordon do? He withdrew the budget and then resigned.

There is also the experience of the Benson budget. Again the principles were correct. There had to be fairness and capital gains. When it came to the implementation, and when you looked at the budget documents and saw the havoc they were causing, and the lack of harmonization, what did the minister of the day do when he was remonstrated? There were petitions from the business sector and the general public. The public was outraged against the budget. Why did he withdraw it? It was not because the principles were not correct. Indeed, many years later these principles were adopted in some form or other. He withdrew them at the time because the public would not accept these measures and he understood, as Walter Gordon understood, that tax measures must be not only fair in principle but be perceived to be fair. After all, we have a voluntary system of providing tax revenues to this government. This is not a police state. People have to voluntarily make their returns. The acceptance and implementation of the principles are as important as the legislation itself.

That is not all. We have another lesson. The third lesson is to be found in the Allan MacEachen budget of 1980. Many of his principles were adopted by Mr. Wilson in his first and second budgets. They were correct in theory, but in practice and in implementation they were chaotic, unfair and counter productive. In effect, in some respects they did not achieve the objective they set out to achieve. Again the government retreated and withdrew certain measures.

The reason I bring this to honourable senators attention is that when I look at the names of the communities in these petitions from across Ontario, they are not just from metropolitan Toronto, the region that I so proudly represent here. This is a roll call of "small town" Ontario, the backbone of Ontario, which until recently was the heart of Toryism in the province. From Ottawa in the east to Sarnia and Grand Bend in the west, to Baysville and Orillia in the north, the whole heart of mid- and southwestern Ontario is included in these petitions. Town after town and citizen after citizen from every walk of life say over and over again to the government, "Withdraw the GST."

Senator Cogger: How many of them do you know?

Senator Grafstein: Senator Cogger has asked me how many of these people I know. I would have to go through them all to tell you how many I know. But I can say this to you: I was born in southwestern Ontario. I spent my youth there and I went to high school and university there. I travelled to many of these towns during my university years. In the practice of law I practised in most of these communities as councel. In addition to that, as a member of the Liberal Party, through a number of provincial and federal campaigns, I had the opportunity to travel yet again aside from my business activities. I think I know southwestern Ontario, this part of Ontario very well. The addresses, the streets, are very familiar to me. We have people from Walmer Road in Toronto, from Morrisburg, from Williamsburg, from Ottawa, and from Russell, Ontario. These individuals represent the very heart of the engine that drives the economic growth of this country. These petitions are from hard working, decent, ordinary Canadians, the ordinary Canadian that John Deafenbaker appealed to. I see Senator Cogger listening intensely bemused, perhaps.

• (0345)

John Diefenbaker would never have brought forward such a tax measure. Why? Because he wouldk know, as the Conservatives in Ontario know—which is why Tories in Ontario object to this tax, as do the NDP and the former premier of this province—that this tax is regressive. That is why Canadians in all walks of life—many for the first time in their lives—decided they would sign a petition to this place. This is a petition to the Senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax.

As I said, I have in my hand at least 700 to 800 petitions. I will now take the liberty to read you a few of these names and try to give you a geographic spread to indicate that this is not just a City of Toronto petition; this is something that has spread willy-nilly into every nook and cranny of the province in a way that we find amazing. Senator Cogger asked if I know many of these people. No, I do not, but I am amazed, as he should be, that these petitions come from Canadians living in every part of Ontario.

I have names of petitioners here from Toronto, Ontario; Williamsburg, Ontario; Morrisburg, Ontario; Williamsburg, Ontario; Toronto, Ontario; Ottawa, Ontario; Russell, Ontario; Ottawa, Ontario; and Stittsville, Ontario—a town that was in the heart of old Toryism—remonstrating against this tax. I have others from Iroquois, Ontario; Williamsburg, Ontario, and a family from Ottawa, Ontario. We find that lower middle class families are not hit passively by this measure, but are ravaged by this measure. Evidence is emerging that this measure is regressive to that element of society that all of us have depended upon—the hard-working, lower middle-class Canadians who make our presence here viable with their tax dollars. They are the ones who go to work each day, pay their taxes and monthly bills, build their houses and repay their mortgages. They are not on welfare. We are talking about the very foundation, the very sources of the tax system remonstrating against this tax.

Senator Lucier: I wonder if Senator Grafstein would entertain a question. I think most of the petitions you are reading from, senator, were gathered before it was officially announced that we are into a recession. I wonder how the people who signed those petitions objecting to this tax before the recession will feel about it now that we are in a recession. Would you have any opinions about that?

Senator Nurgitz: Could we find out first if Senator Grafstein has ever met with them?

Senator Grafstein: Senator Cogger would like to examine the list of Tory supporters who are petitioning against this devastating bill. Is that satisfactory?

Senator Cogger: Thank you.

Senator Grafstein: Almost every Sunday morning in Toronto I ride a bicycle to another part of Toronto to have breakfast at 7 or 8 o'clock. I go to Chinese restaurants, coffee shops, bagel bars and Ukrainian bakery shops. That is my way of keeping in touch on Sunday morning. Many people know I am a senator, but many people don't, because I don't wear my Senate pin. But, Senator Nurgitz and Senator Lucier, over and over again these people, joined by the barber at the Toronto Adelaide Centre, the doorman at the Four Seasons Hotel, and the waiters at Shopsy's—I can go through a whole list of individuals—tell me to stop this bad tax. I will give you yet another example of a government supporter of yours.

Senator Nurgitz: Senator Lucier asked about the people referred to in the petition. We know Senator Fairbairn distributed the petitions, and there is nothing wrong with that.

Senator Grafstein: These petitions were not distributed to me by Senator Fairbairn. This is a package I received from another source. Honourable senators opposite are smiling about this, but I didn't have room in my office for all the petitions that have been flooding all the senators' offices. In order to ensure that these petitions reached the floor of the Senate, it was decided by wiser heads than mine that they would be collected and organized by provinces because they are coming from all across the country.

Senator Nurgitz: But we don't know if your barman and all these other people you meet when you are on your bicycle are on your petition.

Senator Grafstein: I am trying to make the generic point—

Senator Nurgitz: All your points are generic, Senator Grafstein.

Senator Grafstein: The macro point, as opposed to the micro point. I will give Senator Nurgitz a specific example.

Senator Molgat: I wonder if Senator Nurgitz has received any petitions.

Senator Grafstein: Have you received any petitions, senator?

Senator Nurgitz: Not formal petitions. We did not send any out. Senator Forsey was out of them when I phoned.

Senator Grafstein: I was not sending them out or instigating them in any way, shape or form.

Senator Nurgitz: Not to be facetious, the point I was making is that Senator Lucier wanted to know if those same people you were referring to in the petitions would feel angrier or less angry or about the same. Since you have never met them, you would not know.

Senator Grafstein: You are asking for direct information and I want to give you a direct example, which should be of interest to members on the opposite side. I know a gentleman, who is also known to one or two of you opposite, who is a successful, middle-of-the-road businessman. He is under 40 and has created an empire for himself. He is in the hotel business. He is successful in this country and in other countries

as well. He ran into me this past week—and we have not exchanged more than niceties over the years—and he was very interested in what we were doing in the Senate. I asked him, not in order to direct the conversation, what his reaction was. He told me to keep it up. When I asked him "Keep what up?" He told me just to keep it up. He wanted to tell me how he felt about this tax. He has already spent in excess of a quarter of a million dollars to convert his company, which provides valuable services, to the GST. He said he will probably have to spend many times more for the capital costs, the software, the calculators, the computers, and so on—aside from the costs of internal and external accounting.

Senator Lucier: He is becoming a collection agency.

Senator Grafstein: He told me to kill the tax. He said he can write off what he has spent so far. He said to kill the tax. He said it is a bad tax and doesn't harmonize our business activity with competition in the United States.

He is not a supporter of the Liberal Party. As best I know, he has never contributed to the Liberal Party. He is a successful businessman, and, as I say, I will get his consent to use his name which I will be glad to pass on to members opposite. He made a spontaneous request of me. I asked him how he felt about the Prime Minister's argument that the Senate does not have the democratic legitimacy to stop a money bill. That has something that has bothered me, Senator Nurgitz. I mentioned this to my colleagues. He said that, as best he understood it, the Senate is in the Constitution. Senate powers were there in 1982 and the powers are still there. I said that had been my argument. He said it is there, which means it is a legitimate chamber of sober second thought. I have absolutely no quarrel with that. This tax measure is devastating. He said he is going to have to lay off people at some time—to your point, Senator Lucier—when he thinks we are in a recession, on the edge of a depression. He says he now has to cut back and chop people. He told me how much, as a businessman, he hated doing this.

This spontaneous plea from a well known reputable businessman is not the only plea we on this side have heard, and I believe, senator—and please do not respond to this—that you on that side have received exactly the same pleas. He said that we should be able to deal with something that is not only unpopular but counter-productive. It is not going to accomplish the things that Mr. Wilson, who is trying to do a good job, is setting out to do, which is to make it tax neutral. He said it will not be tax neutral. He said that this tax will not facilitate a harmonization between Canada and the United States, that it will cost us jobs, people and services to the United States. He said this tax will intensify the acceleration of services to the south. "Stop this tax. Earn your money," he told me.

Honourable senators, that does not come from the average Canadian, it does not come from the people who have written these petitions, it comes from a successful businessman, and he is not alone. Last Sunday night I went to a wedding and I was surrounded by several of Senator Eyton's friends, who are my friends as well. They were absolutely outraged at what has happened to the economics of Canada. One specific person said that for the first time in his life—and Senator Eyton will get a letter from our mutual friend on this point—he was thinking about changing his domicile. This is a third generation Canadian. I went to school with him. He is a successful and outstanding businessman. Like his grandfather, and father before him, he has built up a magnificent business in this country. He told me that something is out of whack, and, if you can believe it, he said he is thinking of changing his domicile. The tax is not right. It is like the last straw. The system is cracking. The country is cracking.

Honourable senators, these are not petitions; these are cris de coeur; these are cries from the heart of ordinary, average Canadians, cries from the hearts of entrepreneurs who have made Canada grand. You see them flow from every town in Ontario: Morrisburg, Winchester, Iroquois, Westville, Winchester, and the list goes on and on. Even from Grand Bend, which is one of the great resort areas of the province, there are a dozen names. Here is one from Kitchener, Ontario. Here is one I do not understand. Perhaps it should be excepted. It is from East Detroit. I don't know what it is doing here. I have more from Unionville, Green Acres, Grand Bend and Clearwater. These were Tory towns at one time, Senator Cogger.

Senator Nurgitz: Not East Detroit.

Senator Grafstein: I accept that. I want Senator Cogger to know that I will delete that name because it is not appropriate, even though, under the rules, we are able to receive alien petitions.

Senator Molgat: You mean those were Tory towns.

Senator Grafstein: I will deal with that because I think it is an important issue. There is a grand tradition of Toryism in Ontario. My late father-in-law, may he rest in peace, was a Tory. He was a bagman for the Tories. Ten years after he passed away there was a newspaper article talking about him raising money, as though he were still alive. I came from a Liberal tradition. When I first came to Toronto and he introduced me to Toronto politics and told me how things worked in Ontario. He told me there wouldn't be a Liberal government in this province until hair grew on the palm of his hand. He passed away before the Liberals took power in Ontario, but I can tell you that I was witness—I am sorry that Senator Kelly is not here—to the grand tradition of Toryism in Ontario. Yes, I was a Liberal and fought against Conservatives in campaigns, but I always respected the fact that they represented—and still do represent—a fine, solid and responsive tradition in Ontario. There is nothing, in my view, for a Conservative to be ashamed of. I do not believe in many of the principles that motivate or energize the Conservative Party in Ontario, but I certainly respect their members and I respect the contributions they have made to the growth and development of Ontario.

Senators opposite are familiar with the political demography of Ontario. I was born in London, Ontario. The first campaign I participated in was when John Robarts ran as an alderman in London, Ontario. I must say that I passed out pamphlets against him, but he won by a few votes. So I have some history as a witness to the deep roots of Toryism in Ontario. John Robarts would be turning over in his grave today if he saw these petitions rolling in from his towns. There are petitions from Thamesford, Ontario; Cambridge, Ontario; and Sarnia, Ontario. Town after town, which were once the heart of Toryism, are now remonstrating against this tax. There must be some substance to these petitions if you are a Conservative.

Honourable senators, I held back my own view about this tax until several weeks ago. Senators will forgive me if I remind them that last June I indicated to our caucus I wanted to see the report before I made up my mind.

Senator Nurgitz: So did we.

Senator Grafstein: Honourable senators, I approached the proposition of dealing with this bill in a careful way. I sought advice on the substantive part of it as to whether or not we in the Senate, in fact, had the conventional and constitutional powers to deal with the tax measure. I have satisfied myself that we can. I then got into the substance of the bill by reading a number of the briefs that were presented to the Banking Committee. I read them as they came in—20 or 30 of the 400 that I collected—with some sort of random examination, and then I carefully read the report and went back to some of the briefs. I reluctantly came to the conclusion that this bill was unfixable.

I understand that the Canadian public, the supporters of the traditional parties in this country—and this is an important issue for Liberals and Conservatives—who voted for Tories on one occasion and Liberals on another, and who would never have thought of turning to a third party, are being driven from both our parties as a result of this tax measure. The metropolitan area of Toronto is an inch away from a tax revolt, and I fear something even greater, more dangerous. People are fed up. That is why area after area and town after town signed petitions in such profusion.

How many times have we had a petition stuck in front of us on a main street and brushed by them? These petitions not only include the towns and names, but these petitioners have carefully written down their addresses. Senator Cogger and Senator Nurgitz, these are not anonymous people. If I know a dozen of the 900 names I have in my hands, it may not be a great number, but these are legitimate people. They are not hiding. They are saying to me that if I have some concern about my position as a senator, or any doubts about whether I can turn down a money bill, that this is an extraordinary time—returning to Senator Lucier's comments—in economic terms. By the way, no one sees a light at the end of the tunnel. We are not going to get out of this recession, or worse, depression, in the next six months. This is not a six-month situation. We see that the NDP are up to their usual games in Ontario. They are exaggerating the deficit in Ontario to make their task easier. Why are they doing this? They are doing it because they recognize that times are tough. They want to be able to foreclose the voices within their own caucus, promises to their own supporters, and say that they don't have any money.

So, honourable senators, these heart-felt petitions, which I would like to continue to read, are not superficial. They are substantive because of the names, addresses, regions and towns they represent.

Despite my outbursts from time to time with Senator Beaudoin, I have great respect for men learned in the law. When I graduated from university I intended to go to Osgoode Hall, but the registrar of Western Ontario said to me, after I received sufficient credits for my BA in two years, that she was not going to let me graduate because I had not put in three years. I informed her that I had completed all my courses and I was in a hurry. I said I wanted to go to law school, Osgoode Hall, so that I could come quickly back to London, Ontario, to practice law. She told me I had all my credits, but I had to put in a third year. But she said she would give me my degree if I did two things: go to summer school and take one course and get a D or better, and go to Toronto to visit the greatest legal mind in the country. She wanted me to tell him that I wanted to go law school and seek an interview with him. I asked who this fellow was, and she said, Cecil "Caesar" Augustus Wright. He was then one of the great law reformers of his time. I didn't even know there was a University of Toronto law school. I was a small boy from a small town anxious to get back to London to practice law.

She told me that "Caesar" Wright was born in London, had gone to my high school, and had a warm spot for any London boy.

So I took my old jalopy and went to visit "Caesar" Wright in Toronto. When I entered his office, he reminded me of Franklin Roosevelt. The room was filled with smoke. Down the hall were Bora Laskin and Albert Abel, who were also great law teachers of my generation.

After the smoke cleared a bit he looked up and asked me what I wanted. I said I was there because the registrar had told me to come and have this interview. I said I wanted to get back to my home town of London, Ontario, get my degree and enter Osgoode Hall, because its course was four years as opposed to five years, and I was in a hurry. He told me to sit down and he proceeded to give me a course on what the law should be, not what the law is. From that time until the date of his death he was a mentor of mine. But those three great men, Bora Laskin, Albert Abel and "Caesar" Wright taught one thing over and over again: If you want to be a great lawyer, facts first. Don't listen to what people say. Examine the facts. What are the facts?

Senator Doody: Which petition is this now?

Senator Grafstein: I will come to that in a moment. So, honourable senators, I have tried to examine, as best I could, the facts as they relate to the GST. By the way, there are good arguments on both sides. Ultimately you have to examine the facts and the consequences of those facts. I believe every senator should take his dossier in the next month or so—because we don't know how long it is going to take to get out of this debate—and examine the tax in the way, Senator Beaudoin, that "Caesar" Wright taught that every lawyer—and this place is full of lawyers, perhaps too many—should! Examine the facts. The facts are so unequivocally clear that this is a devastating tax to the people who pay the bills, who pay our pensions and our salaries and who are the consumers who work and make the great engines of the corporations of Ontario operate.

They are petitioning us. Let me continue: Grand Band, Brantford, Morrisburg, Chesterville, Richmond, RR No. 1 Dashwood, Stratford, Windsor, St. Thomas. St. Thomas is the home of that great premier, onion farmer, and great spokesman for the little people, Mitch Hepburn. I am sure that Senator Stanbury will remember from his history books what an extraordinary event it was when Mitch Hepburn became Premier of Ontario. Down the way was Brantford. Who was in Brantford?—the father of Bob Nixon, the last Liberal Premier before David Petersen. Yes, this old Ontario. Each one of those areas is now petitioning, not the House of Commons but the Senate.

• (0400)

That brings me to a basic point that has been argued on the other side. Why is it honourable senators—and this goes to the fairness of the Banking Committee—that all of these petitions are directed to us? Did we instigate these petitions? No we did not. Why is it that all of a sudden the Senate is being petitioned? I talked to Angus Reid last week. I asked him whether he thought we were on a perilous course here. Will the Senate be able to withstand this perilous course that we are entering into, because some people believe that we are taking away, undermining the democratic house? Angus Reid, a respected pollster who has been following the Senate's popularity, said that we were on very safe ground because it is not so much that people have lost respect for the Senate in recent years but that the House of Commons is slipping in public opinion because it has not been representing their views. So they are turning to us as a measure of safety and security, as the chamber of "sober second thought."

Senator Buchanan, who is a new senator, should be interested in this because he will have to go back and justify to his constituents the position he has taken here. Personally I welcome him to the chamber because of the long experience he represents. I want to say to him that I do not in any way, shape or form count myself with that group of people who have made scurrilous, unfair attacks against them. Having said that, we find ourselves, as Angus Reid has pointed out, in a situation where the House of Commons has fallen into disrepute. People are watching every night on the tube and it has never received greater exposure. Why is it, despite able men on both sides, that this is happening? There are able, decent, hard-working men in the Conservative cabinet.

Senator Lucier: And ladies.

Senator Grafstein: I don't like it when people attack public servants. I know the sacrifices they have to make. I chose not to run for public office because I was not prepared to make the sacrifices that those in elected life have to make. So I took up this safer haven here in the Senate. Having said that, I have seen the personal and family sacrifices that public figures who go through the elected process have to pay. I know the ravaging effect it has, having watched from the vantage of a number of federal and provincial campaigns for over 20 years until recently in Ontario. I know the real cost. I can recall a number of senators here whose lives were unfairly ravaged because of the onslaught of the media, and I know the price they had to pay for a few moments of glory. When a man's public career is ripped away from him, it is hard to justify the 10, 20 or 30 years he has spent in political life and watch it disappear in a flash because he has made one or two mistakes. I am sympathetic to that situation.

We know the sacrifices that elected officials make. Senator Stanbury knows. He is one of the great presidents of the Liberal Party and one of the great reformers. Jack Austin knows it. Why is it, after all the sacrifices that have been made by the politicians in the House of Commons, the hours of work they have put in that that institution is held in such low repute? Why are they turning in desperation to the Senate?

I have a complaint. I am proud of the proposition, but it is incorrect, that is being made by Senator Murray and others in the Cabinet, that the country is still being dominated by the Trudeau Liberals. Personally I am proud of that designation because Pierre Trudeau served this country honourably and well. However, it is misdirected toward me because I did not come into the Liberal Party because of Pierre Trudeau. As Senator Cogger knows, I was a member of the Liberal Party before Pierre Trudeau. I consider myself to be a Liberal.

Senator Cogger: He used to get Heward Grafftey's mail.

Senator Grafstein: Exactly, and others as well. Senator Cogger and I came to politics about the same time, and we have been bumping into each other over the past three decades. I turn to honourable senators opposite and ask: Why is it that Parliament has fallen into disrepute? I don't have the answer. We know the facts, and they have been pointed out by Angus Reid. What does he conclude? He concludes that the reason we are on legitimate ground to receive these petitions, and to do as we will, is not because we are representing the democratic will of the public, but because people have no other place to turn to. What a shocking condemnation of the democratic process. There is a fabulous book entitled *The March of Folly*, a history written by Barbara W. Tuchman, a great historian who is well known to all of us. If you read her book,

you may find why it is that the House of Commons has fallen into disrepute. By the way, I don't exempt Liberals from that criticism. I am not suggesting that that is the reason why the House of Commons is down in the public mind and the Senate is up.

According to Angus Reid, 10 to 20 per cent of the population would like to see the Senate stay the way it is, 10 to 20 per cent would like to see the Senate abolished and about 60 per cent would like to see the Senate continue its activities in a somewhat different form. So close to 80 per cent of the public want the Senate. They are not talking about an elected Senate. They are turning to this institution, which has sometimes been called a "moribund appendage", and saying "Boys and girls, do something." Why? Barbara Tuchman talks about misgovernment in her book. She lists some of the keys to misgovernment. For example, she refers to tyranny and oppression. I don't think that pertains here. She refers to excessive ambition. That might be the case. She refers to incompetence. That might be the case. However, the one I find most compelling is the one dealing with folly or perversity, which she describes as the pursuit of a policy contrary to the self-interest of the constituency or the state involved. Self-interest is whatever conduces to the welfare advantage of the body being governed. In these terms, folly is a policy that is counterproductive. People are turning to us through petitions because of the "march of folly" in the government.

Senator Nurgitz: What about the Reform Party and the Bloc Quebecois?

Senator Grafstein: Let us deal with the Reform Party.

Senator Nurgitz: No, no. Why don't you deal with the rise of the Liberal Party?

Senator Grafstein: I am coming to that. I will deal with it, if you like, but later.

Senator Nurgitz: We are not going anywhere.

Senator Grafstein: Right now I want to deal with the Reform Party. I saw something on television last Friday night that scared me. I am sure that if Senator Doyle had seen it, it would have scared him too.

Senator Doyle: "Street Legal"?

Senator Grafstein: It was not "Street Legal", but the news. Sometimes the news is more frightening than "Street Legal." I saw something I found reprehensible and it made me say, "My God, this country is in bad shape." A Conservative member of Parliament—and this relates directly to these petitions and to the Reform Party—got off a plane in Alberta. He was confronted by a group of petitioners who asked him, "Why didn't you vote against the GST?" They were not friendly. It was a miserable and frightening piece of television. I tried to shrug it off. One of the eight new senators is present, and I would like to know what kind of reception he is receiving in his native province. That Member of Parliament had to be escorted under guard of the RCMP to a safe haven in the airport. It was either in Calgary or Edmonton. This was his home town airport. Why? Because people are incensed about the GST, and they were doing their form of petitioning and asking him to explain himself. They said that he didn't represent them, and they described how they felt. For heaven's sake, this is not a matter of conscience; it is a tax measure.

Senator Doyle: Was this last Friday night?

Senator Grafstein: Yes.

Senator Doyle: There was some other frightening news on the television Friday night.

Senator Grafstein: Yes, and I must say that I was not proud of my conduct during those few days.

Senator Nurgitz: That is understandable.

Senator Doody: We accept your apology.

Senator Grafstein: It is not understandable. Honourable senators could have said that their privileges were affected by that conduct, and I would have had to apologize. Again, the circumstances were such that we were stretching the limits of comity. In my view, this country is built on a social contract, an expressible social contract. People do something because they think it is in their interest. They accept things. They go down the right-hand side of the street because they think it is in their interest. They get on the bus at the corner parking lot when no one is watching, but they pay their fare and take their ticket, all because they are law-abiding citizens. Tell honourable senators to go out and talk to people and listen to them. People are outraged over this tax.

The Reform Party's answers are no better. They are simplistic and they are taking cheap shots and demonstrating sanctimonious behaviour. The same goes for the NDP and its sanctimony about this place. For example, Mr. Kaplan is always putting down the Senate on television. Then there is Stephen Lewis with his grand voice; an appointee who likes to put down the Senate. Then we have Audrey McLaughlin promoting the Senate for the first time. That is the height of hypocrisy. So what is the game that the Reform Party and the NDP are playing? They are saying, "A pox on all their houses because they are sticking it to the people." By the way, we will be the beneficiaries of that tactic.

You know, I was not proud of what went on with regard to the Banking, Trade and Commerce Committee or of the complaints of the senators opposite when they said that the committee was not properly handled.

Senator Nurgitz: You are the master of the understatement.

Senator Grafstein: Senator Nurgitz, I can tell you—even though the hour is late; it is 5 a.m.—that it is important, and you can throw it back at me. I was not happy when I went to caucus and I heard about that report. We were not sitting

there giggling and saying that this was terrific. We would have liked the report to come in in a proper fashion.

Senator Nurgitz: What did you say at your caucus?

Senator Grafstein: I can't tell you.

Senator Nurgitz: Did you stand up and say, "We won't do that because it is wrong, because it deprives members of their privileges." Is that what you said?

Senator Grafstein: You know that I cannot respond to that. I think we have to be candid. If comity is to be restored in this place, we do have to have a frank exchange.

However, getting back to my original point, when it comes to these petitions, all senators must understand that these are not ersatz, pseudo-instigated, artificial petitions. They are real, they are important, and they are saying to pull back. What happens if the government decides to pull back on this measure? The MST is being put up there as the great barrier to harmonization. If we pull back, there are other ways to go. The Canadian Tax Foundation has said there are other ways to go, and Boadway has said there are other ways to go. If the government wanted to improve its electoral chances—and I am the last guy on this side to give them any free advice, because you tend to pay for the advice you get—they would be on a better track. However, they are plunging ahead and sticking it to the people with a tax that is so regressive.

The poverty level in Toronto is at $23,000. If your income is below $23,000 in Metropolitan Toronto, you are living below the poverty line. That is devastating. It means you cannot make it from the first of the month to the end of the month. You run out of money about the second or third week and you are scrambling all the time to pay your bills. The average family earns $30,000. How far does $30,000 go with a husband, a wife and two kids? It is below the poverty line. This tax impacts negatively on 46 per cent of the people in that segment of the community. That is what all these petitions are about. These are not fancy, typewritten petitions done on Xerox machines or laser printers by corporations. These petitions are done by people who earn those levels of income, people of "small town" Ontario.

Senator Cogger: May I ask a question. I suggest that the honourable senator take a look at the first petitions that were introduced. You are trying to convince us that people get up in the morning and say, "What can I do to fight this? There is the great Senator Grafstein; I will write to him and maybe my neighbour will write to him." Do you think that we are that dumb? Some of them, particularly those addressed to Senator Hébert, were distributed by the craziest organization in my province. Senator Wood may know them. We call them Les Bérets Blancs. They are the people who go around with the white berets. They publish a paper called "Vers Demain." They are loonies who knock on doors and drive around in crazy cars with white flags with "Death to Taxes" written on them. I don't mind telling you that they are a bunch of loonies and, for starters, that they are a bunch of anti- semites. These people are using Senator Hébert as their spokesman, and you are standing on the floor of the Senate and telling us that you guys are the saviours of the population while we inflict nasty things on the people. Come on, Senator Grafstein! Level with us! Not a single one of those petitions was received by you in your office. The petitions that Senator LeBlanc will deliver in a few minutes were delivered by someone.

Were they not Senator Stanbury?

Senator Stanbury: They certainly were.

Senator Cogger: Senator Stanbury told Senator LeBlanc that the petitions were on his desk. Are we supposed to believe that the good people from the nice little towns of Ontario are getting up in the morning and saying, "Thank the Lord for Senator Grafstein. He will stand up for me in the Senate." Come on!

Senator Grafstein: Allow me to deal with Senator Cogger's point. As lawyers we both know that one can examine ex-parte evidence and determine whether or not on the face of it there appears to be some legitimacy to it or it appears to be illegitimate. When examining these petitions you must ask yourself some questions, such as: Is it all typed out? Are all the signatures the same? Are the names duplicated. Have people put in their names and addresses? In other words, there is a way of determining on the face, page after page, whether the petitions are legitimate. I don't deny that special interest groups sometimes abuse the system. We saw in the last election special interest groups using the system to great effect. However, there is always extraneous evidence. What was it that Cromwell said? I am not of his persuasion, but allow me to paraphrase a piece of advice he gave Parliament when he felt that it was going in the wrong direction and was heading for revolution, "Honourable members, I beseech you, from the bowels of Christ, to contemplate the possiblity that you may be mistaken."

I say to you, Senator Cogger, that maybe that extraneous evidence that we have received paints the right picture. Let me add it up for you. It is not just these petitions, although they are very cogent to me. I have been involved in many political campaigns, and when I see page after page with separate names and addresses and the names of every small town in Ontario, I have to say that there is something here. However, that is not enough. It would not satisfy me and it should not satisfy you. Let us just look at it as one level of proof.

Senator Cogger: Senator Grafstein, you have convinced me that people don't like taxes.

Senator Grafstein: It is more than that. It is not that people don't like taxes. Canadians pay their taxes regularly. I believe I once saw an analysis of countries in the Western World and the habits of their populations with regard to paying taxes. I believe that Canada was one of the top countries when it comes to a law-abiding population that pays its taxes. I don't

think you can argue that people don't understand what is going on here. People do not like to pay taxes but they have paid taxes in abundance over the years. They pay taxes because they want to get service for their money. They want social insurance. They believe in medicare. I believe in medicare. I know what it is. Some of the older senators will recall the era before medicare. They will recall how family fortunes were crippled by family medical misfortunes.

• (0415)

I was a depression baby. I remember how a households had to be mortgaged to pay for medical services. People had to take their kids from areas around where I lived to Toronto for treatment. The other day I talked to Dr. Keon, for I had heard from friends of mine in Toronto what a great Canadian he is. I was appalled by the median treatment he received, appalled how some of the press had dealt him so unfairly.

Senator Doyle: Not just members of the press but members of this chamber.

Senator Grafstein: Not by me, senator.

Senator Doyle: No, but you mentioned the press. The press deserves a lot of blame, but not for the things that were said here last week.

Senator Grafstein: Doctor Keon and other doctors, great doctors, could march out of Canada and make treble the income they make here. I am sure Dr. Keon could make treble the income if he marched south. There are great doctors in Toronto. One of them, Dr. Bob Filer, is at the Sick Children's Hospital. He is an American and is a great friend of mine. He came to Canada because he likes the academics, he likes the atmosphere, he likes the people, and he likes the medical system. He has marched north because he understands that the public is prepared to pay taxes so that we can have a fair medicare system for all citizens.

Senator Cogger says that people don't like to pay taxes. None of us like to pay taxes, but we do and we do it regularly. Why? Because we believe that by paying taxes we are helping ourselves.

Honourable senators, we are all vertical pronouns. We all believe in "I" first, but we believe that by paying our taxes we are going to provide basic services for people who are less able to withstand the vicissitudes of modern society.

Honourable senators, these are the ordinary Canadians to whom John Diefenbaker directed his heart and his voice. Senator Forrestall is sitting there. He will remember those great days of Mr. Diefenbaker. I was privileged to be invited to sit behind him at his last Conservative convention in Ottawa. Despite all of his problems, he did stand up for the average Canadian. I respected that. I travelled with Mr. Diefenbaker to the Holy Land. It was my first visit there and I think it was his first as well. It was one of the great periods of my life.

Honourable senators, I respected John Diefenbaker. When I first came to Ottawa I read the *Globe and Mail* and the *Star*, and I remember what a hatchet job they had done on him. And yes, my hands were not clean, yet we must segregate the cut and thrust of politics from the essence of the man. He believed in the average Canadian. He believed in individual rights, and that is why I respected him. He believed in the Charter of Rights, and that is why I respected him.

Do senators remember his Bill of Rights? Pierre Trudeau would not have brought in the Charter of Rights without John Diefenbaker's Bill of Rights preceding it. I know that. Let the record be clear.

By the way, every—and I shouldn't use this expression, but I will—"smart-A" lawyer said, "Boy, oh boy, that bill of Rights is no good. We are common law lawyers. A charter of rights? Come on, you're in the wrong wicket, Grafstein." I said, "Wait a second. It is going to establish a new standard for the respect of individual liberties." And it was Diefenbaker who did that. He had to convince not just Liberals but Conservatives in his own caucus. The great, intelligent legal minds were saying, "Boy, of boy, you can't do this, John. It won't work. It will only effect federal jurisdiction. It won't have an impact."

Well, honourable senators, it did have an impact. What was that all about? It was all respect for individual rights, for the little guy.

All of us are jaded. We are jaded by success, we are jaded by age. We are jaded by the scars of experience. But sometimes, honourable senators, we have to listen. I listened to these petitions. I read those briefs. I say to Senator Cogger that he should go and talk to the people. Just talk to the average guy. Talk to the guy who is making $35,000 a year, who is living in a small house, trying to keep up his mortgage payments, trying to pay his food bills and telephone bills and trying to take his family to McDonald's.

That brings to mind another Canadian example. George Cohan, the President of McDonald's, one of the great fast food enterprises in the world, not only chose to work in Canada but gave up his American citizenship and became a Canadian. He was brought up in Chicago. I met him when he first came to Toronto. Last week I asked George, "What do you think about the GST?" He said, "I'll send you my brief." I said, "George, I have heard the special pleas from the food industry and from the fast food industry. I know you feel that there is discrimination between the packaged goods business and others." I use his name because he sent me his brief. I asked him whether I could quote from it, and he said, "Here it is. Quote from it."

Mr. Cohan said, "I employ 55,000 Canadians, most of them young people. If this goes through, I am going to have to cut back. Why? Because price points are sensitive. You know what the public is like. I am going to have to cut back. I don't want to cut back. I want to grow in Canada. I came here prepared to grow in Canada."

By the way, honourable senators, George Cohan is also one of the great business pioneers of this country. He launched, after 15 years of hard work, McDonald's restaurant in Russia. The Canadian company, not the American company, established McDonald's in Moscow. That establishment, per square foot, is the greatest revenue-producing restaurant in the world. He is not some bogus individual, Senator Cogger. He is a real Canadian by choice, not like you and me. We were born here. He chose to become a Canadian. He chose to grow a company. He grew it in a magnificent way. His charitable largesse is known not just to this side of the house but to the Prime Minister and the Prime Minister's wife.

I was at a banquet last year where he wrote out a cheque in the amount of $50,000 in aid of the Prime Minister's wife's charity. This is not an inconsiderable Canadian. He is a great Canadian. He is known around the world. He has brought glory to Canada because of his activities. And he said to me, "Stop the tax." That is what he said. Why? "Not that I am selfish," he said, "but I want to employ Canadians. This tax will be a disincentive. I will have to cut back."

Senator Cogger: Can I tell you a story of my own?

Senator Grafstein: Excuse me, Senator Cogger—

Senator Cogger: I just wanted to give you a break for a minute.

Senator Grafstein: Sure.

Senator Cogger: Senator, I would be more impressed if this were the first time. I am younger than you in the Senate, but a similar story is very vivid in my mind.

Back in 1987, when the government introduced Bill C-22, the so-called "drug bill", this was my first experience on a massive piece of legislation facing this side of the house. For months and months we listened to horror stories. We travelled the country under the chairmanship of Senator Bonnell. Petitions came out by the truckload.

And the Liberal Party, not unlike what it is doing today, sensed the public opinion polls. They could see a good thing. The story came out that if the government had the nerve or the gall to bring in Bill C-22, the world would come to an end—the price of drugs would go right through the roof and the pharmaceutical companies would never fulfil their promises in terms of research and development. It was exactly the same scenario. But the government took its responsibilities and passed Bill C-22, virtually over the dead bodies of Liberal senators.

A year or two later, the Drug Prices Review Board reported that the price of drugs had actually decreased slightly, and that the investments in terms of research and development were right on target. So, for all the horror stories we heard from the mouths of Liberal senators purporting to speak on behalf of the ordinary Canadian—

Senator Grafstein: Did I speak during all of that?

Senator Cogger: Did you speak during that?

Senator Grafstein: Did I?

Senator Cogger: I don't know, but if you didn't, you must have been the only one who didn't. Everyone else seems to have.

What I am saying is that what we are living through right now is exactly the same scenario—basically a bunch of Liberal senators purporting to speak on behalf of the ordinary Canadian, riding the wave of public opinion for political purposes, while the Conservative government is taking its responsibility, which is to straighten out years and years of Liberal mismanagement. That's all it is.

Senator Grafstein: Senator Cogger, I will respond as best I can to what I think is an important point. Perhaps we should start again with my own admonition to myself, which is this: Let us refer that legislation to a committee of the Senate. Let us examine it on an objective basis in a committee chaired by a Conservative. Let us examine the cost push on drugs since the passage of that bill.

Let me tell you, senator, that I cannot respond to that issue other than by hearsay. Therefore, much of what I have to say should be discounted. But doctors tell me that it is a rip-off. I can name you one—

Senator Cogger: But, Senator Grafstein, I am talking to you about the first annual report of the Drug Price Review Board. I am not talking to you about hearsay or doctors telling you this or that. You can talk to Senator Haidasz and he will tell you that everything is a rip-off. What about the Drug Prices Review Board? It is chaired by a doctor appointed by the government. I can't remember his name, but he is famous. He is not a Tory. He is a medical authority. What is wrong with that? Does it hurt to admit that a government did the right thing and that the horrible consequences predicted by senators opposite never happened? Does that hurt?

Senator Grafstein: Senator Cogger, I started this speech by indicating that the first and important issue to me as a senator when I first came here was the payment of compensation to Japanese Canadians. The government that appointed me, the Prime Minister who appointed me, and the party that supported me, would not support me in that proposition. I had to wait for four years, when a Conservative government fulfilled the pledge it made in the 1984 campaign.

I am not standing here suggesting that either side of the house is all wise, but let us carefully look at the evidence here and see whether the circumstances are comparable to the circumstances surrounding the drug bill.

By the way, senator, I am not at all suggesting that I agree with your conclusions. I have not examined or studied that report. But I will respond on that at the proper time. I am suggesting that if we are not satisfied with the competence or the quality of that material, there are other ways in which the

Senate can deal with it. I think it is an important issue. Research and development in health care is a concern to all of us. The price of drugs is a concern to all of us; there is no question about that.

I must say, however, just to clarify motivations, that many senators on this side were not motivated solely because of the public appeal on that measure. I did not speak to that measure. But many senators on this side of the house believe with an almost religious fervour that medical costs, direct and indirect, should be contained. In support of that, they can give me a good example. If you examine the GNP of the United States you will find that somewhere between 11 and 12 per cent of their GNP is allocated to medical costs, direct and indirect. In Canada, it is 9 per cent. That 2 per cent difference is a large spread. Why is that? It is because of medicare and because we contain costs.

Many senators on this side—and I cannot speak for all of them—were motivated by the same impulse that motivated them with respect to the medical bill, to begin with. So, yes, there are partisan senators on this side. I would be surprised if there were none on your side. You have made your case and I will in my own way deal with it, but I can't answer it now because I have not read the report. I did not speak in that debate.

Honourable senators, we are not riding a wave here. We are not fools. We know full well that the radical position we have taken on this bill bodes ill for ourselves as senators. But the Senate will change as a result of our efforts here. This was not an unconscious act. I was surprised, frankly, when many senators around the table said, "Look, we know this means that the institution, that many revere, may change." Many senators—Senator Molgat and others—have served this chamber well. Senator Lang is a good example of this. Have you ever asked yourself, Senator Cogger, why it is that Dan Lang, as independent an individual as you are going to find in this chamber, found himself to be dead set against the GST? Where is the partisanship for him?

Senator Cogger: The last I heard, Senator Lang didn't indicate to anyone how he was going to vote. You are revealing secrets here.

Senator Grafstein: I hope I am not betraying a confidence, but he told me a day or two ago—I think he told me twice, as a matter of fact—

Senator Cogger: Why would Senator Molson, who enjoys the same qualities—

Senator Grafstein: We don't know how Senator Molson is going to vote.

Senator Cogger: —would appear to be voting in favour of the GST?

Senator Grafstein: We don't know how Senator Molson is going to vote. We don't know how Senator Pitfield is going to vote. The reason I say that is that I was at lunch with Senator Lang and Senator Molson and I can tell you that Senator Molson held his fire, but Senator Lang said, "I am against the GST for a lot of reasons."

Senator Lucier: Senator Lang said that to the press, as well.

Senator Grafstein: He said it to the press, and that is why, honourable senators, I think it is appropriate for me to comment on it. Doesn't that say something to you, Senator Cogger? Senator Lang is three years away from retirement.

Senator Cogger: It tells me that some smart, intelligent, well-intentioned people may well be on the other side of my position. I will buy that at any time. We do not own the truth. We do not have a monopoly.

I will tell you one thing, though. What I find hard to take, making a comparison with Bill C-22, is hearing most of you guys opposite saying, "Most people don't want it. Therefore, abdicate your leadership and drop the bill."

That was the position taken on Bill C-22. We travelled the country. The majority of the people didn't want it, so we were told to forget leadership and drop the thing. Well, that is not the way a Conservative government operates.

Senator Grafstein: I respect that position.

Senator Lucier: That is why you have hit 15 per cent in the polls.

Senator Cogger: Yes, but there was an election held between the passage of Bill C-22 and now, and the Conservative government is still in power.

Senator Lucier: Senator Cogger, for you to stand in your place and suggest for five seconds that the people of Canada think that Bill C-22 was good for them is an absolute misrepresentation of what the people of Canada think. They knew that Bill C-22 was a mistake and they still know it. They know that drug prices are higher because of it and they know that the Conservative government have sold Canadians out to foreign interests. They know it and they always knew it.

Senator Cogger: They know all that, yet they voted again for the Conservative government. You don't think much of the Canadian people, do you?

Senator Lucier: I think a lot of the Canadian people. I think if you check you will find that a lot fewer voted for you last time than the time before, and you are going right through the bottom of the floor the next time.

Senator Grafstein: Senator Cogger raises a point and I want to differ, if I may, with Senator Lucier. I don't disagree with the thrust of his comments, but I want to question one of his underlying themes, and that is nationalism—mindless, knee-jerk nationalism: nationalism that corrodes, nationalism that corrupts and nationalism that destroys. I am not suggesting at all that Senator Lucier is of this school of thought, but there are knee-jerk nationalists in our party who say that if it is

Yankee it is bad. And there are people on our side who say that if America leads the way, even if it is for the right purpose, it is bad. I don't find myself a member of that school of thought.

I will tell senators why I don't find myself taking that point of view. I don't believe that as Canadians we can promote this arid, narrow, parochial nationalism vis-à-vis the United States without letting loose serious and dangerous ideas. I said this to Walter Gordon, one of my great mentors in the early days. I was not and am not an economic nationalist. I am a cultural nationalist, there is no question about that. I think we have to defend our culture against that of the United States. I think we have to set up the appropriate protective barriers in the form of CBC, Telefilm, and so on, to preserve Canadian culture. While I think it is important to preserve a national culture, I am not an economic nationalist.

There is a reason that I am not an economic nationalist. As I said to myself and to Walter Gordon in the early sixties, how can you be an economic nationalist sitting in Toronto and at the same time deny that same impulse to Quebecers? You cannot. It is not consistent. If it is all right to promote narrow nationalism, the national idea in Toronto, it is not equally valid to do so in Quebec. I do not believe it is possible to build a nation on arid, narrow nationalism. I am not of that school.

Senator Lucier must forgive me, but I think that we have to examine the Canada-U.S. situation. I do not think we should needlessly throw money at the Americans, but there is a cost benefit involved in their investments. In defence of Senator Lucier, I can tell honourable senators that the greatest, fantastic, nationalists of the most exotic and perverse types happen to be Americans. If one wanted to do a very careful study on the barriers to Canadian investment in America, think about this—just think about this: We let the American banks come into the country and welcomed them, yet when we tried to go the other way, they said, "Wait a second. We want access to your entire countryside, but Congress won't allow Canadian banks access to our countryside."

Senator Lucier: The same is true with respect to energy.

Senator Stanbury: Yes, and coastal shipping.

Senator Grafstein: We could go through area after area and find that there are hidden barriers of access to the American marketplace. When they talk about a level playing field, God bless the Americans.

When I was a young lawyer I went to Washington to plead a case under a provision of the trade act. It dealt with a broadcasting issue. I will not get into the arguments presented, but I went to the Federal Trade Commission. I led the Canadian contingent and I felt I won that case. The facts were right. The law was right. I had the law. I had the facts. I walked into that tribunal and said, "My God, here I am in Washington, this kid from London." I took those big, fancy Washington lawyers on and I beat them. All of my clients were happy. They said, "You did a hell of a job. You beat them. You proved them wrong in law. You beat them on the facts. We just have to wait for the decision." The Washington lawyer on the other side phoned me several months later. The decision had not come out from the Trade Office. I wondered why. He said to me, "Grafstein, do you want to settle?" I said, "Settle? Hell, I beat you. You know I beat you. Your clients know I beat you." He said, "Look, do you want to settle? You are going to lose." I said, "Look, I believe in American justice. I believe in American trade law. I am going to win this case."

Two or three weeks later I got a call informing me that the decision had come out. The most important issue had been found against me. I said, "That's impossible." I was told there was a problem. When I asked what the problem was, I was told that the law had been changed a couple of weeks previously. I said, "Wait a second. You can't rig the law." I was told that I had better go down to talk to one of the southern senators, who was Chairman of the Subcommittee on Commerce. I petitioned that senator. I told him that it was not fair, that we Canadians were big friends of the U.S. and that the law was clear. I told him that he had changed the definition on me and had changed the law after the fact. He said, "What are you getting upset about, Grafstein? You are a bright, young fellow. What are you getting upset about? That is the way we harmonize our laws." I said, "Harmonize? You have just destroyed my case." He said, "Look, when American interests are involved, we have got to harmonize the law to protect American interests."

So, Senator Lucier, I say to you that I am not a nationalist. I am not, but I can understand that if you deal with Americans—and I respect them and I respect the way they protect their home base—you have to be capable, you have to be tough and you have to be aware.

• (0430)

I am not of the narrow nationalist school, yet I am not innocent. If you want to make your way in the United States with Americans we must give tit for tat. However, the argument on nationalism can be deferred for another day.

Honourable senators, I will conclude this portion of the reading of the petitions with naming a few more Ontario towns that I have not mentioned before so that the record is clear that these towns and the people from these towns are petitioning us against the goods and services bill.

Senator Cogger, before I conclude I wish to say to you that you are a superb politician and political advisor. You have been involved in many grand battles for good causes. The one thing that you are known for is that you can read public opinion—good public opinion and bad public opinion. You can segregate between what is floss and dross and what is substantive. Do for yourself, as I did. The one thing that we have in this place is a lifetime appointment. We do not have to play the partisan game if we do not choose to do so. Some of the senators on this side choose not to be partisan. Some of them

have become independent. All I can do is use reason and persuasion and say to you: do what I have done. Step back. Go through some of these petitions. Sift through the evidence. Test the water with people you respect in the business community and at the working levels of Quebec that you know so well. Put the proposition to them fairly. Go through the tax categories and ask them what they think.

Ask them if the bill is fair. Ask if there are other alternatives. By the way, we already know, experts have told us, that there are other alternatives to the GST. This is a bad tax at a bad time. It is counter productive to all your other policies. Turn back and listen to the voices of Thetford, Ontario; Dashwood, Ontario; Watford, Ontario; Kitchener, Ontario; Sarnia, Ontario; Mississauga, Ontario; Welland, Ontario; London, Ontario; Lambeth, Ontario—Lambeth just outside of St. Thomas, a great town and a great place to spend some time on a Saturday night whether you are sober or not; Stratford; Dundas; Mitchell, Ontario; Barrie; Hillhurst; Ascott; Burlington; Etobicoke; Waterloo; RR No. 3 Parkhill; Windsor; Stratford; Brantford, Brantford, and Brantford; Strathroy; Woodstock; Lambeth again; Mount Forest; Waterloo; St. Thomas; a large number of petitions from Grand Bend—someone was very active in Grand Bend; London—all parts of London, east and west and north and south. I know these addresses well. These petitioners live in all parts of London. The rich in the north, and the south end where I came from, the poor in the east end and west end-they are all here. Someone was doing a good job in London, my home town. I walked those streets. I also have some petitioners from Ailsa Craig, Ontario. Senator Stanbury, I have one from Ailsa Craig. What does that say to you?

Senator Stanbury: Exeter, Huntsville, Bruce, and so on.

Senator Grafstein: Senator Stanbury's father was a judge and his brother was a cabinet minister. They came from that part of the world as well. They are greatly respected and have deep roots there in south-western Ontario. Senator Stanbury is near the age where partisan politics is not as important to him as it once was. He has not been actively engaged in partisan politics, and I am only speaking of the past few years. He served the Liberal Party nobly and with great distinction. He was a superb National Party President. Why is he here tonight in the middle of the night? Is it just for partisan politics to catch the public wave so that the Liberals can glide back in? Why is Dick Stanbury so upset about this bill? Ask yourself that. I ask myself that. We came to the same conclusions, Dick, independently, did we not? We did not compare notes and say "By the way, let us ride the public wave here." We chatted about it over the spring and summer. Were you on the Banking committee, Dick?

Senator Stanbury: No.

Senator Grafstein: I wasn't on the Banking committee either. Yet we waited until the report of the committee and decided against the bill on the evidence.

I have a petition from Guelph, from Woodstock, from Knightshill, from Wonderland—what a great place—and from Lucan. Why Lucan? What does Lucan say about this issue? One who was born a Canadian and became one of the world's greatest economists in the United States came from Lucan. Do you remember his name?

Senator Austin: Galbraith.

Senator Grafstein: What do you think John Kenneth Galbraith would make of this tax at this time? Do you remember his seminal studies about the "Great Depression"? If I recall correctly, his initial benchmark work was based on the causes of the "Great Depression."

What were the causes of that "Depression"? You can read the Pierre Berton book if you choose. Berton's book includes poignant vignettes of the family tragedies across Canada that occured as a result of the "Depression," yet Galbraith came to his conclusions as an economist because of the impact that the "Depression" had on Lucan and that area of southwestern Ontario. That area was inhabited by Scottish stock and was a proud farming community. Gailbraith was transformed and his life and ideas were shaped by the impact of the "Depression" on his family and friends in that part of Ontario. Senator Stanbury, you have been there many times, as have I.

What were the lessons of the "Great Depression"? Wrong policies at the wrong time. Instead of pulling the ship of state out of its downward spiral, misguided national policies pushed the ship of state into the mud. One suggestion was to raise the taxes, remember? That was one suggestion that Hoover made. Do you know what happened to Hoover? Was it a similar time and similar circumstances.

God, does history not tell us anything? We are on the edge of a depression! Senator Lucier put this to me: we are on the edge of a bloody depression! Tell me what senator says that we are not. Tell me if this tax will help pull us out of the mud or stick us down further.

Senator Lucier: It will drive us in.

Senator Grafstein: It will drive us down, down, down. Is this not, as Barbara Tuchman said, the "March of Folly," a perverse counter-productive approach to public policy at a time when people are saying that such a tax is stupid? Interest rates are too high, the dollar is too strong, and the GST will increase inflation, keeping interest rates unconscionably high.

What did we read yesterday? We read that big business wanted lower rates. God bless them, they are terrific! I want to say something to Senator Cogger. I remember the support of the business community, the business council, the big brains, the pooh-bahs of this country. I like them; they are great guys. They are great to have a beer with when they drink beer, or to have a cocktail with when they drink a cocktail. But at times their collective wisdom is lacking. All of a sudden they tell the government, "By the way, boys, by the way, government, we

are your supporters, we are your friends, and you, government, you are wrong, your policies are wrong."

Senator Stanbury: We put you there.

Senator Grafstein: "We put you there, but you are wrong. You were okay six months ago but now you are wrong. High interest rates are killing us," big business now tells the government.

I will make a prediction. You said to me, "Predict what happens afterward. You are causing a lot of fuss and bother. Predict what will happen." Using the drug case as an example, you tell me we will regret our opposition to the GST because the opposition is based on fiction. But you told Canada there would be no negative impact, that the tax would be neutral. I will predict this: If the GST goes through, the economy will take a deeper dive. Those same fairweather friends who support you now and say, "We want the GST. Get rid of this manufacturing tax so we can harmonize our tax regime with the United States so we can compete." But Canadians are not told, by the way, that the United States does not have a value added tax. You can harmonize income and capital taxes but not a consumption tax. GST touches every Canadian. The other taxes only a segment of the Canadian population. Is this consistent harmonization? Talk to your fairweather business friends and you will see that they will say, "By the way, hold off on the GST." Some of your fairweather businesses are telling you that now.

Let me give you a poignant example that you will remember. I may get splattered for bringing this example to your attention. Let us be candid with one another. Business, big business, will tell you one thing today and something else tomorrow. Many of us have acted for these fellows and we know the limitations of their thought processes. These businessmen are concerned, serious and legitimate, but they don't have time to think things through. We in the Senate are supposed to have time to think things through. That it is what we are getting paid for.

Senator Lucier: They are looking after their self interest.

Senator Grafstein: That is fair enough. Each Canadian should look after his or her self interest. That is a good Canadian way too, Senator Lucier. But when it affects the national interest, we have to pause and give it—what is it called?—the second sober thought. Those fancy business organizations are telling us, one after another, that we have to bring in this tax, but "Not for my industry, of course, because if you hit mine, it will hurt. You will kill me."

I remember in the last decade, I believe my memory is correct, that the president of every chartered bank in this country at the time—and Senator Cogger will remember this full well—said that "Wages and price controls should not be imposed." Do you remember what they said at that time? They said to bring in wages and price controls, every one of them. But after the election every one of them changed his mind after wages and price controls were introduced. They did a flip. We were hammered in that 1974 election campaign because we took on Stanfield and attacked him for that measure. Some months later Liberals adopted wages and price controls because there was total agreement from big business. Yet they suddenly changed their minds after the legislation was passed. Let us be candid. Senator Nurgitz wants me to be candid and I will be candid.

Senator Cogger: That is nothing to be proud of.

The Hon. the Acting Speaker: Senator Grafstein, I did not say "candid" I said "candid for a change".

Senator Grafstein: But the government changed the policy and each one of those bankers reversed gears. They said, "You have to do it now." Every president of every chartered bank within 60 days or 90 days then did a flip flop, if you will recall.

Senator Cogger: What are you saying, that this was a dispute during the election?

Senator Grafstein: No. My point is evidence. You have asked about the quality of evidence. I tell you to look at the evidence and examine the source and see if you can agree with that source in your own heart and mind. I cannot agree with the evidence presented in support of the GST.

I am prepared to listen to argument. We will have many weeks of argument about the GST. In the course of that exchange I hope we will hear these cogent arguments, and those of us who feel differently will have to bring to this high court of Parliament for not just yourselves but others, the alternatives we believe are preferable.

I can tell you, honourable senators, that Canadians will not sit still. Canadians are not finished with us yet. We senators are being approached. If you can believe it, Senator Cogger, we are being approached by the national unions. The Liberal Party is now being approached by the national unions to remonstrate against this tax.

Senator Lucier: You mean the Liberal Senate.

Senator Grafstein: Yes the Liberal Senate. Imagine! Why are they doing this? Why would they come to us? For a narrow partisan game? The unions are just as self serving as big business is self serving. Yet it is compelling to me when they feel that the only instrument in this country that can represent their viewpoint is the Senate—not just us, but you on this side. They are coming this weekend to petition us yet again. Are they not, Senator Lucier and Senator Stanbury? Have we not heard that, Senator Romeo Leblanc? They are coming here this weekend. Did we invite them, or did they say, "May we come to Ottawa to meet with you?" Imagine, the CLC—Shirley Carr and whoever else is behind their network—are coming. Why would they be doing this? Over and over again they have, said, "Abolish the Senate." Ha, Ha! Life will be better without this Senate. Yet they now come cap in hand and say, "Come on, come help us on this. We are

worried. We are losing jobs. Business people tell us that they will lose more jobs."

John Bulloch, a great supporter of the Conservative Party and a great Canadian, has become the voice of small business in this country all on his own. He hits us and he helps you. But on this one, where is he? Is he up there with Tom D'Aquino? I don't think so. What does he say? That is evidence. That is also a petition. He represents practically all the small businessmen in this country. What is labour and small business saying? They are saying the same things as the people from Zurich, Ontario; Seaford, Ontario; St. Claire, Ontario—that doesn't even look like a town.

Senator Lucier: Yes it is.

Senator Grafstein: And Plattsburg, Ontario. Senators, if Parliament is a court, if Parliament is the nation's great assize— Senator Nurgitz is looking at the ceiling and drifting off to another land because he might have heard this before, but maybe he will suspend his judgment because he is a great senator. We have joined common cause on at least one occasion.

The Hon. the Acting Speaker: That is right.

Senator Grafstein: If we senators have suspended judgment and if we have a scintella, an iota, a particle, a jot, a drop of sober second thought—not a full glass but half a glass—if we can look at all this evidence and draw back from out partisan positions, we will not be persuaded on the civil law test of the balance of probabilities. Senator Cogger and honourable senators on the other side, it would not have convinced me to be satisfied that I should bring these petitions and I should sit here all night to remonstrate against this bill if I were not convinced that it is not merely on the balance of probabilities that this tax is detrimental to the country.

It cannot be unwound once it is put in place. Once it is there you cannot unwind this mother and father of a tax! If we set up this tax it cannot be undone. The drug situation is a narrow issue, Senator Cogger. The GST touches every Canadian. Once we put this tax in place we will never be able to unwind ourselves from it. If we do, the costs of unwinding it will be horrendous. And who pays the shot coming and going? The poor Canadian taxpayer.

Senator Lucier: It isn't possible.

Senator Grafstein: It is improbable and difficult. We will then have to do a lot of other things. The system will be distorted yet again. We will have to start pump priming industry and put subsidies in place to preserve jobs. Rather than bringing down the cost of government, we will have to increase the cost of government to keep jobs here. This tax will be counter productive.

What about the independent economic evidence before that committee? Read it. Conservatives, Liberals and NDP are all equally concerned about the counter productive impact of this tax measure. What more do we need? The test for me on turning back a tax measure is not the balance of probabilities in this great high court of Parliament in which we all sit as judge and jury, the test should be that the evidence against the tax at this time must be beyond a reasonable doubt.

I say to honourable senators opposite that if I can't, and if they can't—particularly the new senators—come to a conclusion beyond a reasonable doubt that this tax measure that is based on these petitions is incorrect, vote for this tax measure. Push it through. Put us to the wall. But, if in your heart of hearts, in that clear moment in the early morning—it is 6 o'clock in the morning now, but later on today when senators rest and wake up and confront their Maker for the first time at the beginning of a fresh day, these senators should ask themselves what about those fellows over on the other side? Why are they doing this? Is it for the good of their health? Do you think Senator Croll, who is 90 years old, came here to speak because of partisanship? Another senator, who shall remain nameless and who has a serious heart condition, said to me, and not jocularly either, "If something happens to me, make sure it happens to me in the chamber and hold up my right hand because I want to vote, living or dead, against this tax, because of the terrible consequences on ordinary Canadians."

An Hon. Senator: For heaven's sake!

Senator Grafstein: He was not saying that as a joke. This was not a partisan gesture. That was a heartfelt concern that this measure contributes a deteriorating, damaging tax policy that will affect senators on this side and senators on that side. But more than that, it will affect our children. We will not pay for the consequences of this measure. We will not pay the consequences to Canada. We are protected. Most of us here have a fairly good protective base for the foreseeable future, at least.

Senators opposite could say to themselves that perhaps they should give these petitions a second look and a second thought. They should say to themselves, "Maybe that guy Grafstein is not totally out of control. Maybe 5 per cent of what he says about these petitions has some merit." Perhaps these petitions containing these thousands of names of Canadian citizens mean something. Don't totally discount them. Do what a good judge does. Cut them in half. Discount half the petitions. Take half of them and say to yourselves, "If these petitions have half the weight one should give to these individual names of people from every small town in Ontario, then there must be something to their concerns." Certainly that should be somewhat persuasive—not totally, though—to cause some of you individual senators to look through the evidence, yet again.

Each of you should do this in your own way. If you come to the conclusion that we Liberal senators and those independent senators who are against it are wrong, so be it. We will all pay a fancy price, our party will pay a fancy price at the next election.

I humbly conclude by saying that these petitions should not only be received but they should also be listened to. Any government that stops listening to the people does not, in my view, justify the support of people who pay their wages.

Senator Austin: Honourable senators, I have the honour to present some petitions.

Senator Richard J. Doyle: Could I ask a question of Senator Grafstein?

Senator Austin: Yes, indeed.

Senator Doyle: Thank you very much. In the interest of candour in examining the petitions that you have submitted, could you tell us how many of them have come from the solicitation and organization of a single network headed by a former would-be Liberal candidate who resides in Ottawa, named Maude Barlow? I am not degrading or downgrading them because they came from that source, but it is a very high-powered organization that has been dealing in petitions.

Senator Grafstein: The petitions I have are divided into two parts. Many of them come from a group called the Irate Citizens of Peterborough, Ontario, if that is the organization that you were eluding to. Others, which I have not submitted, are equally numerous and documented. I have not submitted them here because they are not in a form that is fully proper. There is a prayer at the beginning of each of them but there is not a prayer on each page. I held back submitting a larger number of petitions because they just state at the top, "No To GST." There doesn't appear to be any pattern here because they are on note paper, loose leaf paper, and each signature appears to be different. There are petitions from Totenham, Woodbridge, Bondhead, Exeter, Bradford, Rockwood, and Aliston. It goes on for page, after page, after page. Every small town in Ontario is represented in these petitions.

Senator Doyle: But how did the pages get from Ailsa Craig to Beaton to wherever?

Senator Grafstein: I have no idea. I assumed that it was a group or individuals who felt so very upset about this and went out on the streets of these towns and collected these signatures. I assume that is how it happened.

Senator Doyle: But you have suggested to us that sometimes their names are on one sheet from town to town.

Senator Grafstein: No. My point is that on each sheet it says at the top, "No To GST." I don't believe these have a proper prayer, and therefore, I am not submitting them but the others are in proper form. The ones I have eluded to and submitted are in proper form. There is a petition, a prayer, and a signature and they are all signed in the proper form. I am satisfied that these are in proper form. However, I am not submitting the larger number which include many of these small towns.

Let us take your suggestion at its face value. Let us suggest that it is one or two individuals, for whatever reason.

Senator Doyle: It was not a suggestion, it was a question.

Senator Grafstein: I don't know the answer to the question. I am suggesting to you that these petitions do not appear in proper form. Therefore, I am not presenting them. The others do, however. All the addresses, and so on, that I have mentioned come from a group entitled, "Irate Citizens, Box 1473, Peterborough, Ontario." The telephone number is here. You can phone them if you like. The postal code is K9J 7A7 and the telephone number is 705-741-1565.

[*Editor's Note: For continuation of proceedings see Issue No. 97F.*]

THE SENATE

Tuesday, October 9, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 97E.*]

● (0445)

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Jack Austin: Honourable senators, I have the honour to present petitions entrusted to me by Canadian citizens who are resident in the province of British Columbia. These petitions address the question of the proposed goods and services tax, which is embodied in Bill C-62 that appears elsewhere on our order paper. The petitions are derived from many communities in British Columbia.

I have travelled extensively throughout my province and recognize many of these communities as now experiencing severe economic conditions. I am convinced that the pressures of the GST, along with the rising price of oil, high interest rates, increasing unemployment and a high Canadian dollar, which has a serious impact on the natural resource producers of my province of British Columbia, have created a substantial anxiety. A number of British Columbians have said to me over many months—and the message remains constant—that they fear that the introduction of a GST will add to their economic burdens; that the economy is slowing, and that, adding a further burden to consumers will depress consumer demand and result in an even worse economic status than they now have.

Honourable senators, I have petitions in hand from Naramata, Penticton, Vancouver, Fernie, Kelowna, Sparwood, Hosmer, Richmond, Nanaimo, Qualicum Beach, Beaver Creek, Ladysmith, Duncan, Nanoose, Langley, Prince Rupert, Shamanus—indeed from every part of the province of British Columbia, including some of the smallest communities such as Port Hardy, which is on the northern coast of Vancouver Island.

There are people on this petition whose addresses include trailer parks, general delivery and rural areas in British Columbia. These are people from all walks of life in the affairs of the province of British Columbia who have not only derived their concern about the GST from their experiences as consumers, employees and small business persons in the economy, but from listening to the views of the provincial government and the opposition party in the province of British Columbia.

Honourable senators will know that the legislature of British Columbia has sent a unanimous resolution to the Government of Canada—to this Parliament—asking that the GST not proceed. A unanimous resolution means that the Government of British Columbia, which is led by the Social Credit Party, and the opposition, which is the New Democratic Party, have agreed. There is widespread endorsement of the provincial government's position throughout British Columbia.

Labour unions endorse it. Leading business groups endorse it. Indeed, one of our business leaders, Hugh Fletcher, who is the chairman of Fletcher Challenge, a major pulp and paper company in the province of British Columbia, which is connected to a New Zealand parent, has advised us that the timing of the tax in British Columbia will create a serious cost to the forest industry, which makes up 50 per cent of the gross domestic product of the province of British Columbia taken directly and indirectly.

Honourable senators, the province of British Columbia is so concerned with a GST tax that it is proceeding with an action against that tax in the courts of British Columbia. The province is asking the courts to rule that this tax is unconstitutional.

Honourable senators, I am not addressing the question of whether or not the litigation that has been commenced by the province of British Columbia is well founded or likely to succeed. I am bringing to the attention of honourable senators, through these petitions and the underlying evidence that supports these petitions, the grave concern that exists in my province with respect to the governance of Canada by the Mulroney government and, in particular, the impact of the GST.

Honourable senators, it may not be important for the Conservative Party to know that its standing in British Columbia is fourth among the political parties represented in my province at 9 per cent. It may not be of concern for honourable senators opposite to know that many Conservative members of Parliament in British Columbia are quoted in the press as being personally opposed to the GST or acknowledging the widespread resistance to the GST that they are hearing from the residents of British Columbia. I will not read newspaper articles into the record which quote Conservative members of Parliament—I will spare you that—but I am prepared to show these articles to any honourable senator who wishes to see them. The petitions that I have in hand and will deliver also show, in my view, the recognition by a broad group in my province that this GST is regressive and will unduly injure the economic welfare of people in the lower half of the economy. In fact, substantial evidence has been produced which indicates this will be the result. I turn to an article in the *Toronto Star* of October 11. I apologize for the incongruity of the date, honourable senators, because, as everyone knows, the Senate is still considered to be sitting on October 9. I hope you will not be confused. I am sure you will not be.

The article refers to a study in the *Canadian Tax Journal*, which is one of the leading professional periodicals among tax professionals. The study, which is under the name of Pat Grady of Global Economics Ltd. of Ottawa, says that an astonishing 46 per cent of families that earn less than $30,000 will be worse off under the GST. The analysis shows a substantially larger negative impact for all family types and income levels than does the analysis reported by the Department of Finance in its technical paper on the GST. The article goes on to explain the difference in methodology, the arguments with respect to the work of the Department of Finance and its conclusions.

Honourable senators, our petitioners from British Columbia have more than enough reason today to be generally concerned and anxious. Apart from the evidence they see in their own communities, nationally they see evidence of the declining economy of Canada. In a further story of the *Toronto Star* for October 11, which we have not yet arrived at, you see a headline "CN to cut 1,500 white-collar jobs." On the same page there is the headline "Imperial Oil seeks 20 per cent job cutback." On the news yesterday, that also being of October 11, we learned that Air Canada will be reducing its workforce by 2,900 people.

The business press carry these stories because these are high profile companies and are always newsworthy. What we are not seeing are the rising totals of bankruptcies under the stewardship of this government, which have increased by 76 per cent in the second quarter of 1990. These bankruptcies are a label for the story of the destruction of the dreams and hopes of hundreds of thousands of Canadians who have invested their time and capital in enterprises in order to be productive Canadian citizens.

The policies of this government to induce a recession have led them to disaster. It is to weep, as the poets say, to see what is happening in the Canadian economy today. In my own province of British Columbia, individuals from all of these communities have written to me and are calling Ottawa to tell me what is happening in their particular lives. Friends of mine in various communities in British Columbia are also keeping me in touch with the feelings of British Columbians about this GST and Bill C-62.

Honourable senators, it is hard to understand why the government presses on in the face of overwhelming disapproval by Canadians—in the face of these business stories; in the face of the decline in the economy; in the face of a recession—if not a depression—well established in the Canadian business cycle—a made-in-Canada recession for which the government is avoiding taking responsibility.

In fact, honourable senators, I watched with some small admiration a "Canada AM" program on the morning of October 11—and, as honourable senators know, we are still in the sitting of October 9—in which Hugh Segal, who was described on that program as a Conservative strategist, took full and frank responsibility for the recession. He said he disagreed with the Minister of Finance when the minister denied that Canada was moving into or toward a recession. He said what we should be saying, as Conservatives, is that this is a necessary event to introduce into the Canadian economic cycle so that there can be a better recovery in the years ahead. I must give Mr. Segal credit for his candour—a word that was much used in this chamber earlier this morning—and wonder about the candour of the government and the Minister of Finance in seemingly wishing to evade any responsibility for the management of this recession. It seems it is everyone's responsibility but that of a government that has been in office for over six years. Isn't that amazing, honourable senators?

The issue with my petitioners, and with so many other Canadians who oppose the GST, is not whose responsibility it is—although we will come to that in a forthcoming federal election. The issue today is how to obtain mitigation from the economic cycle we have moved into. One of the most significant ways this government has of mitigating these consequences is to abandon its disastrous GST.

Honourable senators, again I will quote from the "Bennettisms" that were developed over 22 years by W.A.C. Bennett. I have quoted him twice during the course of this week. His most famous statement in British Columbia politics during the 22 years he was in office was that his government was a great second look government; that governments, like people, make mistakes and governments would do well to admit mistakes when they are made and not proceed on a march of folly, bravely whistling through the political graveyard while their citizens pay the price of that folly. Premier Bennett used a small story to illustrate his point. He said if he bit into something that was awful and would make him sick, he would spit it out immediately. It might be somewhat embarrassing, but that is a lot better than getting sick. That, honourable senators, is a piece of advice I offer to this government in all sincerity, but I know that the government is prepared to receive no good advice and wants to march on and damage the interests of a substantial number of Canadians.

Honourable senators, even the coalition that put this government into office in 1988—with its support for the free trade measures and by the substantial funding that was contributed to the government's coffers in the last ten days of the 1988 election by such groups as the Business Council on National Issues, the Canadian Chamber of Commerce and the Canadian Manufacturers' Association—are advising the government to avoid recession. They are advising the government to reduce interest rates, to remove the drag on consumer demand in the economy, and to lower the level of the Canadian dollar in its exchange rate with the United States currency. This advice, given in public, is astonishing and must mean that the government was not willing to listen in private. These are friends of the government. One would think that if the government were willing to listen in private, such public admonitions would not be necessary. Now we see the evidence of the government's last friends being concerned with the fiscal management of this country and having to go public with their advice in order to be listened to.

Honourable senators, my petitioners from British Columbia watch all of these events. They are well-informed petitioners.

As honourable senators know, they have, over the last several years, returned a number of Conservative members to Parliament. Those Conservative members of Parliament, as I have said, have shown their concern with government management of the economy, particularly with respect to the GST. They are also aware that it is likely they will not be back in the other place after the next federal election.

The unwillingness of the government to listen to the citizens of Canada has had a remarkable effect on my province and others in western Canada. It has encouraged the rise of a protest party on the right called the Reform Party of Canada headed by Preston Manning, the son of former Senator Ernest Manning. That party is well grounded in the history of protest movements in western Canada and is repeating the course of Canadian history with respect to western Canadian protest. This Conservative party should have a better historic memory. One of its two names—I do not think it is appropriate—"progressive" comes from and is sourced in western protest. I am sure the tradition is long lost in the Progressive Conservative Party of today. You will pay a considerable price for that loss of memory.

In my province the Reform Party is now the third most supported federal party, with the Conservative Party last. I would doubt that any Conservative seat in British Columbia today is safe. Some of them have been automatic Conservative seats for decades. In Alberta the Reform Party is first in the federal polls. The press of the last few days shows how successful the Reform party has been in seeding itself in the provinces of Saskatchewan and Manitoba.

These are warnings to the government. I mean well, but I am confident they will not be listened to. These petitions are presented, honourable senators, because it is my duty to intercede with the government through the means of this chamber and the rules of this chamber on behalf of hundreds of British Columbians, whose names are in these petitions, who come from all parts of the province and from all walks of life. They are asking the government through these petitions not to close its ears to the message of the people. You may be a brave government to stand up to the people of Canada. You may be a brave government to pursue the policies you are pursuing. The future will have the answer; but, honourable senators, for a government to govern in such an insensitive way to the views, the wishes and the demonstrated needs of Canadians strikes me as foolhardy and appalling.

Honourable senators, I am sorry to fall so short in my pleadings and to be so unsuccessful in attracting the interest of Conservative senators opposite. It is perhaps my own failing in not being able to find the adequate words that are necessary, but the ultimate failing will be your own if you do not listen to these petitions and ignore the events occurring in Canada today. I can only say that I greatly admire the stamina, fortitude and conviction of Senator Grafstein, who spoke to us earlier this morning and whose brief remarks on the presentation of his petition were so caringly argued. I differ with him on some of his arguments, but we heard a sincere entreaty from him to the government to listen to petitions. Thank you, honourable senators, for listening to me.

Some Hon. Senators: Hear, hear.

Hon. Dalia Wood: Honourable senators, I too have the honour to present these petitions on behalf of petitioners in my native province. These petitioners were concerned about the printed word. On their behalf I would like to list some of the names of the areas. I think Senator Cogger would be interested in hearing these names.

I have some here from Mont Royal, Roxboro, Verdun, St Hubert, Montreal, NDG, Saint-Viateur and Maisonneuve. I have another containing the signatures of 25 people who are concerned about the printed word again. I will submit this. I have another petition on the same subject. These people are concerned that the printed word will work against educational material and supplies. They feel it will erode on lower income families' education.

I have a petition from Saint-Lambert, Deep River—that somehow got in here from the Ontario list—St Hubert, St-Laurent, Montreal, Outremont, Jeanne Mance and Laval. I have another on the same subject from St Hubert, Beausejour, St Hubert, Cousineau, St Hubert, Laval, Lasalle, Scarborough, Ontario, Delson, Verdun and Dollard-des-Ormeaux.

I have another petition on the same subject. These are from Laval, Montreal, Clanranald, Sherbrooke, St Laurent, Montreal, Brossard, Westmount, Montreal, Outremont and Champagneur. I have another on the same subject. They come from Montreal, Anjou, NDG, Nuns Island, Montreal, Lasalle, Jeanne Mance, Mont Ste-Anne and St-Denis.

I have another petition containing signatures from people in Longueuil, Mont Royal, Montreal, Verdun, Maisonneuve, St-Urban, Pointe Claire, Mont Royal, Saint-Lambert, Pointe Claire, Anne, Montreal, Westmount, Outremont and Montreal. I have another coming from Sutton, Lachene, Verdun, Chateauguay, Longueuil, St Laurent and Montreal. I have yet another from Montreal, Brossard, Woodside, Sherbrooke, Montreal, Val d'Or, Montreal and Westmount. Those are the petitions I have for today. Thank you.

• (0500)

Hon. Gildas L. Molgat: Honourable senators, earlier in the discussion on petitions there were questions raised by honourable senators opposite regarding the validity of petitions, whether they were in proper form, and whether, indeed, they could be presented in the form in which we had them.

I thought it might be useful if I put on the record the background of public petitions as contained in *Erskine May*, which sets out the historical background, as well as the forms used in the British Parliament, from which we take our parliamentary usages. This is *Erskine May's Treatise on The Law, Privileges, Proceedings and Usage of Parliament*, edited by Sir Barnett Cocks, K.C.B. O.B.E., Clerk of the House of Commons. This is contained in the Eighteenth Edition, 1971. I point out that the one on the table is the Twenty-First Edition.

Under the heading "Public Petitions", and "Course of Development of the Form of Petitioning", the following appears:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution. It has been uninterruptedly exercised from very early times, and has had a profound effect in determining the main forms of parliamentary procedure. The historical and constitutional aspects of petitions to the Queen in Parliament, which were originally directed to judicial rather than legislative remedies, and from which in the medieval period the form of legislation both by public and private bill was only gradually derived, will not be considered in this work. This section is concerned with the modern form of petitions to one or other of the Houses of Parliament, principally to the Commons, which grew up in the seventeenth century, when Parliament had come to be regarded as a political and legislative body rather than as the highest court of justice. Public petitions may pray for an alteration of the general law or the re-consideration of a general administrative decision, and they may also pray for redress of local or personal grievances; they are to be distinguished from petitions relating directly to private business (see Chapters XXXV-XL).
>
> The rights of petitioners and the power of the House to deal with petitions were laid down by two resolutions of the Commons in 1669.

Obviously, the base of petitions to Parliament has a long, long history in British parliamentary practice.

I quote the two resolutions of 1669. They state:

> "That it is the inherent right of every commoner in England to prepare and present petitions to the House of Commons in case of grievance, and the House of Commons to receive the same."
>
> "That it is an undoubted right and privilege of the Commons to judge and determine, touching the nature and matter of such petitions, how far they are fit and unfit to be received" (*a*).
>
> Until after the first Reform Act the procedure of the House of Commons imposed little restriction on the raising of debate on the presentation of petitions, which served as a method of introducing subjects from outside the House and could be used for obstructing other kinds of business. In view of a great increase of the number of petitions, a series of standing orders—now Nos. 99-103—was adopted in 1842, which, as subsequently amended, made the presentation of petitions a formal proceeding incapable, except in rare cases, of giving rise to debate. This development was in keeping with the change which simultaneously took place in the relations between Parliament and the people as a whole. As the House of Commons grew more representative of all kinds of popular opinion, the need of the channel between the public and the House of Commons, which petitions had supplied, grew less urgent, and the number of petitions declined.

[Senator Molgat.]

I. FORM OF PETITIONS

> Petitions to the House of Lords should be superscribed, "To the right honourable the lords spiritual and temporal in Parliament assembled" (b); and to the House of Commons, "To the honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled." A general designation of the parties to the petition should follow, and if there be one petitioner only, his name after this manner: "the humble petition of [here insert the name or other designation] sheweth." The general allegations of the petition are concluded by what is called the "prayer", in which the particular object of the petitioner is expressed. To the whole petition are generally added the words of form, "And your petitioners, as in duty bound, will ever pray, &c.;" to which are appended the signatures or marks of the parties.

This gives what one might call the ancient tradition in the British House, not all of which is followed in canadian practice, I admit, but I think it is important, nevertheless, to show the historical basis for petitions. We have adapted this in Canada to our own needs.

Then *Erskine May* goes on:

> **Remonstrances**. —-

These are of particular interest to us because the root of our system comes from these particular remonstrances.

> Without a prayer, a document will not be taken as a petition (c);

That is the point that was made earlier in this discussion by senator Kelly, who wondered whether, indeed, there was a proper prayer in the petitions we were presenting. It is essential that there be a prayer. Without a prayer a document will not be taken as a petition.

Erskine May goes on to state:

> —and a paper, assuming the style of a declaration *(d)*, an address of thanks *(e)*, or a remonstrance only, without a proper form of prayer, will not be received. In other cases, remonstrances respectfully worded, and concluding with a proper form of prayer, have been received *(f)*: but a document, distinctly headed as a remonstrance, though concluding with a prayer, has been refused *(g)*. A so-called memorial, properly worded, and concluding with a prayer, has been received *(h)*.
>
> **Signature, etc.**- In the Commons, a petition should be written upon parchment or paper; a printed *(i)*, lithographed *(k)*, or type-written (l) petition will not be received. In the Lords, however, a petition may be written, printed or typed on parchment or paper *(m)*. It must be signed *(n)* and at least one signature should be upon the same sheet or skin upon which the petition is written *(o)*. If petitions are presented without any signatures to the sheet on which they are written, they are not noticed in the votes. The petition must have original signatures or marks, and not copies from the original *(p)*, nor signatures of agents on behalf of others, except in the case of

incapacity by sickness *(q)*. These signatures must be written upon the petition itself, and not pasted upon, or otherwise transferred to it *(r)*. Every signature must be accompanied by the address of the signatory *(s)*. Where a petition consists of more than one sheet, only those signatures will be considered valid which are written on sheets headed by the prayer of the petition or on the back of those sheets; but on every sheet after the first prayer may be reproduced in print or by other mechanical process *(t)*.

Earlier we heard Senator Grafstein, in replying to a question from across the way, say that he had a number of other petitions which did not hit this regulation or rule because they, indeed, did not have a prayer, and simply said: "anti-GST" or "against the GST." He did not present those to the Senate because they did not fit our own rule, which states that there must be a prayer.

Erskine May goes on to state:

> Petitions of corporations aggregate should be under their common seal.

Again, this is referring to the United Kingdom practice. It goes on to state:

> A petition must be in the English language, or accompanied by a translation, which the Member who presents it states to be correct *(u)*; it must be free from interlineations or erasures *(a)*. No letters, affidavits or other documents may be annexed to a petition *(b)*, and the sheets of the petition itself may not contain any extraneous matter such as appeals by the petitioners for subscriptions or financial support *(c)*.

Erskine May continues with:

> **Forgery or fraud.**- Any forgery or fraud in the preparation of petitions, or in the signatures attached, or the being privy to, or cognizant of, such forgery or fraud, is liable to be punished as a breach of privilege *(e)*. There have been frequent instances in which such irregularities have been discovered and punished by both Houses *(f)*. In some cases the House has satisfied itself by the rejection of the petition *(g)*, or by discharging the order for its lying on the table *(h)*. A motion to that effect has been permitted without previous notice *(i)*; though a claim to draw attention, as a matter of privilege, to expressions in a petition presented at a previous sitting, has not been conceded *(k)*.

Then the following heading appears in the article: "2. Character and Substance of Petitions".

It states:

> The language of a petition should be respectful and temperate and free from disrespectful language to the sovereign (l) or offensive imputations upon the character or conduct of Parliament *(m)* or the courts of justice *(n)*, or other tribunal *(o)*, or constituted authority *(p)*.
>
> Offensive expressions, not particularly affecting, though addressed to, the House itself will (or may) be regarded as disrespectful to the House *(q)*.
>
> The language of a petition may be improper, not because of its being offensive in itself or indecorous in its terms, but because the statements of which it is the vehicle are not proper to be made by the petitioners, as, for example, where a petition refers to anything which may have been said by Members in debate in the House *(r)*. The petition must set forth a case in which the House has jurisdiction to interfere *(s)*.
>
> The petition must conclude with a prayer for such interference on the part of the House, or, in other words, for such relief, as is within the power of the House *(t)*.
>
> Where a petition, besides a prayer for relief which is not within the power of the House, prays also for that which is within its power, the petition will be received *(u)*.
>
> If the prayer of the petition is within the power of the House to grant, the absurdity of it is no objection to the reception of the petition *(a)*.

Then they cite a number of instances. It states:

> On 2 March 1822, a petition from Newcastle, imputing notorious corruption to the House of Commons, was, on a division, not received *(b)*; and a motion having been made that a petition alleging that members of Parliament had taken a bribe do lie upon the table, the motion was withdrawn. On 2 August 1832, a petition threatening to resist the law was not allowed to lie upon the table *(c)*. In 1838, a petition containing disrespectful language towards the House of Parliament was withdrawn *(d)*.

I am pleased to see some honourable ministers in the other place did not put their statements in the form of a petition, because they would certainly, from what I read in the newspaper, not fall under one that would be acceptable.

Senator Doody: Are you reading a petition now? Who signed the petition? Are there any signatures on it?

Senator Molgat: Because earlier some questions were raised about petitions and the propriety of petitions—in fact Senator Kelly raised the matter—I thought it would be useful to get on the record the historical background of petitions and why it is that they are such an integral part of the parliamentary system. So I am establishing the historical base for this.

Senator Doody: It has been widely acknowledged that petitions are an accepted form of parliamentary procedure. I do not think we need the historical data to demonstrate that. I think the rules under Presentation of Petitions are fairly clear and we certainly do not need the preamble the honourable senators is putting now.

Senator Molgat: I am responding to a question from Senator Kelly.

POINT OF ORDER

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, on a point of order.

I do not know whether my honourable friend was here last night when Senator Frith, with the indulgence of the house, on

Presentation of Petitions, put on the record much of the material my friend is putting on the record now.

We then had a discussion on the proper form, the practice of the House, what the rules are, and what *Beauchesne* says about presentation of petitions.

While there remains disagreement, there was no doubt, at the point of Presentation of Petitions, that a senator is called upon to describe briefly the contents of the petition and not more than that. The senator is absolutely forbidden by our rules to do more than that.

If my honourable friend wants me to rehearse the ground that we went over at 12:30 a.m. or 1:00 a.m., I can, of course, do so.

As a matter of fact,—Senator Molgat will be surprised to hear this—I read from *Senate Debates* a series of petitions put forward by Senator Hébert, which indicate exactly how this is supposed to be done. That is found at page 2258 of *Senate Debates* of September 26, 1990. It states:

> **Hon. Jacques Hébert:** Honourable senators, I have the honour to present a petition signed by 250 residents of the Noelville region, Ontario, who object to the goods and services tax bill.

He then presented five petitions in just about the same language.

I do not think we need—and indeed the rules do not permit—a disputation by the honourable senator on the background of petitions in our system, and so forth.

A senator who brings in a petition must do so in very sparse and brief terms describing its contents. Then, it is said, he may not read the text of the petition. While honourable senators, in my judgment, have been abusing the rules by reading names, I will leave that for a later discussion.

But certainly the rules are clear that what my honourable friend is doing now is not permissible.

I understand what we have here is another filibuster, not on a question of privilege, but on the order paper.

I would appreciate honourable senators opposite, and particular the honourable senator who is now speaking, who is also the Speaker tempore of this place, and who professes such devotion to the rules, doing what he is doing within the rules.

Hon. Gildas L. Molgat: I thank the honourable senator for his comments, but the fact is that I was asked a question by Senator Kelly. My understanding is that it is always in order in this house to reply to a question and that is exactly what I am doing. I am replying to senator Kelly's question.

Senator Murray: Let the record show that what the honourable senator is doing is completely contrary to the rules, for which he professes such devotion.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Gildas L. Molgat: I will continue:

> In 1840, a petition from J.J. Stockdale was rejected, as containing an intentional and deliberate insult to the House *(e)*. On 28 March 1848, a petition having been brought up and read, objection was taken to a paragraph praying for the abolition of the House of Lords, on the ground that it prayed for a fundamental alteration of the institutions of the country; but the objection, after debate, was not pressed, and the petition, being otherwise temperately, expressed was ordered to lie upon the table *(f)*. On 3 May 1867, a petition in favour of certain Fenian prisoners, expressed in strong but guarded language, was allowed to lie upon the table; and a motion afterwards made for discharging that order was not supported by the House *(g)*. On 8 June 1874, notice being taken that a petition contained offensive imputations upon the conduct of the Public Petitions Committee, it was ordered to be withdrawn *(h)*. On 3 July 1874 notice being taken that a petition contained imputations upon the conduct of certain judges and statements affecting the social and legal position of individuals, it was ordered to be withdrawn, and the printed copies to be cancelled *(i)*. On 12 April 1875, the Petitions Committee reported that a petition from Prittlewell contained offensive imputations upon the lord chief justice and two of the judges of the Court of Queen's Bench, and reflected in an unbecoming manner upon the Speaker and the proceedings of the House; and on 15 April the order for the petition to lie upon the table was, after discussion, read and discharged *(k)*.
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> A petition may not allude to debates in either House of Parliament (l) or to intended motions, if merely announced in debate *(m)*: but when notices have been formally given and printed on the notice paper, petitions referring to them are received. The procedure on petitions praying for public money, etc., has already been described. By S. O. No. 103, the usage under which the House refused to entertain petitions against a resolution or bill imposing a tax or duty for the service of the year, was discontinued. In the Lords, a petition relating to a bill before the Commons, which has not yet reached their House, or which has already been thrown out, will not be received relating to bills which have already been read the third time in that House *(n)*.
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> **Petition from person attainted**.- A petition has been received from persons attainted of treason in circumstances, however, which were too exceptional to establish any principle *(o)*.
>
> **Petitions from abroad.**- Petitions from British subjects resident abroad *(p)* as well as petitions from inhabitants of British colonies having local parliaments *(q)* have always been received; and also those of foreigners resident in this country *(r)*. In 1876, when a position from inhabitants of Boulogne-sur-Mer, several of whom appeared to be British subjects, was offered, a select committee appointed to consider the matter did not advise its reception on the ground that it contained the signatures of French citizens as well as British subjects; and the petition was rejected *(s)*.

We heard Senator Grafstein point out that one of the people named on the list was from some location in the United States; so that particular man was, of course, not acceptable.

It goes on to state:

> **Receivability of petitions dependent upon the competence of Parliament.**-Although such petitions had never been refused, the receivability of a petition from the inhabitants of a self-governing Dominion (t) has been considered by a joint committee of both Houses, who were of opinion that a question depended upon whether the remedy prayed for was within the constitutional competence of Parliament, taking into account not only the law but also the conventions observed in inter-imperial relations. Neither House took any action on the report of the committee.
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> In 1935 petitions from the people of the State of Western Australia were presented to the House of Lords and the House of Commons, praying for legislation "to effectuate the withdrawal of the people of Western Australia from the Commonwealth of Australia to its former status as a separate and distinct self-governing colony in the British Empire." The question whether the petition was proper to be received was referred to a joint committee *(u)* which reported that as legislative action for which it prayed was beyond the competence of the Parliament of the United Kingdom, the petition was not proper to be received *(a)*. The committee based their view on a distinction between the law and the conventions of the constitution, and found that the action prayed for was inconsistent with the latter on the following grounds. (1) It is an established convention that the Parliament of the United Kingdom should not interfere in the affairs of a Dominion or self-governing state or colony save at the request of the Government or Parliament of such Dominion, state or colony. (2) In the present instance the action prayed for was an alteration of the constitution of the Australian Commonwealth—a matter appertaining to the Commonwealth as a whole and not to any one of the component states. (3) But the request for such action came not from the Government or Legislature of the Commonwealth, but from the State of Western Australia, which had no *locus standi* in making the request.
>
> On 12 December 1967 the House of Commons received a petition from the Reform Club of Hong Kong praying that the House would advise the Queen to disallow an Ordinance passed by Legislative Council of the Crown Colony of Hong Kong *(b)*.
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> Petitions for attendance of witnesses or production of evidence in a court of law.- The presentation of a petition is the usual method of seeking the leave of the House for a Member to give evidence in a court of law touching proceedings in the House or in a committee *(c)*, or for an Officer of the House to give evidence or produce documents relating to such proceedings *(d)*. Following the presentation of such a petition an appropriate motion may be made, without notice, for the leave of the House to be granted.

This is my reply to Senator Kelly, Senator Cogger, and Senator Simard.

I now quote from the *Constitutional and Legal History of England* by M. M. Knappen, Michigan State College. This is published in New York by Hartcourt, Brace and Company, 1942. I quote from the chapter entitled "The Central Government" at page 151.

> **Their Influence over Legislation**. The second advance was the winning of the right to petition the king as a body for redress of grievances, a right from which later legislative powers sprang. Wherever the king went in the Middle Ages he was besieged by suitors requesting justice or favours of one kind or another. On ceremonial occasions, when the monarch, surrounded by churchmen, nobles, and representative subjects, was supposed to be in especially good humour and in a mood for business, the number of these petitions increased so greatly that in the thirteenth century it became necessary to appoint special committees of the Great Council to receive and try them. Some of the petitions were referred to the ordinary courts, while others were turned over to the king with a recommendation of some particular action. Conciliar meetings held to consider these petitions were thus very important, and the special name of Parliament was first given to those held for such purposes. Originally "colloquium," or "parliament" (talkfest, from the French *parler*, to speak), was considered merely another name for "council", and the technical significance of the term as applied to special sessions of this body developed but slowly. The knights and burgesses did not take part in the receiving and sifting of these petitions, but they did develop the practice of presenting joint petitions, and requesting favourable royal action upon them at this time, commonly in conjunction with the magnates who made up the council itself. There thus developed the idea of a petition which was not that of a private individual, but one expressing the wishes of the members of Parliament as a whole. If the king wished to act favourably upon it, he and his advisers would draw up a decree or a statue embodying the substance of the request, which the Great Council thereupon approved. In this way representative knights and burgesses might make some small contribution to the process of legislation. In this period, however, they seem rarely to have initiated any petitions of their own, but rather to have supported those already drawn up by the nobles. Indeed, the presence of knights and burgesses was as yet not considered necessary, either at the session of Parliament that heard the complaints or in the meeting that approved the subsequent statutes. Parliament, as the term was then used, might and did often meet without either knights or burgesses when financial business was not to be taken up or when it had been disposed of and the representatives of the lesser orders dismissed.

Now I want to read from, *Introduction to the Procedure of the House of Commons* by Lord Campion, GCB, on DCL (Oxon.) formerly Clerk of the House of Commons, with a forward by the Rt. Hon. Sir Charles McAndrew. this is the Third Edition. This was printed in London by MacMillan & Co. Ltd.

Under the heading "Procedure by Petition or Bill", the following appears:

> The other main line of advance was the increasing part played by the Commons in making statutes. This was effected by a development of the procedure relating to petitions. The practice of petitioning the Crown goes back far beyond Parliament. Procedure on petitions was a large part of the business of Parliament from the beginning. They were submitted in writing and were dealt with systematically by being sorted by Receivers and heard by committees of the council in Parliament called Triers. In the great Parliament of 1305, the records of which are unusually complete, nearly five hundred Petitions were presented and they were heard by four bodies of Triers.
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> Most of these petitions were from individuals, some from groups outside Parliament, and a few were parliamentary in the sense of being from groups within Parliament. Two of these presented by *les pauvres hommes de la terre* are supposed to have been from the Commons collectively. No distinction was made at this time in the treatment of petitions, whether individuals or collective. From the individual and group petitions, Public Bills are descended; from the collective Commons' petitions, Public Bills.

Then the text continues on with the origin on public bills, but that is not particularly relevant to the question asked by Senator Kelly and Senator Simard.

So there is, indeed, a sound historical basis for petitions. As I read in the text, it was considered from the beginning a very important part of the work of parliament. So we should not now downgrade petitions in this place, not only from the historical sense but from the very important role that petitions played in being citizens' access to government. They are the private citizens' access to this house and to the House of Commons.

I have examined some of the petitions in detail to ensure that they meet the criteria. I am convinced that they fully meet the criteria in that they do contain a prayer and are worded in appropriate terms of respect. They use words such as "humbly sheweth", which certainly shows the proper respect for the Senate. They contain the words "as in duty bound your Petitioner pray." I think that in every respect they meet the proper criteria.

They are written on pages with the proper headings. The names are included as far as I can determine; they are all individuals. There are no duplicates. There are no erasures. The addresses are on the petition.

This particular group of petitions which I now table are somewhat different from the ones we had earlier in this discussion. The earlier petitions were of a more general nature. They spoke about the GST in general terms and indicated that the petitioners did not like the GST.

They simply petitioned "we humbly and pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed Goods and Services Tax."

So this is a broad approach.

This particular set of petitions is different. They have a very precise point to make, and the Speaker who is now in the Chair will appreciate this point in particular, because of his background.

These petitioners are concerned about the tax on magazines, books and newspapers. They make the point that ever since Confederation there has been a zero rate of tax on magazines, books and newspapers, and now the government proposes to include these under the GST. They believe that the uninhibited dissemination of the printed word is "a cornerstone of democracy, culture, and education, and that a literate productive society will be negatively affected by the GST application."

Therefore, these people petition the government to reaffirm the historic principles embodied in the tax-free status for the printed word by proposing an amendment to Bill C-62 to include the retention of the zero rate on books, magazines and printed material.

I thought the senator occupying the Chair would have a particular interest in this, giving his background. I thought he would appreciate more fully than other senators the risks involved in this particular measure, and that he would be in a position to assist his colleagues who may not have the same involvement with newspapers he has so that they understand the effect this will have on Canadian culture and education.

I think of the speech made earlier this day by Senator Fairbairn when she spoke on the question of literacy. Senator Fairbairn, unfortunately, was unable, because of events here, to attend a major conference in Alberta, a conference of which she was chairing on literacy.

Being unable to particpate in that conference, I think she very sensibly gave information to this house that she was going to give to the literacy conference. Surely that is one of the problems that is gaining in importance in Canada. There is an increased recognition that literacy is a serious problem.

So, listening to Senator Fairbairn's comments—I regret I was unable to hear all of them—it struck me that this particular set of petitions have a cogency and a particular reason for being presented today. It is because—-

Senator Lucier: Would the honourable senator permit a question?

Senator Molgat: Certainly.

Senator Lucier: The honourable Senator Molgat has been involved in politics for a long time. He was involved in provincial politics in Manitoba. He has been involved with the Liberal party most of his adult life. Could the honourable

senator tell me whether there has ever been a tax on books in this country?

Senator Molgat: I stand corrected—I am not aware of all the laws and tax measures—but to my knowledge there has not been.

At times there has been consideration of such taxes and violent objections were raised. To my knowledge, they were not proceeded with.

But I do have this statement directly from these petitioners, and this is precisely what they say:

> Whereas the Government of Canada has seen fit since Confederation, and without hiatus, to apply a zero rate of tax to magazines, books and newspapers, and now proposes to include it in the GST—-

Their statement is categorical. There has not been a tax, and I accept their statement in that regard.

Possibly the senator now in the Chair can give us a further explanation on this when he returns to his place.

I assume that these people are concerned about this and know what they are talking about.

So, this is a very special petition.

These next petitions are from my home province and include a number of people whom I know, so I want to put some of the names on the record.

Manitoba is certainly the province with the most diverse culture. Manitoba was the only province with the greatest diversity of people, but that changed after the Second World War with immigration concentrated largely in the Toronto region. But prior to that, Manitoba was the province with the most representative group of people in Canada. We have people from virtually every country in the world resident in Manitoba. There are large communities of Ukrainians, Germans, Icelanders and Jewish people. There is a great mix.

When one goes through the names on this petition one will see that in all of these communities there are people against the GST. This is not a petition by a small single group of people. Admittedly most of the people are from the city of Winnipeg. I presume that is because of the difficulty of reaching people in the rural areas.

The petition is made up of a variety of people. I note that Senator Nurgitz is not present, but he would appreciate hearing these names.

Senator Doody: He will be back

Senator Molgat: I did find, somewhat to my surprise, that there are two names on the petition of the people who live outside of Manitoba. There is a gentleman, a Mr. Tom Waige, from 63 Hillsview Avenue, Toronto. I can only assume that Mr. Waige was visiting Manitoba. We are delighted to have had him, and the many other tourists that visit Manitoba.

POINT OF ORDER

Hon. C. William Doody (Deputy Leader of the Government): On a point of order, is it not one of the rules that we not read the names of people on petitions?

Hon. Gildas L. Molgat: In fact, we went through that earlier this day and it was agreed that the names could be read. The rule simply says—-

Senator Doody: I am familiar with what the rule says. I thought there was an understanding in the chamber.

Senator Molgat: The rule says nothing about names. Not saying anything about names, we are then permitted to read them. We went through this earlier when Senator Nurgitz was in the Chair. We agreed that the names could be read.

So on the petition I have these two names of people who are not from Manitoba. The second person is Lisa Stratton from Montreal. All of the others are from the province of Manitoba. The petitions are dated September 22, September 22, September 22, September 24, September 25, September 10 and September 11. They are all of recent date and are quite pertinent to our discussion.

Hon. Paul Lucier: I wonder if the honourable senator would permit another question.

I spent some time in Churchill, Manitoba. Since the GST is going to apply to freight, even books, even if they are zero rated, will be more expensive in Churchill. Those living in northern Manitoba will pay more GST on a book than the people in Toronto and Winnipeg.

No one has to tell Senator Molgat the cost of shipping something from Winnipeg or Toronto to Churchill. The further north one lives, the more unfair the tax is.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Gildas L. Molgat: There is absolutely no question that your statement is correct. You mentioned books, which is what this particular petition deals with. Books are extremely heavy items when boxed for shipment. In a large part of the northern part of Manitoba there is no competitive transportation system. You either ship by air, which is prohibitive, or by rail. There are no roads to Churchill.

There is no doubt that the further one gets from the populated centres, the more serious the effect of this tax will be. The effect of this tax will be greater throughout western Canada. The further one gets away from the centres of production in central Canada, the more severe the impact. Our colleagues from Atlantic Canada will face exactly the same problem.

Senator Lucier's area, because of the great distances and isolated communities, is being discriminated against in an unfair way.

(*Petition presented.*)

Senator Molgat: So there is a tremendous variety of people and areas represented by these petitions. They are all concerned about this specific issue of the tax on books, newspapers and magazines. They are concerned enough to get involved and are making sure their views are heard by the Parliament of Canada.

I submit that this procedure is one that we must, at all costs, maintain in our system. Citizens of this country already feel

sufficiently removed from government. They feel that governments do not listen to them. They feel that they do not have access to governments. They feel that governments perceive to do things on their own and ignore public opinion. This is an opportunity for Canadians to be heard, to get their views before parliamentarians. I urge my colleagues across the way to listen to what Canadians are saying, to listen to these petitioners, to listen carefully. It is not too late to change. It is not too late to withdraw the GST. That can still be done. I submit these petitions in the hope that the government will listen to the people of Canada.

[*Translation*]

Hon. Roméo LeBlanc (Beauséjour): Honourable Senators, I have the honour to present a number of petitions, beginning with one from my home province signed by 27 persons.

I have decided to speak in the other official language, partly to give the English stenographers a break and partly to ensure that the French stenographers will not be too rusty when the debate continues in the weeks to come!

I would like to ask Senator Molgat if he could give me the exact date on which the petition by the citizens or alleged citizens of Boulogne-sur-Mer was presented?

If he can supply me with the date, then I will proceed to comment because the discussion we had earlier on petitions and the role they have played throughout history brings to mind an extraordinary incident. At the time of the deportation, Acadians used this instrument to launch an appeal and to present their demands to the monarchy to which, by the way, they had refused to pledge allegiance.

Senator Molgat: I can give you that information, Senator Leblanc. I was just about to give what I read to the stenographers to help them out.

The exact date is given on page 796 of Erskine May, 18th edition, 1971, Treaties on the Law, Privileges, Proceedings and Usage of Parliament.

This is what Erskine May had to say on page 796 under the heading "Petitions from abroad".

● (0515)

[*English*]

> Petitions from British subjects resident abroad as well as petitions from inhabitants of British colonies having local parliaments have always been received; and also those of foreigners resident in this country. In 1876, when a petition from inhabitants from Boulogne-sur-Mer, several of whom appear to be British subjects, . . .

[*Translation*]

Does that provide you with enough information?

Senator LeBlanc: Thank you Senator Molgat. Unfortunately, the date goes against my argument. The Acadians had indeed used various forms of petitions which, at a certain time, were requests for repatriation to France. That was when they were blocked at Plymouth and no authority, either local or national, would pay for their basic needs while they were being shifted from one country or from one region to another.

[Senator Molgat.]

From an historical perspective, and I will not dwell on this, it is interesting that in some cases, when rereading these petitions (that had been preciously kept, probably because they were documents that had been sent to the monarchy of the time) we did discover that some families thought to be scattered in Virginia were in fact in Georgia or in the Carolinas. In other cases, they had even been repatriated to England. The Acadians, scattered throughout the world, were the victims of the whims and often very arbitrary decisions of the authorities of the time. It is interesting to see the same system of petitions used in documents which have become very important and valuable.

In any case, I do not intend to give a history lesson; I just thought that the discussions we had around midnight could perhaps be tied in with our concerns if we could indeed relate them to the province I represent and which is asking this Parliament or this House to accept a petition from residents of the St. Stephens and St. Andrews areas as well as numerous other petitions from other villages and towns in the province of New Brunswick.

Besides, if you think of towns like St. Stephens and St. Andrews which are near the Maine border, where there is already the temptation to go across the border to purchase various items at a lower price, and that if this bill is passed, that those residents will have to pay a 7% sales tax on top of the existing 11%, it is very easy to see why those people are very concerned.

In this first petition of 27 names, I also note that these towns are important tourist sites, especially St. Andrews and St. Stephens, which, as Senator Molgat indicated earlier, welcomes visitors from other parts of the country. Thus, I see the name of Terry McKenzie from Toronto.

I have another petition of 74 signatures which is more representative than those of St. Andrews and St. Stephens. I see the names of people residing in Quebec. I see the names of people living in my former riding of Scoudouc, Mrs. Biemish and Mr. Murray. I also find names of people from Halifax, Fredericton, Laval in Quebec, Matapedia, Pointe-Claire in Quebec, Grand Centre in Alberta and, finally, a whole list of New Brunswick residents who are amazed that we would contemplate legislation to increase taxes by 7% in a province where taxes are already very high.

Another petition of 28 names is basically from the same region, but there again there are names of residents from Amherst in Nova Scotia, residents of Moncton and from the province of Quebec. And, of course, a great number of residents from St. Stephens, New Brunswick.

Honourable Senators, when I look at these petitions, I realize how serious the residents were when they signed their names and gave their address, even their postal code and, in a few rare cases, their telephone number because they really wanted to protest against a bill which they find totally unacceptable.

In this fourth petition, I also see names of people from Corner Brook, Newfoundland, who, besides paying the current

high provincial sales tax, will pay an additional 7% if we allow this tax to be implemented.

I also see names of people from Port Coquitlam in British Columbia. I see people from Toronto, probably vacationing in New Brunswick, discovering our beautiful landscape. Well, there are some of the petitions from the province of New Brunswick. I will have more later. I have been asked to table some from Toronto.

[*English*]

But I will not delay my colleague, Senator Watt, from presenting a number of petitions from his part of the country and also to express his views on the effect of this tax on Canadian citizens, the very ordinary citizens who bothered to sign their names and to make their views known to this chamber.

Hon. Charlie Watt: Honourable senators, I have before me a petition which is entrusted to me. These people are calling the attention of this chamber to the realization that consumers, who make this country alive, are at stake.

I would like to outline what is the reality in this house and what is the reality in the north in terms of the cost difference between the northern and the southern areas of this country. This cost difference existed before the goods and services tax was tabled by this government, and the tax entails a hard time for Nunavik consumers.

Let me clarify what this means. "Nunavik" is another word for Northern Quebec. Some time ago the postal corporation was affected by this government. The people in the north, the consumers, used to enjoy the benefits that were provided by the government in the form of a subsidy. The Canada Post Corporation has gone ahead with its plan to increase the commercial mail rate despite opposition from northern residents. In January, Canada Post rejected Parliament's recommendations to delay raising northern rates for at least nine months. More postal rate increases are scheduled for February 1991. There are fears that Nunavik consumers will be the biggest losers, again. I repeat that this cost difference already existed before the goods and services tax. Its implementation will make things even worse.

I will just point out to honourable senators the different rates for commodities. The southern price of five pounds of sugar is $1.59, while the northern price is $8.86. That represents a difference of 143 per cent. Honourable senators, this is unreal.

People living in the north rely heavily upon services provided from the south to the north. I am talking about airline transportation, steamship transportation and services related to education. In order to educate our people, the educators often have to be attracted to move to isolated communities in the north by some form of subsidy or higher salary. As senators must realize, if the goods and services tax comes through, the more anyone makes in the north, the more he will pay through the goods and services tax.

If this tax is allowed to go through in its present form, it will not only affect the north but it will affect the south tremendously. On this side of the house we are determined to dig our heels in, hoping that the other side will understand what we are talking about. I hope they will understand the point we are trying to make.

When the committee travelled across the country, certain sets of recommendations were made, including suggestions regarding areas in the north. Because of the increased cost of goods, the people living in the more remote regions of Canada will pay more of this tax than those living in central Canada, and again that is largely due to the added transportation costs involved in shipping commodities to those regions. It is also due to the lesser degree of competition and higher markup.

The FST is imposed at the trade level, with respect to transportation charges, and so on. The goods and services tax will be imposed on the real value of sales. As a consequence of stage two of tax reform, residents of the remote regions will pay more consumption tax than the residents of central Canada for the same goods and services. Citizens will also pay more tax under the GST than they did under the FST.

Numerous witnesses in Atlantic Canada and the Northwest Territories took this position in testimony before the Banking Committee. I hope the government will take this matter seriously. It practically means killing the north—killing every opportunity that might exist or might have existed in the past for people who do rely heavily on the services that are provided there. As I mentioned earlier, people have to be educated. Tremendous achievements have been made in terms of conquering illiteracy and we are slowly succeeding. But this will change.

Medical care in the north will also be heavily affected through the proposed tax. I wonder what will offset this.

The GST credits are part of the design of the tax and are intended to ensure that the families with income below $30,000 will benefit from tax reform. But take, for example, a family living in Yellowknife making $24,000 in income. Their standard of living will not be what they would enjoy in Edmonton or Ottawa.

Senator Lucier: Or Toronto.

Senator Watt: Or Toronto, for that matter. A family living in central Canada will be entitled to the full GST credit, but one living in the north at the same level of income will not receive the full benefit because incomes simply have to be higher to offset the higher cost of living. The 1986 census shows that 60.5 per cent of northern families have an income in excess of $30,000, while only 48.6 per cent of southern Canadian families enjoy that level of income.

The committee was informed by the government of the Northwest Territories that the cost of living in Yellowknife is 33 percent higher than that in southern Canada, and Yellowknife has a low cost of living compared to that of other northern communities. Similarly, the Yukon Government informed the committee that Whitehorse is the least expensive place to live in the Yukon. Other communities have a cost of living which is approximately 10 per cent higher and others have one as much as 60 per cent higher. The higher price

means that more GST will be paid. In fact, the average Whitehorse family is expected to pay $400 more GST than the average Canadian family. The system of credits does not take this into account.

The government of the Northwest Territories therefore recommended to the committee that the credits in the north be increased by 50 per cent. We wonder whether that will actually take place.

I would like to return to the matter of the postal rates. Subsidies that were provided in the normal course before no longer exist. The Department of Indian Affairs and Northern Development used to be a department providing subsidies to the north, and it did so in conjunction with the Department of National Health and Welfare. In their denial of whether subsidies should continue to be provided by the department, officials actually said that they would undertake to study the high cost of living and of transportation in the north. Before they had made any substantial movement towards undertaking to study this matter, the proposed GST came along. When is this ever going to end? There has never been any balance from the time I can remember between the north and the south in terms of the cost of living and the cost of transportation.

A number of times I have personally transported items from the south to the north by air and steamship. The rates are usually based on the cubic foot, cubic inch or on the value of the commodity. Perhaps the goods and services tax will finally nail down the rate in the transportation end of things and people will not juggle the rates. But if the goods and services tax does nail it down, the rate will be much higher.

I do not think that anyone in this country is prepared to accept the goods and services tax in its present form. I think we all realize that, as a nation, we have to do something about the high deficit. But is this the right time to do it? A lot of us are wondering whether it is. If it is not the right time to do it, is it so difficult to realize that? How much more are we going to encumber our people? On the one hand we want them to contribute to society and help eradicate the national deficit. On the other hand, we are taking away every bit of the resources available to them. I think we all have to come to grips with the fact that we cannot have it both ways. If we want to improve the economy of the country, we have to provide some incentive. We have to put some money into it in order that, in the long run, we can recover. I doubt very much whether the goods and services tax will help accomplish that.

Surely, for the people living in the north, the goods and services tax is no good. I cannot put it any other way. The goods and services tax is not acceptable to the people living in the north. We have heard across the country from citizens of all types that the goods and services tax should be killed before it is too late. I do not think the onus lies only on this side of the house. I think the other side of the house must come to realize that, before it is too late, we had better put a stop to this crazy legislation. If it is not crazy legislation, I think all of us know that it is bad legislation. The time is definitely not right for us to allow the goods and services tax to be railroaded through. The only way this form of tax is going to work is if people accept the whole concept of it. But we do not accept it. I do not know what else we can do to convince the government of this.

I received a phone call from one of my good friends in my home town. His name is Peter Adams. He is the nephew of Senator Adams. Honourable senators, the world is very small now compared to what it used to be ten or fifteen years ago. Even in the remote communities, people listen to and watch with deep interest what is going on today in our country. I was surprised that the person who called me fully understood that the Liberal senators were doing everything they could to educate the general public of Canada as to why this goods and services tax is bad for everyone. He heard that senators on this side—"old farts" that we are, according to the paper I was reading just a while ago—were making every effort to stop the passage of this bill. He said to me, "What can we do? We are just a small people compared to the rest of the country. Isn't there some way we could declare a tax free zone?" He told me that we ought to do everything we can to stop this tax because it is a real killer for the north.

Senator Perrault: Hear, hear!

Senator Watt: The farther north you travel, the more you pay. This is not fair. I think it is time now for all of us to realize, before the introduction of any new scheme of taxation, that we need a recovery of our economy. Let us look at this not only from the simple Canadian point of view but in terms of geographical areas. I think we need to consider those areas that might be weaker than others. I think it is time to start looking at it from the standpoint of balance, not only from the geographical point of view but from the demographic point of view. I think we should look at big corporations versus small companies. We must understand that the goods and services tax will be a killer for small business.

● (0530)

I represent a large number of small businesses in the north and I have obligations and responsibilities. My administrative responsibilities include administration of my people's heritage funds. Arising from that, we have managed to create a small number of subsidiaries which are small businesses. They will be heavily affected.

Recently through the company I represent I bought an airline company which will provide services to the people in the north—that is, north of Quebec, Labrador and the Northwest Territories. At the same time, the recession is on. On top of that, there is also talk of open sky.

Senator Perrault: You mean open wide!

Senator Watt: When looking at all of the various components I have to deal with, I say to myself, "How will this airline survive?" On top of that, this airline is owned by individual Inuit; it is not a collective company. It is not a crown corporation or a government-subsidized corporation. It is owned by individuals. I will have to turn around and charge them above and beyond what the normal rate should be. Should I belly up, or should I take it out of the pockets of those individuals? That is a hard decision to make.

One of the reasons why we bought that airline is because we are already confronted with high costs for transportation. We felt that perhaps we might be able to bring those costs down to an acceptable level. Right now, to go from Montreal to Fort Chimo, where I come from, costs $1,000 return. If I wanted to go overseas with that same money, how far would that take me? Those are the examples we are confronted with.

Honourable senators, I want you to realize that you are certainly not doing us any favours by supporting this goods and services tax. We also have the right to live. If you take that away, the only thing we have left is the right to leave. What else will you do?

Some Hon. Senators: Hear, hear!

Hon. Dan Hays: Honourable senators, I have a series of petitions that I should like to present to the Senate. They fall into two groups. The first group that I will deal with are petitions whereby the petitioners pray that the Senate of Canada do stop the introduction of the proposed goods and services tax.

I should like to spend a few minutes going through these petitions. They are petitions signed, in the case of the petition that I hold now, by people from the province of Alberta and are representative of northern and central Alberta. The first set that I will deal with comprises 270 petitioners all petitioning the same thing; that is, a prayer to the Government of Canada not to proceed with the proposed goods and services tax.

By way of explanation, I should like to dwell for a minute on those from my own city of Calgary. Last weekend I took the opportunity to visit a site of show homes. These are homes that are for sale, and this is an area where we have quite a lot of concern about the GST. It is not well understood. there are mixed feelings about it. In my questioning, I found people who were for and those who were against it. They were predominately against it. However, the issue with them was whether they should buy a home now or after January 1. What is the consequence of that decision? The market is already soft and overbuilt because of the recession we are now in. Perhaps we can talk about that at another time.

In terms of the uncertainty of the GST, it is clear in most people's minds that there is a four-month period beginning January 1 in which the GST will be phased in, presumably to account for the new content of goods and services in the houses. However, by April 1 the goods and services tax will be exactly 7 per cent. The net tax is held out to be approximately 3 per cent or 4 per cent.

I questioned people about whether or not they thought that would be the case, namely, that it would be a net of 3 per cent to 4 per cent. The first concern—and this reflects the strong views of those who are against the tax, as expressed in the petition here today, who ask us to do what we can to see the Government of Canada change its mind—is that the pricing structure for housing will not indicate that there is a saving. The gross price of the house to which the 7 per cent will be added after April 1—a lesser amount prior to that will be phased in in four tranches—will be a gross amount, and there will be no way for them to satisfy themselves that savings on the manufacturers' sales tax and federal sales tax will have been passed through. They find that this not in keeping with what the Government of Canada has said about the visibility of the tax. So it is a major flaw. This is a complaint of everyone I spoke to.

The other complaint was why the 7 per cent tax on housing, in particular those houses that may be used as rental property. Rents will be higher and will have to be factored into the 7 per cent cost to return the capital and the cost of acquiring that capital. This is just one example of why people are against the tax, although I see from this explanatory note that some favour the tax.

I shall now refer to those who favour it. I asked them why? The answer I received was, "We need this to pay off the debt." This was an assumption they made. When questioned about the government's position of the tax being revenue-neutral or near revenue-neutral, they did not believe it. They said, "No, it will not be revenue-neutral. This tax will generate substantial additional revenues, and we have to do something about the debt."

The fact of the matter is that it is not the government's position that the tax will do anything about debt. It cannot be revenue-neutral. It cannot simply replace one tax system for another. Accordingly, the tax must go up. That was fairly well understood by the people. The tax was originally proposed at 9 per cent. It was backed off to 7 per cent, and that is revenue-neutral. The history in other countries—and honourable senators are familiar with the speeches made during the course of the debate—is that the tax will go up, as it has in other countries.

The question then becomes: What will the additional money be used for? Will it be used to reduce debt in an orderly way and address the revenue needs of the government, or will it be used towards the end of the government's term to increase spending and not address debt, because of the popularity of increasing spending and the programs that would result from that increased spending? That reflects to a large degree the cynicism of people with whom I spoke—even those in favour of the tax. I confirm, again, that most were opposed. That is also reflected in the letters and calls that I received.

I have presented these petitions in bundles of 10.

Senator Olson: Will you entertain a question, please?

Senator Hays: I certainly will.

Senator Olson: This morning we heard that the province of Alberta is doing mostly the same thing as is stated in the petition; that is, they are going to take the matter to court on a constitutional basis. Can you tell us if you have heard what Alberta's main concern is with respect to this? They pretend to represent 2.5 million people—which they do to some extent. If this is brought into Alberta on that basis, it must mean that they are questioning the legality of it.

Senator Hays: Yes, Senator Olson. I noticed that also this morning. There is some uncertainty about what the Govern-

ment of Alberta's position would be. It has now become clear that they are joining other provinces with legal actions.

From the beginning, Alberta opposed the GST. The interesting thing about Alberta is the vehemence with which it has opposed it, which probably is rooted in the fact that we in Alberta currently have no sales tax on products or services. Accordingly, this new tax is highly visible in Alberta and is very unpopular. The Alberta government picked up on that politically. As a practical matter, the thrust of their action is to try to preserve that means of taxation as provincial grounds for tax. It is a combination of things, but that is probably the thing that put them over the edge and prompted them to take action as strong as they have.

In the Alberta legislature this matter has been discussed at length in the context of the Senate. I am not sure whether this has come out in debate so far, but the opposition attempted, as was done in British Columbia, to convince the legislators to pass a unanimous resolution in support of the Senate's attempt to stop the goods and services tax. It was not too clear because the Premier of the province stopped short of that—something to do with Senate reform and Meech Lake. Nevertheless, that reservation has been safely put aside. With the commencement of this action, the Government of Alberta's position is clear.

The government is on good ground. The other actions will also proceed and will move forward. Before anything happens with the goods and services tax, I feel that time must pass so that those actions can be resolved. That will probably call for a delay of one year before the government should attempt to proceed with this. The other alternative—and a better alternative, with which those of us on this side would agree—is to abandon that and go ahead with a new tax reform, one that draws upon a proper base and does not concentrate on the tax base that the GST does, and which spreads among income groups and all Canadians the burden of our debt service requirement, as well as the need for operating revenue within our country.

One of those petitions comprise 270 names. I will also present another series of petitions which comprise approximately 300 names of people petitioning us with respect to the right the Senate has to stop the goods and services tax.

I have a second set of petitions which fall short of asking for the goods and services tax to be stopped. By way of explanation, this petition is from a group of people who are concerned about the application of the goods and services tax on printed materials. They are concerned that a tax on printed materials will inhibit the dissemination of the printed word and will have an adverse effect on culture, education and literacy within Canada.

I have petitions here with 250 names. These are all people from Calgary.

Senator Steuart: Read them in. We want to hear the list!

Senator Hays: I will describe where these people are from, Senator Steuart; but before I do, by way of further explanation, I wish to say that we do face a crisis in this sector—that is, the sector of education and the increasing numbers of our children who leave school and are semi-literate or not literate and enter the work force at a tremendous disadvantage. Any tax that prevents them from taking full advantage of opportunities they have to become literate—which, in its most basic sense is the ability to read and acquire materials—either on their own or through the direction of teachers, is absolutely fundamental. This particular group of 250 petitioners are most concerned, because this will have an adverse effect on the progress that we hope to make—and I know that all senators and parties have this as an objective, namely, a more literate group of Canadians. The effect of literacy cannot be overemphasized. When they start out in their work careers so disadvantaged, the likelihood of their overcoming that disadvantage is not great. Some of them will. But if they do address their illiteracy or lack of literacy—if they are not completely illiterate—they do so at much greater cost than if the problem were addressed when they were in school and starting their studies.

In answer to Senator Steuart's question, these people are from Calgary, although I should check to make sure of that. The various districts of Calgary are representative among these 250 petitioners. There are literally millions of people who might petition the Senate and, for all I know, have. In terms of what I am saying here, by way of explanatory note on these petitions, as I look through the names they are clearly representative of all the city of Calgary; and I submit that Calgary is representative of the country on this issue.

I may have more petitions later. However, with that I will rest my case and deliver these petitions to the appropriate person. But I do have more.

Senator Lucier: Are you going to read the names?

Senator Hays: Do you want me to read the names?

Senator Lucier: I think we should.

Senator Perrault: Please read them.

Senator Hays: I will read this latter group of names into the record.

Senator Lucier: You can get them back.

(*Names of signatories read.*)

Senator Hays: Theresa McCarr is from Clairsol. I misled you; we do have some signatories from outside of Calgary. Clarisville is a small community south of Calgary.

(*Names of signatories read.*)

Some of these names require time for me to ensure that I was pronouncing them correctly, Senator Steuart. I hope that gives you some idea of the representative group of people who have taken the trouble to find the place where this petition can be signed, to sign the petition and to express in the traditional way their opposition to this aspect of the goods and services tax. I am pleased to file this petition now.

Hon. D.G. Steuart: I realize that you have a lot of names. I think we should look them over. Would you mind holding on to those petitions so that you and I could put those names onto the record? It might be helpful if you could hang on to the list, if that is agreeable.

Senator Hays: That is fine. I will hold these at this time.

Senator Steuart: Honourable senators, I have petitions here that I should like to read into the record. This petition reads as follows:

TO THE HONOURABLE THE SENATE OF CANADA

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your Petitioners in the certain assurance that your honourable House will therefore provide a remedy,

HUMBLY SHEWETH

WHEREAS, the Government of Canada has seen fit since Confederation, and without hiatus, to apply a zero rate of tax to magazines, books and newspapers, and now proposes to include them in GST, and

WHEREAS unhibited defamation of the printed word is a cornerstone of democracy, culture, education in a literate and productive society, will be negatively affected by GST application, and

WHEREAS we, the undersigned, your Petitioners humbly pray and call upon the Senate of Canada to reaffirm the historic principle embodied in tax-free status for the printed word by proposing amendments to Bill C-62 to include the retention of the zero rate.

And as in duty bound your Petitioners will every pray.

Date: September 24, 1990.

They ask that the tax abolished or not proceeded with, and if it is imposed, then it should be amended to reduce the rate on the printed word to zero.

You may be sitting there wondering where some of these people come from.

Senator Bonnell: I am wondering where they come from?

Senator Steuart: I can see by the look on your faces that you are wondering where they come from. Most of the names on this page are from Saskatchewan; but they are not all from Saskatchewan. Many of them are from rural Saskatchewan. I do not have to tell honourable senators that all of Saskatchewan, but especially rural Saskatchewan, is going through some of the most difficult times in its history. The price of grain, for example, relative to inflation and the input costs is lower than it was at the worst of the "dirty thirties". We are looking at extremely bleak times. They could not have chosen a more deplorable time in the history of this country to place an added tax burden on the people of Saskatchewan. Not only that, recently the Government of Saskatchewan has announced that it is leaning towards melding their sales tax with the GST.

The sales tax in Saskatchewan is 7 per cent, but it is not on books and materials for education. Among many other things, it will apply to children's clothing. But it will be. The Government of Canada has said to them, "You can lower your sales tax from 7 per cent to save 5 per cent and meld it on top of this 7 per cent federal tax, and we will do the collecting. We will take the abuse, but you will get more money." So that, if the GST goes through and the provincial government melds theirs, the burden on the people of Saskatchewan will be even higher.

I remember when the sales tax first was first introduced in Saskatchewan. I was working in a little grocery store in northern Saskatchewan. At that time the tax was 2 per cent. The fellow who owned the store was a rough-and-ready lumberman, but he had a sideline, which was a grocery store. I was running it. I remember when we received a paper announcing that there would be a 2 per cent sales tax. It shocked the people of Saskatchewan. That occurred in 1938. I must admit that it was a Liberal government at that time. As soon as the people got at them in 1944, they dismissed them from office and they did not get back in for 20 years. I always remember that we received this letter stating that the government was to collect 2 per cent sales tax on almost everything in those days. The owner said, "How do you like those idiots? In the paper it said they would pay the merchants 5 per cent for collecting it. They are going to collect 2 per cent and pay us 5 per cent—the idiots will go into the hole by 3 per cent." I had some trouble convincing him that we got the 5 per cent on what we collected, not the whole thing. But he was right, it was a terrible move. Since then it has gone up from 2 per cent to 3 per cent to 4 per cent to 5 per cent to 6 per cent to 7 per cent, as this GST will go up, and as it has gone up in every other country.

It is no wonder that these people are petitioning us to stop it, or at least amend it if we cannot stop it. Hopefully, we will stop the whole thing. There has a been a great drive on literacy. Terrible facts have come out on the number of people who cannot read or write sufficiently to apply for a job, to hold a job or to do some of the simple things that many of us take for granted.

Senator Bonnell: It is difficult for some of those people to read these forms.

Senator Steuart: That is right; they could not read this, and they cannot even make their feelings felt in a letter or read what is going on in a newspaper to see what this government is attempting to do.

Senator Bonnell: But most of them watch television. They get a pretty good view of the news there.

Senator Steuart: I hope they can watch television, because they will be as shocked as we are.

Senator Lewis: Before they are repossessed!

Senator Steuart: That is a fact. But if they watch the news this morning, they would have seen an unbelievable sight. They say that this government is being torn by their friends—that is, the manufacturers' association, the Business Council of Canada and the great Chamber of Commerce. I say "great." I was a member of the Chamber of Commerce for years. When they appeared before us in Saskatchewan on the GST they listed five criteria by which they said they would measure what they called a fair tax. They ten proceeded, for three or four pages, to indicate how the present GST does not measure up to one of those criteria.

● (0545)

Then they finished off by urging the Senators to go back and pass the tax. But I asked them how the body of their petition to us to go back to Ottawa and pass the tax jibes with what they said about the tax? The young fellow, who was an accountant, said that they think the government will amend it to take care of the problems we foresee. I then asked him if he could give me any example of this government or any other government amending a bill to reduce the tax, and he could not give me one. He was not very old, only about 45, and I told him to talk to people who are 65 and 70 years old and they would not be able to give him an example either.

I asked him how many people he represented in the Chamber of Commerce who are against the tax. He could not tell me. The fact is that over 80 per cent of the business people in Saskatchewan, as in most parts of Canada, are against this tax. They do not want it. When they are in a bad economy, business is tough. The construction industry has almost disappeared and we are putting in a new tax on a tax.

Senator Hays: Would Senator Steuart permit a question?

Senator Steuart: Yes.

Senator Hays: I do not mean to be disrespectful in any way. You earlier compared today's conditions in agriculture in Saskatchewan to those of the 1930s. Could you elaborate on that with respect to the hardships that the GST might impose on people and whether or not the situation would be similar to the 1930s?

Senator Steuart: I would be delighted to, Senator. I remember the 1930s. I was born in 1916, and I was 14 when the 1930s hit. My dad went into the automobile business in 1929—just in time to go broke in 1932. At the time my brothers were going to a catholic boys college in Regina. Of course that was over. In less than a year my mother was running a boarding house in Regina and my father was clerking in a grocery store for $15 a week. We were not even considered to be among the people who were having the toughest time. At least we had something to eat on the table.

The people of rural Saskatchewan were in desperate straits. I remember the people of the Maritimes sent us carloads of dried cod. The only problem was they never sent out the instructions on how to use it. Because most people did not know how to cook the dried cod, they found that they best thing they could do with it was to shingle the roof. It was an interesting situation when the rain came. Still they were grateful to the people of the Maritimes for that gesture. Those are the conditions that existed in Saskatchewan.

Right now the tragedy of what is happening in Saskatchewan is hard to believe. At least in those days everyone was in the same boat, but today some people who have regular pay cheques are doing well, while other people are going through the most difficult times of their lives. We had soup kitchens in the 1930s. We have the same thing today, except they are called food banks now, and they are growing in number. In the 1930s the bright spot in western Canada was that if you could get to the coast, you might be able to get a job.

[Senator Steuart.]

We are in those conditions now, and, on top of that, the government is going to put the burden of a GST on top of those people. I am sure that if this tax goes in—and I hope and pray to God that it does not—every province except Alberta will meld their tax. That will be a double rate on the people. A taxi driver told me that he is going to have to collect the GST. I said that if the Government of Saskatchewan decides to add the GST to its tax, you will not be collecting 7 per cent, you will be collecting 12 per cent. He almost went off the road he was so outraged.

I have a name from Kelliher, Saskatchewan, which is a typical town in northwestern Saskatchewan that is having a terrible time. They have a crop this year, but they would have been better off if they had not had a crop because they could have collected crop insurance. They have a crop they cannot sell because the price is the lowest it has been for years; and, relative to the depression, the actual return is lower than it was in the 1930s. Farmers' credit limits are extended beyond anything any bank would ever give them.

This government has been generous to the farmers of Canada in some ways, but it cannot afford to do that any more. The Government of Saskatchewan never had a deficit in the 1920s or in the 1930s. Even the so-called Conservative Government from 1929 to 1934 never had a deficit. When the CCF came in they were considered to be the wild-eyed socialists of North America. I considered them to be that, but as I got older I did not think they were so wild-eyed, although I did not agree with them.

In all the years they were in power under Tommy Douglas they never had a deficit. They put the first hospitalization plan in in 1948 and never had a deficit. I was the first Minister of Health after medicare, which, strangely enough, they were defeated on. When I became the Minister of Health, we had 30 some hospitals close due to the fight we had with the doctors who came from Great Britain to make medicare work. As Minister of Health, I had to get those hospitals open and to solve the fight between the local doctors and some of the important doctors.

When you see people from Kelliher petitioning not to put this tax on, you have to put it in human terms. We listened to the economists as we travelled across Canada. They built these cute models showing how this would drop 3 per cent and that would go up 2 per cent, but the prices would go down. They do not live in the real world. A drug wholesaler told me he is going to lose $300,000 on his stock because the government is not going to reimburse him for all the tax he paid on it. He said if anyone thinks we are going to lower our prices if we get our $300,000 back, they are dreaming. That is going to happen all across Canada. By the time they get their $300,000 back, do you think they are going to lower their prices? They might, but I seriously doubt it. By that time the people will have become used to the prices and will carry on.

When these thousands and thousands of people—this is just in Saskatchewan—say not to do this, we ask you people opposite to think of it in human terms—not in cold-blooded economic terms. Michael Wilson says we have to have the

money to reduce the deficit. Of course he has to reduce the deficit, but he does not need to put that burden on the backs of ordinary people. He could do it many other ways. I have the name of a person from Lethbridge. I do not know how he comes to be on this list. Perhaps he was in Saskatchewan.

We also have a person from Lang, Saskatchewan. I said Kelliher is in trouble, but Lang is in trouble. It used to be one of the most prosperous places in Saskatchewan. It had five or six big elevators and a good general store. It was one of the towns that survived and is a pleasant place to visit. They are in deep trouble. If this tax comes in and if Saskatchewan puts its tax on top of that, they are going to be in a great deal more trouble.

We have another name here from Regina, Saskatchewan. Our next name is from Prince Albert, Saskatchewan. We are back to my home town of Prince Albert. Someone said John Diefenbaker would be turning over in his grave if he saw what the government was doing to the public today. Prince Albert recently lost a packing plant, which was one of the biggest wage producers in the city. The Burns packing plant closed up and then the stockyard moved out. Then the brewery closed down. It was started in the 1920s. The only thing left is the pulp mill, which was put in by a good Liberal government under a great man named Ross Thatcher, who was assisted by a young man named D. Steuart. If it were not for the pulp mill, that town would have blown away. It is in real trouble.

In the first four months of this year, one new house was built in Prince Albert, which is a city of 35,000 people. Construction is in great difficulty. I am sure we are going to hear from Senator Sparrow, who happens to be in the construction business, who will tell us what this tax will do to it, especially if Saskatchewan adds its tax on to it.

Senator Hays: Senator Steuart, would you permit another question?

Senator Steuart: Certainly.

Senator Hays: In your explanatory comments you are talking about the plight of small, rural communities in Saskatchewan. We have heard what the effect of the tax will be on communities like Whitehorse and Yellowknife. Will the situation be the same for small communities outside a centre like Regina or Saskatoon in terms of a higher transportation costs? Do you think that will be one of the reasons the people of Saskatchewan will be upset with the GST because a small town, which has a store, will now be even less competitive with the major centres than they were before.

Senator Steuart: That is an excellent question. To deal with your question, I have another name on the petition from La Ronge, Saskatchewan. The full name of that place is Lac La Ronge. It is a town about 200 miles north of Prince Albert which depends on mining, fishing and trapping. Ninety per cent of the people there are native. They are in trouble because mining has slowed down, and, with all of the people who are now against wearing fur, the trapping industry is in trouble. On top of that, as Senator Hays suggested, they are going to have to pay a tax on freight.

When you get into northern Saskatchewan, Manitoba or Alberta and into the Northwest Territories and the Yukon, freight becomes a major cost. People cannot believe the difference in price on an item that you would buy in a city like Toronto or Regina and what you would pay for the same item up north. That is due to the freight costs. If you know anything about the retail and wholesale business, you add your profit onto your cost. If you have an article with a 50-cent built-in cost for freight, you are now going to be looking at 7 per cent GST federally and 5 per cent provincial sales tax. As a result, you are going to be adding 12 per cent onto that 50-cent article, which means another 6 cents. That is a tremendous charge when you consider purchasing articles such as a refrigerator or an automobile. Those commodities will now be out of reach for most people.

It is a thoughtless time to put a tax like this on the people of Canada because it is so unfair. If this was a fair tax, it would be bad enough, but it is an unfair tax. The people of Toronto will not pay as high a percentage of this tax as the people in the outer parts of Canada and in northern Canada—places where the people can at least afford it. Yes, Senator Hays, the tragedy will be what this tax will do to the people in the outlying parts of Canada who are away from major centres in British Columbia, Alberta and Saskatchewan. The situation will be even worse when you get into the Maritimes and Atlantic Canada. One wonders why the outrage is so strong. The farther you go from a major centre, the greater the outrage.

The people from Ontario are just as outraged, but they are not going to be hit as hard. But they are seeing jobs lost and now they are faced with this vicious and inequitable tax. I would hope that some of the senators on the other side would stop and examine their conscience. I am sure the new senators came into the Senate deciding that they wanted to do something good. The Senate gets attacked by the press day in and day out, and I would say some of the finest people in Canada come into the Senate, and they all come in with one idea—as do most people who go into public life —they want to make a difference. Sometimes I do not think we can make a difference, but every now and then we can. If ten senators over there decided that you would look inside yourselves and listen to the people, you could make an unbelievable difference.

You may ask me what my alternative is, and it would be easy to say that an easy alternative would be to cut costs. The Chamber of Commerce said that we should freeze all spending for the next two years. Michael Wilson said that is not practical, and I am not sure it is practical either. What has happened over the years is that the federal government has given away so much of its budget to the provinces, it has only a small portion of the budget left to pay the things they have to pay or to lessen the effect of a recession, which we are in now and unfortunately will be for awhile. That is difficult, but there are some things that can be cut.

The government could also look at our tax structure, which is unfair. I have heard the old song that corporations do not pay taxes. That is garbage. I have been in business—a small

business I admit—and corporations pay tax. If they do not pay their fair share of taxes, what do they do with their money? Do they cut their costs? If you believe that, I have a bridge to sell you. They do not pay their costs; they pay higher dividends. But then you hear people say that those who receive dividends should pay tax. Are you kidding? You do not get that rich without being smart, and if you have smart accountants you will figure out some way to beat the tax. The rich are getting richer and the poor are getting poorer. That may sound like an old song, but unfortunately it is true. This tax is going to make the situation worse. The government could do a great many things to slow down spending. It could raise taxes in a more equitable and fair manner.

I noticed when that fellow who was so active in free trade—I just forget his name—was speaking, the perspiration was pouring off his face. I do not think it was because of the hot lights, because I have been under television lights many times, as I am sure many of you have, and I was never drenched with sweat. His conscience was bothering him. He was the man who was preaching free trade. Free trade was going to be the salvation of Canada. It is like talking to someone who has religion. If you believe you will be cured but you are dying, you will be told you did not believe enough. You have to believe even harder—and send in more money at the same time. These people are saying that we would be worse off without free trade. If we add this tax and have a little more free trade, we could not be much worse off. However, there are some things the government could do to relieve this tax, and I think it is taking the easy way out.

It may take me until December to get through all of these petitions. I have another name from Regina, and I happen to know that that person is a teacher who is concerned about the tax that is being added onto books. Teachers know that a great many children who come to their schools are in difficult situations. At this time of the year, families have to buy clothes, shoes and books for their kids, but at least they are tax-free. They are not going to be tax-free any more. I would like you people over there to put yourselves into the shoes of the average low income family that has two or three kids who are going to school. It is tough enough now, and this tax is going to make it even tougher. That is why the teacher wants this tax stopped, and if it is not stopped, at least amended. Remove the tax from school books and the printed word.

I have the name of a chap from Brooks, Alberta. So this is not only happening in Saskatchewan. Alberta pays the lowest taxes in all of Canada. It does not have a sales tax. The people of Alberta are more outraged than the people of Saskatchewan. The people of Saskatchewan have had a provincial tax for years and it has steadily increased. I am sure the people of Alberta know if they let the thin end of the wedge get in, the tax will get larger and larger. I think they are absolutely right to fight now and not give in.

When I look at these names I see that they come from every cultural and ethnic background. When you finish hearing these petitions, you will know they are from every part of Canada—from north to south and from the Atlantic provinces to British Columbia. No one wants to pay taxes. Someone said God must like the poor people because he made so many of them. The tax collector likes the poor people because that is who pays the taxes. So when you see where these names come from, you will know it is not just a natural feeling that no one likes to pay taxes.

There is a genuine fear that this country may not hold together, and that the country is in a recession—which, for some reason, Michael Wilson will not acknowledge. There is no use going to a person who has lost his job and is facing higher prices and asking him if we are in a recession or in a slight downturn. Michael Wilson says he planned this all along; that we are on track. The ordinary people of Canada do not think he is on track, they think he is clean off the rails and the government right along with him.

I have another name from Saskatoon, Saskatchewan. I have another name, which sounds like it might be Conservative, from Regina. I have petitions coming in by the thousands. The press says we do not have much support—and we do not have much support from the press—but we have the support of the people who count, the millions and millions of ordinary Canadians. You people over there know it and the government knows it. That is why they are so outraged. With any luck Harvey Andre will have a fit. I watched him the other day, along with that skater, Otto Jelinek. I have a letter here that says that the undersigned petitioners humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax. I have another name from South Fork, Saskatchewan. I have made a speech in almost every town in Saskatchewan, and I sometimes wonder if that is why we are not in the government any more. This person does not want the tax amended, he wants the tax wiped out. He does not want it to continue. I have another name from St. Front, Saskatchewan, which is a rural town that is having a difficult time.

• (0600)

The next name is that of Jerry Harrion, R.R. 1, Rose Valley, Saskatchewan. Rose Valley is a pleasant town, but like most small towns in Saskatchewan, the people are desperate. They do not need this tax. They cannot stand what you people are doing to them. That is why they have taken the trouble to sign these petitions.

The next name is Claudette Sutherland. She is from St. Front, Saskatchewan. I think everyone from St. Front signed this petition. The entire village is up in arms about this.

People from Macoun, Saskatchewan, have also signed the petition. Macoun, Saskatchewan, is another pleasant village. It is on the road between Regina and Prince Albert. I have been through that village many times. That was settled by people of Norwegian and Swedish descent. You can always tell when you are coming to Macoun, because there is a large statue of a Viking. These people are up in arms about this tax. If this is forced down the throats of people, there will be a revolt. There will be civil disobedience. They are angry.

That is what is happening all across Canada. The ground seems to be shifting under them. The country Canadians love, the one their fathers found before them, is not what they want it to be. They want a stable country. Although they do not always agree with the people they elect, they are convinced their elected representatives care about them, but now this is happening to them. Their whole world is collapsing. They do not want this tax.

I have a petition from the citizens of Moose Jaw, Saskatchewan. If you haven't visited Moose Jaw, you haven't lived. I lived in Moose Jaw for the first sixteen years of my life. That is where my father had his garage. He sold whippets and Willis knives.

Senator Olson: I had one of them.

Senator Steuart: I knew my father had sold one to somebody here. He did not sell many, but he did his best. He also sold a lot of Ford cars. My father had a great touch. He was a great man, but he always seemed to pick the wrong time to do something. Outside of that, he was a splendid fellow.

When I decided to get involved in politics, my father said "I have four kids and so far only one has gone wrong".

Anyway, he got over that before he died. We were close friends.

The next name on this petition is that of Robert Daniels of Moose Jaw, Saskatchewan. This town is having tremendous difficulty. The spirit of the people of Moose Jaw is unbelievable. They are fighting back. That used to be a great railroad sub-division. River street in Moose Jaw was one of the most famous places in all of Canada. It was stopping off place for the bootleggers. Al Capone's right hand man was in Moose Jaw, or at least we were convinced his right hand man was there.

In those days the best road in Saskatchewan was Highway No. 2. It went straight south. That was paved. The bootleggers used to go up and down that road. In fact, I used to steal beer bottles from them.

Senator Lewis: Empty ones, I hope.

Senator Steuart: Of course. We would never take the full ones, but I don't not think they really cared.

The bootleggers had Packard cars. They would fill them up in Moose Jaw and head straight down No. 2 Highway to the United States, then they would ship the booze on the Soo Line down to Chicago.

River Street was famous for other things, too. Even during prohibition the beer parlours went full blast. Moose Jaw was a lively place then. It was a divisional stopover for the CPR, but that has changed; I think the CPR station has closed now.

But Moose Jaw has lost a lot. The Air Force Base kept them going for some time, but now they depend on farmers, as everyone else in Saskatchewan does. The farmers are in real trouble, so Moose Jaw is in real trouble.

They are fighting back and trying to save their community, their way of life, and you people are going to hit them with this? Where is your conscience? Where is your feeling? How can you do this?

Most of you live in nice homes. I am sure most of you do not know how the poor live, though Senator Hatfield knows because New Brunswick has had some tough times. He would not have lasted as Premier all of those years if he did not have feeling for his people. Let that feeling come out again and let him stand up and refuse to vote for the tax. He has a no-cut contract. They cannot touch him. The only way they can get rid of the Senate is to blow it up, and this government cannot even do that right.

Senator Sparrow: I wonder if these petitioners know that Senator Murray said this morning that the tax will go through January 1, regardless of this place.

Talking about bootlegging, if the GST does go through, it will be at 7 per cent initially, but then the provinces will add their provincial sales taxes on top of that. Do you think there will be a lot of bootlegging going on within the service sector? Will the underground economy be increased because of the GST? Do you see a great underground economy growing in Canada, particularly in Saskatchewan?

Senator Steuart: I thought you would never ask that question. The committee that studied this bill heard from many economists. A wise man once said that a lot of these economists think they can see into the future, but the last man that could see into the future was crucified. Sometimes I think we should do the same to the economists. They can tell us where we are and how we got there, but then they should be dismissed.

There is an underground economy. People out there do business and do not report income. They do not pay income tax, they do not pay unemployment insurance or workers compensation, but they will have to come to the surface now because if they want to claim the taxes they pay they will have to register. They do not live in the real world. Those people do not believe in taxes.

Instead of disappearing, the underground economy will grow.

If the government knew the slightest thing about ordinary people they would realize that the underground economy grows every time taxes are raised.

I do not know how large the underground economy is, but it is growing.

When I was Chairman of Sask Power, we tried to get them to farm out their work. That was a socialist enterprise. I believe that when there is a monopoly corporation it is better for the government to run it.

I was discussing this in the past with the management of that corporation. I told them that I wanted some of the contracts let out for competitive bids. This chap, who had degrees as long as my arm, decided to give me a lecture. He said that that would be bad and that it would cost more money. I said it would be cheaper. He asked if I would agree that we all pay the same price for goods. I said that I would go

further and admit that, with bulk buying, we could buy those goods for less. He said that the price would stay the same.

He then started talking about overhead, and other costs. Then he said that the contractors would want to make a profit. I told him that I had been down in the basement one day and saw high priced electricians sitting around winding motors. And one in the electrical contracting business knows that is something that electricians do when they have nothing else to do. You should not pay anyone more than $4 or $5 an hour for that.

Anyway, those electricians were earning $10 or $12 an hour back then, and they were sitting around winding motors. That was during the winter and there was little construction taking place, but they did not lay them off, they kept them on winding motors.

I told that fellow that 90 per cent of those electrical contractors are what are called jackknife contractors. They work out of their hip pockets. They do the work and sit at the kitchen table with their wives and work out the bills and pay their employees in cash. They pay the workers' compensation, income tax, and that is all. They might have a local bookkeeper do their other work. That means they do not have any overhead. When winter comes and the jobs are finished, they lay their people off. They don't have the people sitting around winding motors.

As a result of that, we cut the staff of Sask Power by over two thousand. Most of the people we cut went into the private sector, and they did just as well but worked harder.

The people proposing this tax live in another world. They live in a dreamworld. They are not down with the ordinary people, so they do not understand.

If I have not answered your question, tell me and I will take another run at it.

Senator Sparrow: Your answer was sufficient.

Senator Steuart: They used to say that I had answers longer than speeches.

I know that Senator Kirby wants to bring us some news from another part of Canada, so I yield to him.

Hon. Michael Kirby: I rise to present a number of petitions from Nova Scotia. I am delighted to see that there are on this side two Nova Scotian senators. I also see two Nova Scotian senators sitting opposite. I think it is instructive for us to understand the kinds of petitions we are getting from all across Nova Scotia.

Knowing both senators opposite from Nova Scotia were in elected legislatures for some time, I think it appropriate that I single out petitions from citizens who lived in their former constituencies.

All of the petitions I have here—and I have simply picked out half a dozen of the sixty or seventy I have recently received—differ somewhat in the opening comments, although they essentially try to make two key points, the first that the GST will have a greater impact on the Nova Scotia economy than it will have on the Ontario economy, where the manufacturing base, according to the government, will be significantly helped by the elimination of the manufacturers sales' tax. The manufacturing base throughout the Atlantic provinces is sufficiently small that there will not be much economic impetus, if any, added to the region as a result of the GST. Therefore, there is a clear regional bias under the GST.

The second point the petitioners make—and I know this because I have spoken with some of them and asked them to elaborate on why they signed the petition—is the low average family income levels, the low earning levels in Nova Scotia and throughout the Atlantic Region, add another significant burden on people already struggling to get by. There are two messages which come through, despite the fact that the petitions are written with fancy words.

Basically, there are two messages the petitioners want to give us. Since they have sent us these petitions I thought it might be appropriate if I were to give honourable senators a little flavour and background about the economic circumstances of some of these people.

The first two names on the top of this particular petition are Joanne and George Tanner. They live in Beaverbank Villa. That is one of the largest so-called homes for the aged in Nova Scotia. On talking to people who live in such homes, whether they be the Tanners or others, what you hear is real concern about their present economic difficulties. They are having a tough time making ends meet. They say that the addition of this tax, not only on every item they purchase but on every service they purchase, will make life much more difficult. The broad base of the GST is such that these people are extremely concerned that their living standards will be reduced significantly. This tax is of particular concern to senior citizens who live in these homes, which essentially are institutions. Many of the services they require—because they live in these homes—will be subject to the GST. Indeed, the goods purchased by the nursing homes and the services purchased by these nursing homes will be subject to this tax. That, in turn, will cause accommodation rates to rise.

The Tanners have lived in Lunenberg County all of their lives. They originally worked in the fishery, and then took on other occasional jobs. They worked all their lives and never had a rich life in income terms, but had a rich life in terms of lifestyle, and so forth, and now they find themselves in their final years worrying about whether they can meet financial obligations placed on them as a result of this tax.

Not only will they have to pay the 7 per cent while they are alive, but this government also plans to tax their funerals. Senior citizens find this an absolutely intolerable situation.

An Hon. Senator: Big deal!

Senator Kirby: The Senator opposite says "Big deal". I can understand that a tax on a funeral for someone with his income does not matter too much, but these people in these communities are quite concerned about that. This is a significant factor to them. They are concerned about whether they or their heirs will be able to pay the tax. They think it is unbelievable that they will have to pay this tax on their

funerals. One of the classic lines we have heard is that everything is uncertain in life except death and taxes. This is the first time we have had death and taxes linked together.

In any event, I say this to give honourable senators opposite an example of the kinds of problems senior citizens all across Canada are experiencing.

Senator Hays: May I ask a question?

Senator Doody: Only if you are in your seat.

Senator Hays: Senator Doody is quite right. I will take my own seat to ask the question.

Can the honourable Senator Kirby tell us if there is any connection between the GST and the loss of our population to the United States?

The honourable senator opposite indicates that we may have an influx of people into the Maritime provinces because of the GST. Perhaps he could explain that.

My initial thought is that we will loose people to the United States because of the more favourable tax climate in that country, with the GST being the straw that breaks the camel's back.

Senator Kirby: I must say, Senator Hays, that senators opposite will understand that question was not asked by a Nova Scotian, because if a Senator from Nova Scotia had asked the question he would not have referred to the "United States". He would have said the "Boston States". We all know that to the average Nova Scotian, Quebec and Ontario constitute Upper Canada, and that the United States is normally referred to as the "Boston States". So I will respond to the honourable senators' question in the context of the Boston States.

I am not sure this will lead to a significant number of Nova Scotians emmigrating to the United States, partly because the United States immigration laws make it increasingly difficult to emmigrate to that country.

Back in my father's generation—and he is now eighty years old—people constantly moved to the United States.I have a number of relatives who moved to the Boston States. They moved to Gloucester. They live in Waltham, Massachusett, just outside Boston.

In those days immigration for people in the fishing industry was relatively easy. What has happened since then is that immigration laws have made that much more difficult.

If there has been a loss of population in the Atlantic Provinces, it is inevitably not only the result of the GST but the result of the other economic policies of the government, including the free trade agreement. Upper Canada, as we call it, specifically Ontario, has benefited from this migration. The Conference Board of Canada is reported to have said that the rest of the country's economy is sliding to the level of the Atlantic provinces.

People are not leaving the Maritimes in the numbers they used to. They used to go to southern Ontario and to Calgary. Senator Hays and I know many Maritimers who live in Calgary. They went out there in the boom times of 15 years ago. But given the way this government is systematically ruining the economy of the country as a whole, it may well be that that migration will become significantly less than it used to be.

I should like to mention, another name on this petition. Marilyn McNeil is from Antigonish. I point out this name specifically because Antigonish, since 1984, has become a famous community in Canada. Some honourable senators may not realize this, but Antigonish is the home of St. Francis Xavier University, a very good university, I might add, and one that has been given significant publicity since 1984 because that is where the Prime Minister and most of his cronies went to university.

It is certainly an interesting comment that it appears, from reading newspapers and books that have been written on the Prime Minister's relationships, that friendships built during his time at that university have become lasting friendships. I say this parenthetically, but the only thing that surprised me is that it turns out that the use of cronies is not unique to Antigonish, since it is clear from last weeks' ruling that the Speaker is another crony of the Prime Minister's yet he did not go to St. Francis Xavier University. I only raise this to indicate that people—

• (0615)

Senator Kelly: Could I raise a question? Will Senator Kirby be going on for a while? I have a question to ask him but I have to leave the chamber briefly. Can I count on his still talking when I come back so that I may put my question?

Senator Kirby: I would certainly be delighted to hold the floor until Senator Kelly returns. I am prepared to do that.

Senator Barootes: Be sure you are back before noon!

Senator Kirby: Perhaps I could also comment on one other name on this petition. Unfortunately, I do not see any Newfoundlanders in the house. I am sorry. I did not see Senator Lewis. Senator Doody is also here, as is Senator Cochrane.

Senator Lewis: Just because Newfoundland was not one of the divisions under the Constitution in 1949 doesn't mean to say that we should not be recognized. I do not mean to say that we were not one of the divisions; we were one of the divisions for the purpose of appointing the so-called divisional senators. I just wanted to point that out. I want to draw attention to that fact because we feel very strongly about this. We have been treated differently from the rest of the country under the Constitution.

Senator Kirby: I have very close connections, as Senator Lewis knows, with Newfoundland, since both of my parents come from Newfoundland. Indeed, all of my aunts, uncles and cousins, with the exception of one, continue to live in Newfoundland. I say, "live in Newfoundland" as opposed to, for example, saying "live in Canada" since some of my relatives voted against Confederation in 1949. At least one of them has failed, I think, to accept fully the fact that it occurred.

As Senator Petten and Senator Lewis have pointed out, it might have saved the government an enormous amount of grief

had Newfoundland been included in one of the divisions of Canada. As senators know, there are at the present moment several members of Parliament from Newfoundland and only six senators. Therefore, the entire legal argument taking place across the country over the appointment of one of the British senators, Senator Ross, might have been avoided had Newfoundland been included in another division. In fact, the argument of Section 51A would never have occurred had that extra Senate seat been open to Newfoundland.

(*Names of signatories read.*)

Mount Pearl, as many Senators know, is located very close to St. Johns. Indeed, it is the place where former Premier Peckford lived for many years. He had a lovely house built at Mount Pearl. He may still live there, although I am not 100 per cent sure of that. Nevertheless, Mount Pearl is a lovely part of St. John's. It is an interesting observation simply that, on this petition, there are a number of Newfoundland names.

On another petition there are some names of people from Topsail. Topsail, as some Senators may know, is a community about 45 minutes' drive outside St. John's. It is a community I happen to know well because my uncle and aunt have lived there for many years. I have a number of cousins and other relatives living in the area. In talking to them about the GST—and, indeed, in talking to some of the other people whose names appear on these petitions—it becomes fairly clear, on the matter of what the Liberal senators ought to do about the GST, that Newfoundlanders and Nova Scotians are strongly opposed to the tax. They believe that we ought to do something about it.

The opposition to the tax, I might point out, is not just in the one or two isolated communities I have pointed out. There are, of course, dozen of names here from Halifax and Dartmouth. When Senator Forrestall returns, I will have a few things to say about Dartmouth. When he was a member of the other place, that was the area he represented. I think I will save those comments until he comes back.

However, since Senator Buchanan is still here, I ought to make the observation, for example, that there are several names here from Hacketts Cove.

(*Names of signatories read.*)

Hacketts Cove is a small community. It used to be, and still is, as a matter of fact, in the provincial riding of Halifax. Senators might not realize this, but Senator Buchanan actually represented Peggy's Cove at one point, very early on, I believe, before redistribution.

Hacketts Cove is one of the communities that you go through if you are driving from Halifax to Peggy's Cove. The next time any senators go to Peggy's Cove, I recommend that they stop in at the gift store there. I don't remember the name, but Senator Buchanan may. It is the most marvellous gift store in Hacketts Cove, with all kinds of Nova Scotian artifacts and handcrafts, for the most part examples of the cottage industry.

I raise the matter of the gift store not primarily as a sales pitch for the store, but because in fact I was in that store about six weeks ago. I had a long conversation with the owners of it.

[Senator Kirby.]

It was an interesting example of a small retail operation in Nova Scotia and, indeed, the same thing would be true for small retail operations across the country.

In talking to the owners of that store about the impact the GST will have on them and on the nature of their business, it became clear that from their point of view the administrative costs of handling that tax will be significant. It was one of the few times I have had an opportunity to spend some time talking in depth to people about the practical problems associated with the GST for small businesses.

In travelling across the country this summer, the GST committee heard many presentations. A number were from organizations like the Canadian Federation of Independent Business, which attacked in macro terms the problems of the small retail operations, particularly those that sell goods that are tax exempt. Some goods are zero rated and some goods are tax exempt. These people will have enormous difficulty in keeping track of the books, making sure that the correct provincial sales tax and federal sales tax is paid on different items. There will be increased costs for these types of businesses.

The problems these people who operate the handicraft stores will have, over and above those encountered by the ordinary retailer, arise because they are buying their goods largely from individuals who work out of their homes, who are potters and other artisans. Those individual artisans will also have to deal with the GST. So I have found when talking to people who operate handicraft shops that they are extremely concerned about the way this tax will impact on their businesses.

Another name on the list is that of Don Johnson. Their is also the name of Gordon Chang from Ketch Harbour. Ketch Harbour is in Senator Buchanan's former provincial riding.

More than twenty years ago, when Senator Buchanan was first running, I had the honour of having the Premier of Nova Scotia as my member of the provincial legislature—as I lived there back then. The Don Johnson on this petition who lived in that riding had an interesting history.

Senator Kinsella: Is that the same Don Johnson who is the president of the Liberal party of Canada?

Senator Kirby: I am glad you raised that question. The Don Johnson who is the president of the Liberal party of Canada lives in Montreal, but does have connections to Nova Scotia. The Don Johnson who is the president of the Liberal party of Canada is married to a Nova Scotian. Indeed, he spends a considerable part of his summer down in Nova Scotia on the south shore. Like many Canadians, he not only has learned of the wonders of marrying into a Nova Scotian family and acquiring that tradition, but also what a wonderful place Nova Scotia can be in the summertime.

I was referring to a different Don Johnson. I am not referring to the Don Johnson that is on *Miami Vice*, just in case the honourable senator thinks that. Unfortunately, I do not know that Don Johnson, although I must say that my teenage children certainly wish I did. They would regard that

as being significantly better than knowing either of the other two Don Johnsons I do know.

The Don Johnson I am referring to was, in fact, the lighthouse keeper on Sable Island during the Second World War. There have been many photographs taken of that lighthouse.

During the Second World War, that lighthouse was manned by Don Johnson. There was a fear among the Allies for sometime that if the Germans were going to invade North America, one of the ways they would do it was to first use Sable Island as a staging area.

Senator Buchanan and I have been out to Sable Island a few times. We can testify that trying to use the sandbars as a landing base would be an extremely difficult challenge, if not an impossible one.

I raise this and the Ketch Harbour connection by Don Johnson only because the map many tourists are given when they go to Nova Scotia—the one showing all of the shipwrecks scattered around Sable Island—was drawn by Don Johnson during the Second World War. So if you ever ask yourself what a lighthouse keeper does to avoid boredom on his long tours of duty you know the answer. Mr. Johnson spent a lot of time out there in those days because the only way to get back and forth was by boat. There were not the small aircraft that we now have that are capable of landing on that Island. These days if you want to go to Sable Island, you charter a small aircraft or a helicopter. The oil industry has developed all sorts of ways to move men and equipment around. They now use helicopters.

But in the days Don Johnson was there, those aircraft were not available. At one time I think he spent over a year there. He, as I said, drew the map detailing all of the shipwrecks that had occurred off Sable Island over a two hundred year period. I am sure that if he were still around today—unfortunately he passed away several years ago—I have no doubt, speaking on his behalf, Don Johnson would have been more than delighted to have signed this petition. I think one ought to make that observation.

I also think I ought to make the observation that there are a number of signatures on this petition which come from Yarmouth County, Southwest Nova, as the area is called for federal electoral purposes.

I was down in that part of the province not too long ago. On talking to the people down there, you find that they are very concerned about this tax, even though some people down there are prosperous as a result of their work in the fishing industry. It might surprise some honourable senators to know that there are prosperous fishing communities. In fact, for many years in Yarmouth County in southwestern Nova Scotia, generally speaking, many of the average fishermen have done very well economically. They have done well because they are the epitome of the individual entrepreneur, willing to go out and work hard under very arduous circumstances. In fact, they behave in a very entrepreneurial fashion in the way that they go out and catch the fish but also in the way that they launch businesses. For example,they commenced the trucking of fresh fish to the United States and moved in on the very lucrative fresh fish market in Boston.

• (0630)

Honourable senators, at the present moment, of course, most of those fishing areas are having a hard time because of the current state of the fishery. However, they have not, in fact, suffered the severe ups and downs experienced by many other parts of the industry, particularly in the outports of Newfoundland.

However, when you talk to individuals such as those entrepreneurs on the east coast, they know that they will find themselves having to deal with a tax not only on goods they buy but on goods they sell.

These are people who do not necessarily have a great deal of education but who basically believe that their lives consist of getting up early in the morning and going out and doing a day's fishing. Therefore they do not really want to be bothered with all of this government stuff. They find this business of having to deal with Revenue Canada and tax people in general under any circumstances not something that they particularly like doing. More importantly, they find that the complication this tax will add to their lives is something that they absolutely do not want to deal with and, in fact, they really do not know how to deal with it.

What I find when I talk to these kinds of people is that they say: "Are there not any alternatives?" I would hope that, at some stage in the game, we in this chamber can, in fact, begin to talk about other alternatives.

Just as a passing illustration, some honourable senators may also have received a brochure that come into my home the other day. This brochure talks about one alternative to the GST called the "single tax", I believe. This brochure is very clear, so it was probably not written by anyone in the Government, or by anyone in the Department of Finance, nor by my Michael Wilson. This "single tax" seems to me to be an idea which needs to be very seriously considered as an alternative to the GST.

There was an argument made a few moments ago, when Senator Stewart was speaking, that there is no alternative to the GST. That argument is, of course, not true and as proof of that statement, I point to this brochure which I believe may have been mailed to every home in Canada. It seems to me—

Senator Chaput-Rolland: Is this a debate, Senator?

Senator Kirby: No, I am not debating, honourable senators, I am speaking about the petitions in the sense that one of the points that the petitions make if that the petitioners are opposed to the tax, but because that they believe among other things that there ought to be other alternatives. I was merely making the observation without wanting to get into a detailed discussion of the GST. I would be quite happy to do that at some length on another occasion.

Senator Chaput-Rolland: So would we!

Senator Kirby: I am merely pointing out that there are, in fact, other alternatives. It was in that context that I was

speaking to the petition which talks about the fact that they are opposed to the GST and that they are interested in other alternatives and I raised that as an option.

I should also point out, honourable senators, that there are number of signatories on these petitions from communities along Nova Scotia's south shore, stretching all the way down through Lunenberg County through Queens County to Shelburne County. In particular, a number of the signatories, from the Bridgewater area, both from Bridgewater itself and other communities such as New Germany, and Pleasantville, which is a lovely community just outside Bridgewater. There are others from such places as Barss Corner. There is even one from First South. Believe it or not, "First South" is the name of that community it was the first community south of Lunenberg.

There is also a signatory form Back Centre. In case some honourable senators do not understand, Back Centre is actually the name of a community because there is also a community called Centre. If you lived down in Lunenberg county with a perfect with a perfect Lunenberg accent, you would pronounce it "sentry" and not "centre".

However, honourable senators, as one reads through these petitions what we find is that there is a whole series of names and a whole series of communities which cover almost all of the south shore of Nova Scotia. As I said, in several cases I have spoken with these names on this petition, having received it in the last little while. My experience has been that when you phone these people and say to them, in effect, "Why did you sign this petition?" What they usually say in response is that they signed it because essentially they are at the point where they believe that they simply can no longer afford to pay increased taxes.

When you live in a place such as Barss' Corner or First South, or even in a bigger community such as Bridgewater, what you find is that essentially people are saying, "Enough is enough. We simply cannot afford to shoulder this additional tax." Therefore they have petitioned the senators on this side of the house and ask us, in effect, to try to ensure that the tax does not come into effect.

Senator Hays: Senator Kirby, I would like to ask you a question. You have some special expertise as I recall, in the fishery and its structure. Some speak kindly of you, and some unkindly—and you may wish to comment on that.

However, because of the time you have spent studying the fishery, I would like to ask if, during the course of your conversations with these petitioners many of whom are from fishing communities—they have indicated to you what motivates their opposition to the tax as it relates to the removal of the manufacturers' sales tax or the federal sales tax in terms of capital equipment that might be required in the fishery as it relates to the fish processing end, and the replacement of that sales tax with the Goods and Services Tax. I think it would be a great shame to take advantage of your expertise, since you are on your feet, and ask for some comment on that aspect.

[Senator Kirby.]

Senator Kirby: Thank you, Senator Hays, I will comment on that. Perhaps I ought to point out that there is somewhat frequently misconception of the nature of the fishing industry. In terms of the actual number of people employed in the fishing industry, there are far more people, as Senator Comeau will know, in small, individual boat operations than there are in large processing plants, and therefore, in fact, the removal of the manufacturers' sales tax is not of much help if your entire asset are base is a boat, essentially, which you use to go out and fish over night.

Even if you are so-called inshore fisherman, going out in the morning and coming back at night, the elimination of the manufacturers' sales tax will not help you very much since you are not buying enough goods. That contrasts with the situation with respect to the big fish processing plants, as Senator Hays has mentioned in his question, where, in fact, there may be some modest benefit.

The fact of the matter is that the dilemma I find in talking to, in particular, the inshore fishermen who usually are out on the water by 4:30 a.m. and come back in the early afternoon, is that the complication the GST will add to their lives is so horrific from their point of view that two things are bound to happen. First of all, it is horrific from their point of view because it gets them increasingly involved in a complicated paperwork world that they do not understand and do not want to understand and do not really want to act on. It is a paperwork world in which adding on seven percent here and there is something they simply do not know how to deal with and do not particularly want to learn how to deal with. Therefore the situation for people such as the ones I have been talking about, is that there is a paperwork problem.

However, honourable senators, there is a far more serious problem. Historically, in rural Canada, a significant portion of the economy has been what economists would call "the underground economy". What that really meant people provided services for one another for which cash was not exchanged. Alternatively, transactions were done in which were paid for in cash, and not by cheque, on the understanding that, in that fashion, the transaction was not easily traceable by the tax department. Therefore the net effect, particularly in rural Canada, is that there has always been a thriving underground economy.

From the point of view of the people I have talked to, and contrary to the arguments made on behalf of the Government, one of the impacts of the GST will be to increase the size of the underground economy. The reason for that is no one will want to pay the tax and therefore they will be quite willing to work out arrangements under which functions performed, goods are sold, services are sold and the sales are done in such a way that all transactions are by cash, as opposed to being transactions handled in some other way, thus having the tax paid on them.

Therefore, Senator Hays, it seems to me that one of the big impacts of the GST, certainly in rural Nova Scotia and rural Newfoundland, will be to significantly increase the size of the underground economy. The net effect of that, of course, will be

to reduce the Government revenues rather than, in fact, to increase them. While that is basically that is an economic problem, it seems to me that it is a bigger problem in another way, and that is, the extent that we instill in people—and in subsequently in their children—the principle, the feeling, the attitude, the values—

Senator Buchanan: None of my constituents were involved in that kind of underground economy.

Senator Kirby: Senator Buchanan is pointing out that none of his former constituents were involved in that underground economy. Senator Buchanan, since you are now leaving the Chamber, I will wait until you return before I make some further remarks about several of your former constituents who, in fact, signed these petitions. I am sure you know some of them personally and I am also sure that in the past, they have been misguided enough to vote for you. Nevertheless, they were willing to sign this petition. As I say, on some future occasion, I will gladly give you their names. I can tell that, at the moment, your term of duty is over at 10 o'clock which is why you are leaving the Chamber at this point.

Senator Graham: Perhaps they signed when he was the Premier of Nova Scotia.

Senator Kirby: Yes, that could be. Certainly, as I pointed out, at one time I lived in Senator Buchanan's former riding for some time and there is no doubt that important public policy issues such as the quality of the road system and other things were substantially enhanced by virtue of the fact that they were in the riding represented by the Premier. While I would not like to see the correlation, it certainly would appear that perhaps there might have been some correlation. Certainly, as someone who lived in the riding for some time, I was delighted with the results in areas such as roads and so on, because of the Premier's influence.

In any event, before I got marginally side-tracked by Senator Buchanan's interjection, I wanted to finish the point I was making about the underground economy. One of the real problems, it seems to me, with encouraging the growth of the underground economy is in terms of the values that it ultimately teaches the next generation. What happens is that the next generation, the generation of our children, begins to believe that it is acceptable, that it is all right, that it is appropriate, that it is a routine way of doing business, essentially, perform transactions in a way that hides tax revenue from the Government and it seems to me that we are teaching the next generation of Canadians and, in particular, the next generation of Nova Scotians a set of values which are inappropriate.

It is often said that Government action frequently produces unintended side effects. In that context, there was a very good study done several years ago by a professor at the Kennedy School of Policy at Harvard. The book resulting from that study was subtitled: "The Unintended Effects of Government Policy". In that book, the professor went into a whole series of public policy issues, including housing programs, tax programs. What he pointed out, essentially, was that what happens very frequently if that the Government introduces a policy which is intended to have a particular consequence; to get the population to do certain things. What happens is that there is a side effect that turns out to be far more difficult, or complicated, or creates more problems than the original problems the policy was intended to solve.

It seems to me that when we talk about the underground economy, what we are seeing is a situation in which a tax revenue grab by the Government will, in fact, have a significant impact on the morality that the populace at large will have and, consequently, by their children and grandchildren will have when they look at the overall issue of paying taxes. In my opinion, any public policy which ultimately encourages Canadians to behave in a way which is, in some sense, immoral or wrong or against the law, or designed to evade the law, that that is a very poor way for people to proceed.

Therefore, honourable senators, I worry about that aspect of this situation, because as I see, and I go down to Nova Scotia to talk to people in the fishing villages around the east coast, I find that this is clearly one of the lessons that they are learning out of this entire proposal. In other words, there must be some way of avoiding the tax, and they needed to find a way of doing just that.

In closing my comments on the first couple of petitions, I would like to make one last observation, and that is—Senator Kelly you will be pleased to know that I waited for your return as I said I would—I would like to note that one of the other things which struck me on reading these petitions, and indeed on talking to the people whose signatures appear on these petitions, is that there is an incredible cross-section of ages. As I began my remarks by referring to some people who live in Beaverbank Villa. However, I would like to point out at this stage that the ages of the people who signed these petitions range from 19 all the way through to a couple in their 80s.

No matter what their age, when you talk to them, you find out very quickly that they are strongly opposed to the GST. The young people are particularly concerned that the impact which the GST will have on educational costs, including the cost of books training programs and fees for other than for formal training educational institutions such as training and upgrading programs of all kinds. A number of people on this list have currently in the midst of undertaking such a program and when you talk to such people about their concerns, what you find out is that they are concerned because they realize that if the tax goes into effect the impact on their ability to ultimately afford more educational programs will be profound.

Honourable senators, that concludes the comments I wish to make on the first two petitions. As I say, I have another 25 or 30 petitions on which I would be delighted to comment later. There are also a couple of names of people I spoke with before my remarks today. However, they were not available and in one case I told the daughter who answered the phone that I would call back today, and I intend to do so.

However, I hope I have given honourable senators some small inkling of the kinds of people who are petitioning those

of us on this side of the chamber to defeat the tax. What, in my opinion, we all need to be aware of and conscious of is the fact that there are Canadians all across this country—and not necessarily those Canadians that you read about in the Business Section of the *Globe and Mail*, which I mention in view of the fact that many of the senators opposite heavily involved in the business community—as I say, many ordinary, average, everyday, working Canadians who are seriously troubled by this tax; who are troubled by what this tax will do to them in economic terms and who are troubled by the kinds of messages that is being conveyed to them with respect to government waste and government extravagance and who are troubled by the messages they think they will ultimately be passing on to their children. Such messages will be how to beat the taxman and how, essentially, not to cooperate with government.

It seems to me that if it is true that Government can survive only so long as it does so with the support of the governed then when one has a tax such as this tax that is being attacked in these petitions, and if it is also true that the average Canadians out there across this land, and in particular the average Nova Scotians, are so strongly and viscerally emotionally concerned about this tax that they will sign these petitions in such numbers, then it is important for us to recognize that laws which have that degree of public opposition are, in fact, not only poor public policy but help, in the long run, to denigrate the entire business of government and of governing. It seems to me that that is something that all of us on both sides of the chamber, ought to be concerned about.

That is why it seems to me that a number of members opposite ought to rethink the position they will ultimately take when we come to deal with this issue, particularly in light of the fact that a number of them have made comments about the problems and the reasons for disliking the GST prior to their being appointed to this place. I would hope that, as they listen to these petitions and to the comments that many of us are making with respect to the views of the average Canadian, that the members opposite will take those into account when, some time down the road, we get to the point where we are dealing directly with the Senate Committee's report.

Some Hon. Senators: Hear, hear.

Hon. William M. Kelly: Honourable senators, I will be brief. As Senator Kirby mentioned, we are dealing with the report. Some of the matters that Senator Kirby has raised, that perhaps should have been taken into account in the drafting of the legislation, I must say I find persuasive. Senators who are members of the committee will know that I am not able to be present at all of the hearings, but I have had an opportunity to examine the report in detail.

However, there is something that bothers me a little—and this is really a question for Senator Kirby: given the fact that this report does contain some pretty valid criticisms, do you really believe that the committee fully carried out its responsibilities when it came up with a concluding recommendation that simply said that the Senate should not deal further with that legislation.

[Senator Kirby.]

Honourable senators have often heard me on the subject of caucuses. I still have a hard time recognizing two caucuses in this Chamber. To me, the Chamber as a whole a caucus, and the job of this caucus is to improve legislation. That has been part of our whole history. However, I wonder if we met that historical obligation by simply saying: "There is a lot of things wrong with this legislation. Let us not go any further." Is there not a possibility that perhaps we fell short.

Senator Kirby: I would be delighted to respond to Senator Kelly's question because he has raised a valid point. As Senator Kelly knows, on many public issues, and on perhaps the vast majority of public issues that have come before this Chamber, he and I are in agreement. I also might say that, on behalf of the Liberal members of the Committee—and I say this with real conviction and sincerity—the Committee would have been a lot better off and a lot wiser had Senator Kelly been able to be with us this summer since I realize that you were ill and were unable to be with us, but your contribution on the Banking, Trade and Commerce Committee, over the years that both you and I have served on it has been extraordinary since I will certainly tell you that there were many times when those of us on our side of the committee regretted very much that you were not able to be there since we thought the hearings might have been disrupted much less by some members on your side, and have been much less unruly than they, in fact, turned out to be.

However, with respect to your particular question, it is a very interesting question. During the summer, several of us on this side of the chamber said, privately as well as publicly, that one of the issues the Committee was whether or not we propose amendments, as we have historically done, which would deal with many of the criticisms of the bill. Indeed, many of us, through the first two and one-half to three weeks of the hearings had started to compile lists of the potential amendments. However, as time went on it became apparent what the problem was. Senator Kelly, if you had sat with us there, day after day, twelve and sixteen hours a day, what you would have seen in the end was that, to meet even a handful of criticisms and comments and suggested changes that were put forward to us by organizations across the country would have demanded and enormous number of amendments.

When I talk about these criticisms I do not mean only criticisms from individual citizens. In fact, what individual citizens were saying to us was: "We do not mind paying taxes if we think the money would go to a government that would not waste it. We do not mind paying taxes specifically."

In fact, honourable senators, the majority of the witnesses mentioned one other of the three things for which they were always willing to pay taxes and those three things were: Taxes that would help improve the environment; taxes that would go towards the health care system and taxes that would go to improve the educational system. Therefore the blanket statement that Canadians are always against tax increases, as has been made by some senators opposite, is simply, to me, blatantly unfair. The fact of the matter is that Canadians have shown, and continue to show, all across this country, a willing-

ness to occasionally pay higher taxes for things where they feel they are getting some return. The problem with a number of the individuals who said they did not want to pay the GST was that they believed that, in fact, they would wind up paying a significant amount of money for which they would not get anything in return. That, honourable senators, they regarded inherently as a bad trait.

However, honourable senators, it became clear that the reason we should not merely amend the bill was that if you listened to the briefs, including briefs from a large number business organizations and individual companies and industries, such as the insurance industry, the brokerage industry, the customs brokers, the funeral directors—if you read the list of witnesses from whom the Committee hears, you will see that we heard from some 400 witnesses across the country. Virtually every single witness including industry groups and organizations and so on, proceeded to some amendments that would clearly be needed if, in fact, the bill were to be workable. Forget about the fact of whether or not they wanted to pay taxes. These were just practical problems that had to be dealt with.

Indeed, as you listened to the comments of witnesses—not prompted, I might say, by anything that Senators on our side said—it ultimately became clear that to amend the bill would require such a massive number of amendments—and when I say "a massive number", I do not mean two or three or four or five; I mean dozens and dozens and dozens—just to deal with the practical problems. In fact, it became clear that the GST would not only be an administrative nightmare, by which I mean partly regular Tory and partly legislative, but would also have enormous negative economic impact on an unlimited range of companies.

● (0645)

People like myself ultimately came down to deciding whether one attempts to massively rewrite the bill from scratch or recommends to the House that the bill be defeated, in effect letting the government rather than this House try to start from scratch and redesign a bill. Frankly, that is how someone like myself got to this point.

I have said publicly, and privately, that that was not my position at the beginning of the summer. I ultimately came to the conclusion that rejecting the bill was the only logical alternative because of the massive rewrite that was necessary. It could not be done, in practical terms, by a committee of the Senate. It was too complex and required a massive number of amendments. That is why I came to that conclusion.

Senator Kelly: I do not mean to be provocative, and I believe Senator Kirby did enter into this exercise with the idea of honestly trying to improve the legislation because he has had too much experience to do otherwise. However, I still have the feeling, from reading the reports of the committee examination in the very early stages and seeing some quotes from members of the committee, that it is fairly clear that the decision in advance was not to accept a value-added tax but simply to kill the bill. That was my impression.

I am not alleging that that was the case throughout the committee's deliberations.

Your second argument is that you would have to totally rewrite the bill. Historically, the procedure of the Banking committee has been to advise the government that it believes the bill needs substantial rewriting and then give some of the reasons. The responsibility lies with the government in promulgating the legislation. I believe the committee did say ultimately that this was too much work and "Let's just drop it".

While there are some marginal problems, there are a few serious central issues that might have been better handled. That is my point.

Senator Kirby: I appreciate that point of view. I found myself wrestling with that point of view versus a view of changing the bill. I also understand that as a result of reading some of the committee's transcripts, Senator Kelly may have come to the conclusion that the committee had set out, perhaps, to kill it. Equally, I think he will agree, if he reads the committee's transcripts, that it was clear that a number of senators opposite saw nothing wrong with the bill and believed nothing should be changed.

It is fairly clear that perhaps both extremes were represented on the committee, although in a minority. That is why I say I wish someone of your normal tone of moderation could have been on the committee.

Let me use the analogy of a bill that was before my time. I had some familiarity with it when I was in the public service in Ottawa. It was a bill in the early 1980s to create the Canadian Security Intelligence Agency. I believe Senator Kelly was on that committee.

I raise this as an example only because of the press comments about the Senate never recommending that a bill be killed or recommending massive changes. You will recall what happened to the original CSIS bill. It had passed the House of Commons and come over to the Senate. The Senate held a considerable number of hearings in approximately 1983 or 1984. It became abundantly clear that had the government proceeded with that bill it would not have passed the Senate. It was very clear that it was so flawed that it needed massive rewriting, and rather than proceeding with the bill the Liberal government of the day simply withdrew it. It was agreed that a new committee of the Senate would be struck, chaired, I believe, by Senator Pitfield. I believe Senator Kelly was a member of that committee, if not the vice-chair. That committee proceeded to hold hearings for some eight months on the nature of what a civilian security intelligence agency should be, then effectively outlined to the government a whole series of policies on how it should operate in this regard.

The government proceeded to draft a bill, basically adopting every change that had been recommended by the Senate committee, and introduced a totally new bill. I point that out as an example in this decade of when, rather than recommending dozens of amendments, the government withdrew the bill and proceeded to draft a new one.

Many of us hoped that might well be the outcome of this summer's hearings as they wore on, except it became abundantly clear from Conservative members of the committee that they were not prepared to change one word of the entire process.

I share your concern, Senator Kelly, that it was that breakdown or rigidity that caused the breakdown in the process which you so aptly described, and reflects the way in which this place works.

Hon. Herbert Sparrow: Senator Kirby, there probably could have been amendments or extensive changes made to make the bill more palatable for the Canadian people. The precedent that has been established recently by the government is that the Prime Minister is really not prepared to accept any amendments to legislation.

I refer to the Meech Lake discussion when the Prime Minister stated that there would not be a comma changed; that no changes would be made. There is the unemployment insurance bill and the pension bill, which has gone back, and about which the Prime Minister stated there would be no amendments or changes. He will not even have a conference with senators to discuss this. If that is the case and that is the precedent, would there have been any sense at all in trying to make any amendments to improve the bill, or would the precedents have established simply that the government will have no truck nor trade with those old farts in the Senate, as Minister Mr. Jelinek said yesterday? I just want him to know that we are not all old.

Some Hon. Senators: Oh, oh!

Senator Sparrow: Would you answer that question?

Senator Kirby: It is a difficult question to deal with under the circumstances, but a very important point has been raised. It follows very much on the drift of Senator Kelly's question.

This place has historically worked as a result of both sides getting together and agreeing, making suggestions, recommending changes and amendments. The dilemma we have faced in the last six years has been as a result of the view of the government in the other place. I really believe it is the government in the other place, as opposed to government members here, who believe no changes ought to be made and that everything that comes forth from the government, every bill that is tabled in the other place, is essentially perfect and we should never be required to make any changes. The attitude that troubles me is that they have a sense of having their own way, and that they know best.

Most people know that I do not normally use strong language on political issues. I may be involved in politics but I do not use strong language. However, I use very strong words when I talk about a system in which a majority government in the other place can use whips to get their legislation through, and simultaneously take the view that public opinion is not a constraint on government behaviour and that recommended changes from this place are not a constraint on government behaviour. That means there is effectively no constraint whatever on government, with no checks or balances. That situation is effectively a dictatorship by the Prime Minister and Cabinet. In my view, in a parliamentary democratic process, that is not how we have operated historically in this chamber.

I believe this has been brought about not by members opposite, because I do not believe that is their point of view individually, but by the Prime Minister whose view is that under no circumstances should any changes or should any rules interfere with what he wants to do.

I have a very interesting illustration of that. I will not reopen the issue of the Speaker's decision, except to make one observation. When Elijah Harper lodged his one-man crusade against the Meech Lake Accord in the Manitoba legislature there were two members of the cabinet, Senator Murray and the Prime Minister, who repeatedly stated in the days leading up to the death of the Meech Lake Accord that the Manitoba legislature ought to ignore its own rules and prevent Elijah Harper from speaking. They repeatedly said on television and to the press that the legislature should forget about the fact that his one-man filibuster was possible because of the rules, and the rules simply ought to be ignored; that they ought to ride roughshod over the rights of Elijah Harper, the rights of all Canadians who opposed the Meech Lake Accord.

What we saw with the Speaker's ruling the other day was another illustration of that, except it was in this chamber as opposed to the Elijah Harper case, when Senator Murray and the Prime Minister said no one else has any rights and that "We know what we want to do. If it is not within the rules, it does not matter. Change the rules". I think Senator Sparrow's comments were right.

If one can get away from that attitude, which I believe is very localized and does not apply to many, if any, of the senators opposite, the Senate may well get back to operating as it has historically. I know many senators opposite wish it would happen, but it seems to me that as long as we have this sense of infallibility on the part of the Government Leader in the Senate and of the Prime Minister, we cannot do that.

POINT OF ORDER

Hon. William Kelly: Honourable senators, I rise on a point of order so I can make this point. I did not mean to provide a background against which Senator Kirby could make a political statement as he just did. I would say to Senator Kirby that my father told me a long time ago that the important thing is not to worry about what the other fellow is doing in getting his job done, but to do your job properly.

My question really dealt with whether we did our job properly as a committee. I do not believe we did.

All the allegations, whether it is the intransigence of the Prime Minister, the political tricks that may or may not have occurred in the Senate, really have nothing to do with the extent to which we did our job well as a committee. That is the point I am trying to make. I think it is a cop-out when we try to reach out and find an excuse.

Hon. Michael Kirby: I appreciate the context of the question and that you did not intend to provide me with the

backdrop of which I took advantage. Nevertheless, I very much appreciate the fact that you did.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. H.A. Olson: I have a number of petitions I would like to present to the Senate. As honourable senators know, most of these petitions are prefaced with the words: "People having an ancient and undoubted right to present a grievance to the Senate."

Of course, that is what I intend to do. I have never received so many petitions in the time I have been here, since 1957.

I have a petition with 250 names which I will present. I have another pile, including petitions that are slightly different. I will not put them all in, but the rules say that one can make a brief explanation about a petition.

Why are we getting so many petitions? Why is it particularly appropriate today? The Alberta government is going to court today to challenge the federal government on the GST. Other court cases will be heard today about some of the actionns taken by the Prime Minister to swamp the Senate in order to get this bill passed.

It seems to me that honourable senators opposite should understand that it is an act of desperation. The people of Canada do not know what else to do. I worry about the way Canada is being governed, if we have a government that does not give a damn about pubic opinion.

● (1030)

It is clear that at least 85 or 87 per cent, or around 90 per cent, of the people of Canada are opposed to the GST and yet the government carries on as if that does not matter. I think a government that is completely immune, if that's what they are, or callous, or whatever the right word is, to public opinion, creates a very dangerous situation for the country, and that seems to be where we are at the moment.

The Hon. the Acting Speaker: You do have a right—

Senator Olson: Well, I am not only a microcosm; I come from a certain part of Canada, which was well explained by Senator Davey Steuart from Saskatchewan a few minutes ago, and that is why it is appropriate to be talking about the petitions and the tremendous desperation people are going through to try to get the message to the government. There is a piece of Alberta, not a very large part of it, but a piece in south-central Alberta bordering on Saskatchewan that, as I have said in this chamber many times, is as much like Saskatchewan as any part of Saskatchewan. It is dry prairie and they have had a seven-year drought and all kinds of problems.

We are not dealing with a recession out there any more; it is a depression. It is the worst depression, as Senator Steuart pointed out very well, that we have had since the 30s, and in some cases it is even worse because the absolute need for at least some money is far higher today than it was during the Great Depression.

I know that in my family we just got along without money. My father did not go into debt; we were farmers; he was a farmer and a small merchant. In those days what you couldn't buy you did without; but now that option is not open to people as it was then because the things you did to scratch out a living in those days are no longer available. But I am not going to go into that today because that is another story I want to tell over and over in this chamber and at least get the attention of the government.

What I want to talk about today, if I may, is the reason behind these petitions, which come from everybody—individuals, organizations, provincial governments. I read in the *Toronto Globe and Mail* this morning that British Columbia is going to join with Ontario in the challenge to the federal government with respect to this matter. Are they challenging on the basis that it is traditionally a provincial tax? Well, I guess that's true, simply because the Federal Government hasn't been there. Alberta tried it for a few weeks in about 1936, but backed off having even a provincial sales tax. But the rest of the provinces have had one for a large number of years. Whether by tradition or through the Constitution the Federal Government, I guess, can levy taxes. There is no limitation on the Federal Government to levy taxes, so the provinces might have some problems there but they might be able to convince a court that by tradition it has been a provincial field for so long that maybe the Federal Government does not have the right to go there any more

The second point is—

Senator MacDonald: Senator Olson, I'm going to have a cup of coffee now. May I have your undertaking not to present your petitions until I come back?

Senator Olson: I don't know whether I'm going to give you that undertaking or not; it depends on how long it takes for you to have a cup of coffee.

I will tell you this: I am not here to kill time. I have a message for the members who are supporting the government. I want them to understand what these petitions are and that what I am doing, is trying to get that message to the government. So that is what I am going to do and I am going to raise a few points I think honourable senators opposite should listen to, because the people are out there pleading to be heard in this situation.

To get back to the first point, the Province of Alberta is arguing that the GST infringes on the traditional provincial powers. Secondly, it argues that the GST is unconstitutional because it will apply a tax to provincial crown property. The provincial government says the tax is absolutely contrary to section 125 of the Constitution, because one government does not tax another government. Thirdly, they are arguing that section 125 also means it is unconstitutional for Ottawa to apply GST against a wide range of services that are provided by the provinces, which is what will happen in the health and educational services and so on.

We have heard a great deal about how terrible it is to tax things that are helping—that are used to improve the literacy of this nation, and I agree with that. But we are getting down to some pretty fundamental matters when one level of govern-

ment starts to tax another level of government, but that is what is going to happen. We are going to be involved in courts and appeals, and all that sort of thing, for years if the Government insists on going ahead with this tax in its present form.

One of the things the Minister of Finance started off saying was that they were going to have an agreement with the provinces, that they were not going to have two administrations—collect the tax at exactly the same point of sale. Well, you didn't get that. You might have one or two provinces now suggesting that they might get into it but there is no general agreement across this country at all by the provinces.

I see Senator Kelly is holding up—I don't know whether it is four fingers or five fingers, but apparently that many provinces have now agreed. What have you done? Have you beat them into submission?

I tell you, Alberta does not have tax; it does not have an administration in place to collect the sales tax, so it is no wonder they are a little more intensely opposed to this proposition than in other parts of the country.

Senator Carney: We note your point, Senator Olson, that Alberta does not have the bureaucracy to collect a sales tax, but are you disputing that Albertans pay the present sales tax that is being replaced by the GST? Do you dispute the fact that Albertans, in fact, do pay a hidden sales tax now?

Senator Olson: I think what Albertans pay along with every other Canadian is the manufacturers' sales tax. That is a tax that is collected on the manufacturer's price, on the invoice when it is the first price that any item has on it as it leaves the manufacturing plant. That is true.

But I know, and you know, that most of the manufacturing plants are in central Canada. You can take any item you like—I don't care whether it is household appliances, automobiles, furniture or all those other things; after this tax goes in they will put taxes on the transportation of these items to get them from here to Alberta.

Senator Perrault: Not fair!

Senator Olson: That isn't fair. The worst example we heard about, of course, was Old Crow in the Yukon. They are going to pay 158 per cent more tax on the same package of items as you do in southern Ontario. Is that fair? That is not the way it is now.

The way it is now, you can add the freight and you can add all the markups and so on which there will be when this comes into effect, and the amount of money accruing to the federal treasury for those items just leaving the factory door will be exactly the same for every Canadian, no matter where they live. But that's going to change. So Alberta has a—

Senator Carney: Are you speaking in favour of the present federal manufacturers' tax?

Senator Olson: Well, the problem we have with this is that the government, or the Minister of Finance, came out and said that this was a substitute tax. It is no substitute tax at all. It is a massive transfer of the tax burden from one group of Canadians to another.

People in western Canada, people in eastern Canada, people along the Atlantic Coast and in the Atlantic provinces and people in northern Canada are going to be paying a disproportionately higher share of the federal tax simply because of the way it is structured.

And there are other reasons why people are sending thousands of petitions. The people ought to know that the Senate Committee now has on record the names, in petitions, on cards or in letters or whatever, of two and one-half million Canadians who have protested this tax. There are unheard of numbers. I can not understand how the members opposite can just simply ignore that.

I mentioned three reasons why Alberta is going to take the matter to court. According to the *Globe and Mail* this morning, the Government of British Columbia has also said it will join in a similar action as Alberta, once they know the rest of the details of Alberta's proposal. I understand that action was filed yesterday. It is a six-page complex "challenge" to the Federal Government.

So we plead with you; we need some time; people need time to sort out the legalities of these matters, because I can promise you, the same as Senator Davey Steuart did, that on the first of January, if you try to impose this tax, there is going to be non-compliance. He used a little heavier wording. I think he said "civil disobedience"; but they are just not going to comply with it. What are you going to do then? Send out the inspectors to every little store and every little person who has been involved in a transaction of some goods or services?

So what is the next step? Send in the police, I guess. That's what you will have to do; that's the road we are heading down because of the intense resentment toward this tax. It is not only the amount of dollars, it is the method that is being set up to collect the tax and administer it.

I was a small-town shopkeeper for about nine years. I used to resent then all the forms that I got from the government—big government. The store business was not big enough to hire a full-time bookkeeper or accountant, so I sat there way on into the night day after day, filling out forms for both provincial and federal governments.

An Hon. Senator: Is this a speech on the GST?

Senator Olson: No. I am telling you why you got so many petition—

An Hon. Senator: Petitions?

Senator Olson: Yes, I have some petitions. I have hundreds of names on petitions here and I am supposed to give you an explanation.

An Hon. Senator: Read them. Read them to us.

Senator Olson: Listen, according to the rules I am supposed to give you a brief explanation of why we have so many petitions, and that is what I am trying to do.

I know there are in fact hundreds of thousands of people who resent doing all that book work for the government. In

any event, if you can go back into the history of any particular good or service and find that a tax has been paid before, you have the right to apply for the rebate; but the dollars are so big you have to do it; you cannot ignore it. I cannot understand how you can't understand that this is a problem.

Senator Carney: Would Senator Olson permit another question?

Senator Olson: I certainly will. I do have to get my train of thought going here sometimes.

Senator Carney: Well, these points you bring up on the problems with the GST, of course, are points that we could address in the Senate when we review the bill. Since you bring up these excellent points which are worth considering, are you ready to move to debate the bill so that you can discuss these points and maybe we could see how we could improve the bill, as Senator Kelly has suggested?

Senator Olson: The problem there is that we have this ancient and undoubted right of Canadians to carry forward a petition about their grievances, and I can tell you this, the more that people know about this tax the more they dislike it.

The Minister of Finance, and I think Mr. D'Aquino, the head of the Business Council on National Issues, said that those who criticize this tax just do not understand what they are talking about, they are misinformed.

Well, my explanation is to phone any of the information numbers they give, those 800 numbers, and you can get information. We had one witness after the other come before the committee and tell us that if you can phone those numbers you will get a different answer to the same question.

So it is clear—and Senator Kelly was present when it happened—that the government is not ready to administer this tax fairly. They do not have the regulations ready as to how they are going to handle it either. That is also clear.

You know, Canadians are essentially honest people—

An Hon. Senator: Hear, Hear!

Senator Carney: Those are very useful points that the Senate could bring forward during the debate. My concern is that we will spend so much time on petitions and questions of privilege that we will fail to have the opportunity to discuss the points you raise and present them to the government as issues that could be addressed.

If you want to debate and bring forward these excellent suggestions so they can be addressed, I think we should move to actually debate the bill.

Senator Olson: You have the solution; it's easy. Talk your colleague, the Minister of Finance, into saying "Look, we know we aren't ready to bring this in." The people in the country resent it because they don't understand it. You know, a lot of taxation problems exist because people don't understand the rules and they worry if they are unable to comply with them. You can say, "Well, I guess we won't make it operational, we won't proclaim it for a year and all this trouble will just disappear. "You need a year at least to sort it out, even in the minds of the bureaucrats who are going to try to administer it after it is in effect. There is no doubt in my mind about that. If you keep bulldozing ahead that you are going to get it in by January 1st, 1991, you will have a state of chaos in Canada for a while. You are going to change one very large complicated taxation system under the manufacturers' sales tax for this one, and people aren't going to comply with it. As I said, most Canadians are good, honest citizens. They maybe don't like some laws, but they try to comply with them. It was clear that day after day, they weren't getting the right information to know how to comply with this tax.

Senator Carney: Senator Olson, would you permit me another question? Why you are so unwilling to move to debate this bill so that you can bring forward your very pertinent points? Why can't we move to debate this bill so that we can assess some of the suggestions you are making and find out what is possible and what is not possible?

Senator Olson: We have an obligation to honour the ancient and undoubted rights of the people of this country to present grievances to this place.

Senator Carney: We also have the right—

Senator Olson: And that's what I am doing.

Senator Carney: We also have an historic right to do our job as senators, which is to review and improve legislation. Why is the opposition blocking us in carrying out our historic rights to review the legislation and make the very suggestions you are bringing forward?

Senator Steuart: Ask them why they did the same thing for the first ten days?

Senator Olson: Well, you know, there's no explanation for that. We know all that. There's no good explanation. You have now swamped the Senate and prior to doing that you were holding it back so there would be no vote.

We do not have any problem in understanding that Canadians, ordinary Canadians, have rights. I have hundreds of names right here—

Senator Carney: Senator Olson, if you say you have no reason to hold up debate on the Bill—

Senator Olson: No, I didn't say that.

Senator Carney: Oh yes, I think you did. You said there is no answer to the question. My question is, why don't we move to debate the bill and deal with the issues that trouble us, if we read our mail? Why cannot we move to debate the bill and deal with some of these and find out—

Senator Olson: Well, honourable senators—

Senator Steuart: What's the rush?

Senator Olson: Yes, you are in a rush now.

Senator Steuart: Strangle them that much quicker.

Senator Olson: Because, you know, there are a few things that trouble us, and one of them is that we are going to court today to find out whether or not this swamping of the Senate was legal under constitutional traditions.

That's only one. I have a couple of others too.

I said a few minutes ago that you could solve all this by announcing that there would be a delay in the administration or the proclamation of this act so that even the government knows what it is doing; but you haven't done that yet.

Senator Carney: Senator Olson, is that specified in the petition that you are dealing with at this point in time?

Senator Olson: No.

Senator Carney: Why don't you confine yourself to petitions or move to debate the Bill?

Senator Olson: The petition I am dealing with right now.

Senator Steuart: Can I ask you a question?

Senator Olson: Well, I don't know; sometimes I thought it should be part of my speech.

Senator Steuart: I would like to ask a question. Very clearly, is it the purpose of this side of the house to defeat this bill? Is that not our purpose, that we are going to defeat it if we can.

Senator Olson: Well, that's sure. Let me read what it says at the top of the petition where there are thousands of names. According to our rule book, it says that we are not supposed to read the petition; but the petition says,

> We the undersigned, the petitioners humbly pray—

Senator Steuart: Humbly.

Senator Olson:

> . . . and call upon the Senate to prevail upon the Government of Canada to stop—

Now listen to this carefully.

> . . . to stop the introduction of the proposed Goods and Services Tax.

That is the basis of all these petitions; that is the grievance. The rule book says that we do not need to read the petition, that we can file it; but it says that we have to give a brief explanation as to why so many petitions are here.

But there are some other things that happened earlier this morning which indicated why there is such an intense feeling in the country about this legislation and why we are getting so many petitions. We are in a mess in this country, with governments suing other governments and taking them to court over constitutional matters. I have never seen so many petitions in all the years I have been here. Why is that happening? Desperation, in an attempt to get their view through to the government; and it doesn't seem to be getting through.

I want to make one other point, which is that yesterday a challenge to the government to change its monetary policy came from the Canadian Chamber of Commerce, the Conference Board and the Business Council on National Issues; and there have been others before. Some of the most astounding things happened. I saw the Minister of Finance on "Canada AM" this morning commenting on the economic slowdown. He refuses to call it a recession. Frankly, honourable senators, I don't care whether you call it a recession, a slow-down or a depression. Where Senator Steuart and I come from it is a depression. It isn't a recession, and it isn't a slowdown; it is the most severe depression we have had in at least 50 years. Maybe it's even worse than that.

Senator Carney: What about the Liberal depression of 1982?

Senator Olson: This one is far worse and affects a larger part of Canada than anything that happened at that time. But I am glad you asked that question, because you know what the Minister of Finance said this morning? He created a "made-in-Canada" slowdown.

Senator Perrault: He said it was necessary.

Senator Olson: He said it was necessary. In 1981, at least, they had it all over the Western World.

Senator Perrault: It was a world depression.

Senator Olson: That's what he said; he said "we deliberately created this".

Senator Perrault: That's right, that's exactly what he said.

Senator Olson: He doesn't call it a recession. "We had to slow down the Canadian economy."

Senator Perrault: A technical adjustment.

Senator Olson: And to prove how close he was and how well he maintained this slowdown, he said "we were only off three-tenths of one per cent in our projections."

All the national organizations were asking for him to put a freeze on expenditures. He said, "You can't do that." Well, I agree you can't do that—I shouldn't say "you can't;" you ought not to do that.

Senator Carney: More spending?

Senator Olson: I am not willing to say that we should put a freeze on government programs that help a whole lot of people who are absolutely unable to help themselves. Do you know what we have across this country? We used to call them soup kitchens; now we call them food banks, and the government is progressively pulling back so that there isn't any financial assistance to those kinds of activities. Do we want people to starve? That's what happens. There are thousands of people in this country now who just simply have no alternative—

Senator Steuart: Recovery program.

Senator Olson: . . . but to go to the food bank and get enough nutrition to carry on.

Senator Steuart: Shame!

Senator Olson: Because they pulled back already. I don't agree with that.

I also don't agree with following a monetary policy that has led to this situation. We now have 39 billion dollars in debt service charges alone. That is twice as much, just for debt service charges, as the entire Federal budget when I came here in 1968.

The Minister of Finance said he admits that he created it and that it is almost right on target.

Senator Perrault: For goodness' sakes. Unbelievable!

Senator Olson: There's no apology for it. You know what his excuse was? We've got to get inflation under control, that's all. He and John Crow apparently had decided all this and the Government supports it. Both of those people should not be in office any longer and this government should take its responsibility to see that they are not in office.

Senator Kelly, I know, agrees with me, because I raised this months ago, that this monetary policy would lead to the kind of situation that we find yourselves in today, only now they can't get it stopped.

Finance Minister Wilson says we have already brought interest rates down one and one-half per cent since the first part of July. Now they are talking about it, because some of their erstwhile friends, the Canadian Bank of Commerce and Business Council on National Issues and others, tell them they have gone too far. So they listen, or they think they are listening a little, but he still makes the excuse, and is there any repentance? Not a sign. He wanted the people of Canada to know: "I deliberately set out on a course to cause this depression, and I want you to know that I have been a little bit off in the numbers"; but, he said, "I don't think that three-tenths of one per cent off target insofar as government expenditures is concerned is all bad." I agree, if that's the only argument he is going to make, that he projected it, that he is delivering all this misery to Canadians, and that he did it deliberately and is right on target.

Honourable senators opposite have a responsibility to try to do something about that, because that is where we are at. Well, the petitions are all here. I can give several of them—

An Hon. Senator: We want the names.

Senator Olson: All I want to do is to point out that people in this country are disturbed. That's why we have all these petitions. While the petitions are here, I can give you several of them. All I wanted to do—

• (1100)

Senator Perrault: You want the names.

Senator Olson: All I wanted to do was to point out that the people of this country are disturbed. That is why we received all these petitions. They think that the goods and services tax is going to exacerbate this situation. It is the whole government policy, the whole government administration, and particularly the monetary policy, that is disturbing Canadians. We now have this "made in Canada" depression, and the Minister of Finance admits that. The petitions are about a number of things dealing with government policy, mostly the GST. They are not happy with other things that this government has been doing, or at least they are not happy with the consequences, period. You know, most people do not spend much time thinking about what are the complexities of taxation or monetary policy, but they are concerned about the results.

Honourable senators, it is clear what this government is going to do and what can be expected, because the Minister of Finance did not say, "Well, I am sorry, there was a problem. We were trying to deal with inflation and we did this and we did that on monetary policy, and forced interest rates up." He did not apologise that he had visited a great deal of difficulty . . .

Senator Perrault: He is proud of it.

Senator Murray: With great respect, I am getting the impression that Senator Olson is getting quite far off the subject. I thought we were discussing petitions having to do with the GST.

Senator Olson: These are petitions.

Senator Murray: We are not discussing petitions, Senator. We are presenting petitions and there is a form in which that is supposed to be done—and it is an outrageous offence against the rules. It gives the lie utterly to his profession of respect for the rules.

Senator Perrault: Debatable.

Senator Murray: It makes him a complete hypocrite on those matters, a complete and utter hypocrite.

Senator Kelly: I think Senator Murray supports my position.

Senator Olson: I get that impression, too. I have to say this: I think I would rather hear the words of Senator Kelly, because he has a way of conveying with a certain amount of genteelness and moderation the same thing as any harsh words from Senator Murray. I am a little callous, so that does not bother me that much. But, anyway, we have these petitions. I am going to present one with 250 names on it. The basis for its opposition to the GST is that it is going to have some detrimental effect on a number of things including education material and that sort of thing. I will present two other petitions with some 23 and 27 names on them. They are opposed to the GST but they don't give a lot of reasons. They just want the Senate to halt the progress of the GST. That is all. And don't argue that they do not know about it, like Mr.Blenkarn, the Chairman of the other committee, did. He came to Edmonton and said, "Albertans, you don't understand anything about this tax, and you act like a bunch of third graders" or something like that. I suggest a few people in Alberta can see past that and that kind of comment. He made a similar comment about Newfoundland: "The best thing you could do with Newfoundland is pull it out in the Atlantic and sink it."

Senator Perrault: Isn't that a great thing to say?

Senator Olson: A great thing to say. That kind of attitude about Albertans and Newfoundland—

Senator Perrault: A disgraceful thing to say.

Senator Olson: —or Saskatchewan, is not very helpful. I have to say that; but the point—and you want to get this straight—is not that they do not understand it. The more they understand about the GST, the less they like it. I have said that before, and I will keep on saying it, because you do not

get any information from those telephone information numbers, or any comfort that they know what is going on.

POINT OF ORDER

Hon. Orville H. Phillips: On a point of order, honourable senators, we have already had about a week in which the Liberals professed respect for the rules. They have thrown out the rule book. Of course, it never did apply under Liberal administration and—

Senator Perrault: That is unfair.

Senator Phillips: It is not unfair.

Senator Perrault: It is unfair.

Senator Phillips: It is quite true. We have seen Senator Frith sit there with that supercilious smirk of his and say "The rules, if they do not suit us, we will change them, we have got the numbers." Now you have not got the numbers, and you want to throw the rule book out. We are on reading petitions. There is a form laid down for it, and I think we should follow that; and if we do not get back to it I am going to ask the Chair to make a ruling on it.

Hon. H.A. Olson: Well, Honourable Senator, Senator Phillips may ask to make a ruling whenever he likes, but if he wants to challenge the people of Canada's ancient and undoubted right—it is in our rule book—to bring their grievances before this chamber—

Senator Perrault: Muzzle the people.

Senator Olson: —he may do that, and he can take the responsibility for killing that, too, like they did some of the other things; but, anyway, I think what has happened is that honourable senators opposite don't like what I am saying, so maybe I had better terminate what I am saying. That is pretty clear.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): On the point of order, honourable senators, since 1:00 a.m. this morning we have been on the order paper, and we are at the point of Presentation of Petitions. There are rules, which have been cited here on several occasions in the last few hours, governing the presentation of petitions to Parliament and how that shall be done. The Honourable Senator who presents the petition is entitled to give a brief description of the contents of the petition. He is not permitted to read the text of the petition. There is also a rule that, in my judgment, precludes the reading of the names of those who have signed the petition.

Senator Perrault: For Heaven's sake!

Senator Phillips: My honourable friend can consult the rule and we will see if he reads it as I do.

Senator Perrault: Are you afraid that democracy might break out?

Senator Murray: Reading one by one the names of thousands or hundreds of thousands of Canadians is an absurdity and, of course, an abuse of the rules, and an abuse of Parliament's time; but, in any case, there is a form for the reading and presentation of the petitions, and what is absolutely precluded under the rules—and I could again cite the rules; they are on the record. We discussed them several times in the early hours of the morning, at 1:00, 1:30 this morning—is the idea of a senator coming in and making a speech. My honourable friend has been doing that for how long?

Senator Olson: Briefly.

Senator Murray: I first heard him fifteen or twenty minutes ago. We were discussing the monetary policy of Canada and so forth. Now, once again, as I said last night, I never thought I would be presenting Senator Hébert as a paragon of anything, but he does know how to present petitions. At least, on September 26th, 1990, at page 2258 of Hansard he presented a petition in the following way.

> Honourable Senators, I have the honour to present the petition signed by 250 residents of the Noelville region of Ontario who object to the goods and services tax bill.

That, it seems to me, is the proper way. Certainly it is the proper way under our rules and under the precedents that are cited in *Beauchesne* and elsewhere for presenting a petition to Parliament. Making a speech about monetary policy or about the economic policy of the government, or the fiscal policy of the government, is absolutely out of order at this stage, and the honourable senator knows it. This has been going on now since 1:00 this morning. I have known, and I know, that they have thousands of petitions that they want to present. I understand that. I would have hoped, if we can at all maintain this improved atmosphere which Leader of the Opposition perceives in the Senate, that if we are going to maintain this improved atmosphere honourable senators would at least conduct their filibuster within the rules. That is all I am asking at this point. If that is not done, the atmosphere is going to degenerate as time goes on, and time is going to march on. The atmosphere is going to degenerate and it is going to become much more difficult and tense and nasty than it is at this moment.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. H.A. Olson: I want to contribute to an improvement in relations and the atmosphere in this House. I started out very innocently and properly to make a brief explanation of the petitions and why there were so many of them that came in. I was then interrupted by Senator Carney and other senators who wanted to ask questions as to what was the validity of the reasons I gave; and, of course, I will admit that we probably got carried away a little in the course of my explaining why people are so disturbed. So I will now conclude by handing in three petitions—one with 250 names, another with 23 names, and another with 27 names—which primarily object to the tax and ask us to stop the progress of the GST.

Senator Bonnell: Honourable Senator, before you pass them in, can you read the headings?

Senator Olson: Senator Murray has just pointed out that our rule book says that we are not supposed to read the

petition; so I will summarize it by saying, "Stop the introduction of the GST." That is what the petitioners say. Another petition says: "We humbly show that on certain items you should insist that Bill C-62 include a retention of a zero rate for certain—"

Senator Bonnell: Where is that from?

Senator Olson: These are all from Alberta. I will do that, and I hope that I have not offended anyone by giving them rather full and complete replies to the questions that they asked me when I was making a brief explanation of why we received so many petitions. My desk is still full of petitions, because I really believe that people have a right to petition the Senate to do certain things. That is all I am trying to do.

Hon. Stan Waters: Honourable Senators, I, too, have been inundated with petitions from all across the country, not just Alberta. I have an advantage over other honourable senators in that a year ago I fought an election campaign and one of the major issues was the GST; so that, in effect, I myself was the subject of a petition from the voters of Alberta. But this particular petition—

Senator Carney: Were you not appointed to the Senate by the Prime Minister of Canada?

Senator Olson: But he won an election first.

Senator Carney: The point is, he may have won an election, but the Prime Minister appointed him to the Senate, did he not?

Senator Waters: Honourable Senator, you know that is exactly the procedure that was followed. The important distinction was that I was elected by 270,000 voters, which you never were.

Senator Carney: I was elected by many more voters than that when I sat in the House of Commons and I, like you, Senator, was appointed to this chamber by the Prime Minister; and I do not see why, since he did appoint you, you are unable to acknowledge that fact with some grace.

Senator Waters: I did acknowledge the fact that the Prime Minister appointed me after a nine month wait—an unusual gestation period, I would have thought, for a senator. Let me return, if I may, to the petitions.

Senator Bonnell: I was appointed by the Governor General. It was not the Prime Minister who appointed me. In your case, was it the Prime Minister who recommended you to the Governor General?

Senator Waters: The Prime Minister appointed me in consultation with the Governor General, as I understand the process; but I am not sure if that is germane to the discussion that I am trying to introduce today, which is a petition against the GST.

It is interesting to me, as an Albertan, that I am not just getting these petitions from Alberta. I have a page here of about 60 names from places like Ponoka, Wetaskiwin, Rimbey, and so on, places that I know very well and campaigned in; but I am also getting them from Quebec and Ontario, and, in fact, the writer of one of these petitions, a very articulate man, suggests that Ontario would like to have an opportunity to send in as many as a million names in the petitions that he is distributing throughout the province of Ontario. I am getting them from Iberville, Laval, De Moyne, Sept Iles, places from which you would not normally expect a senator from Alberta to be getting petitions. The preamble of the petition I found very touching, because it says, and I quote,

> Your petitioners humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

In one of the letters attached to the petition there is a paragraph—and I hope I am not breaking the rules by just quoting this paragraph, because it is kind of symptomatic of the concern that Canadians are having over the potential imposition of the GST. It says:

> These are indeed troubled times and the fate of Canada as we know it today lies in your hands. I am appealing to you as one Canadian to another to do your duty to this nation and to democracy by saying no to the dictatorship of Brian Mulroney and this hideous tax. Then all of us can stand together as one nation and say, 'O Canada, we stand on guard for thee.'

Some Hon. Senators: Hear, hear.

Senator Waters: That is from a petitioner in Peterborough, Ontario.

There is another quote which I might leave for the Honourable Senators. This one is anonymous, and says:

> Governments sometimes do the right thing but only after they have exhausted all the alternatives.

Getting back to the GST, I do not know how many of you have read all of the literature coming out on the GST, and in particular the *Guidance to Drug Store Operators*, which is about a half an inch thick and is in both official languages.

Senator Perrault: Ridiculous.

Senator Waters: A friend of mine running a drug store in Calgary, who has been in the business for nearly fifty years, read it through and said, "That is the end of my business career. My store is for sale." The regulations are complex. They are intrusive. They demand a lot of work on the part of small business. They will complicate the lives of all Canadians, and the impact on inflation, which the government measures at about 1.4 per cent, in my opinion will be much higher.

There is another illustration of the fatality of the GST by a rabbit farmer, which I thought you might enjoy. He wrote to me enclosing a copy of a letter he had received saying—

POINT OF ORDER

Hon. William M. Kelly: May I raise a point of order, please? It is a point of order that has been raised repeatedly here. We are dealing with Presentation of Petitions. It seems to me the honourable senator is debating the bill itself.

Senator Perrault: He has every right to do that.

Some Hon. Senators: Oh, Oh.

Senator Perrault: Have you studied the British precedents? Read your rule book.

Senator Kelly: I agree totally that he has a perfect right to do that, but not at this time. We are dealing with Presentation of Petitions. Nobody argues about the right of honourable senators to do all these things, but at appropriate times. That is the point I am making.

Hon. Orville H. Phillips: Further to the point made by Senator Kelly, I am always amazed by the honourable senators who have for years been advocating an elected Senate, but yet refuse to live by the rule book of an elected group; and I am surprised that Senator Waters, who reminds us that he has been elected, has never studied *Beauchesne*. If he had, he would find that a member presenting a petition may not make a speech or present argument in support of the petition.

Senator Perrault: He is just reading out the letters, for Heaven's sake.

Senator Phillips: I have no objection to the honourable senator presenting his petitions, or any other senator presenting his petitions, but I wish they would present them so that we can get on to a discussion of the GST report. That is all we are asking. Save your discussion for the GST report, and let us get to it. We are now on the order paper, after a week in which the Liberals deliberately broke the agreement, and I would ask the Honourable Senator Waters—

Senator Perrault: That is not true, and you know it is not true; not true at all.

Senator Phillips: —not to join those juvenile delinquents over there in their tactics. If he learns to respect and follow the rules, he will receive a great deal more respect in the Senate.

An Hon. Senator: Let them be heard.

Hon. Eymard G. Corbin: I rise on the point of order. Senator Phillips has loosely said that there was a rule. Would he quote which rule he is referring to so that we know where we stand?

Senator Phillips: I am referring to *Beauchesne*.

An Hon. Senator: What page?

Senator Corbin: We are governed by rules of this House. We do not live or die by *Beauchesne* in this place. We have our own rules approved by the whole house following recommendation by the Rules committee. On page 57 of the *Rules of the Senate* it says:

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition;

Senator Phillips: I am sorry to interrupt the Honourable Senator but I missed the reference. Would you give it again, please?

Senator Corbin: I am referring to page 57, my dear friend.

Senator Phillips: Page 57?

[Senator Perrault.]

Senator Corbin: Half-way down the page. Under "Order of Business", it says "(See Rule 19.)" There is a chapter on the presentation of petitions, and the process for the presentation of petitions is outlined.

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition;

An Hon. Senator: Give him a chance to be heard.

Senator Corbin: So what is wrong with that? That is what the honourable senator was doing.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Stan Waters: Honourable Senators, I am nearly finished. The important thing about the statement associated with all of these petitions is the uniform abhorrence to the imposition of the GST. As the legislation is getting better known, and I think as we all get to know it better, it will become increasingly obvious that this is bad legislation and a bad tax.

Some Hon. Senators: Hear, hear.

Senator Waters: I would like to conclude with my story of the rabbit farmer, as an indication of the complexity of the GST. He raises rabbits on a large scale in southern Manitoba, and applied for a ruling on what tax would be applied to the sale of his rabbits. He sells about half of them for food and half of them for pets. The ruling came back that the rabbits he sold as food would be untaxed and the rabbits he sold as pets would be taxed at 7 percent. He took it upon himself to say that "I am now selling all my rabbits as food, and the buyers can do with them what they want."

Some Hon. Senators: Hear, hear.

Senator Waters: I now present this petition, and if I have violated any of the rules because of my freshman status, I apologize to honourable senators.

Senator Perrault: You do not have to apologize for anything.

Senator Sparrow: May I ask the honourable senator a question? I suppose they do not start taxing everything the rabbits do, but that may be the next. Before you pass those in, can you give us an example of some of the names of the people, and where they are from in Alberta? You mentioned that some came from other parts of the country; but were there a number from Alberta, and what would be some of those names? That would give us an indication of how serious the petition is and how concerned those citizens of Alberta actually are.

Senator Waters: There were three parts to that petition, with about a hundred names on it. The Alberta petitioners were in the Ponoka, Rimbey, Wetaskiwin area, which, as you all know, is an area to the south of Edmonton. I no longer have the names in front of me, but they were farmers and small businessmen. Some were families with two signatures from a single family, and, apart from the faxes and telephone calls,

are a measure of the many signatures we are getting which will be presented in this chamber.

Hon. B. Alasdair Graham: I rise to present some petitions on behalf of people from various parts of Nova Scotia. In doing so, may I be permitted to put the record straight in terms of a reference that was made earlier this morning by Senator Kirby to St. Francis Xavier University and some of its more illustrious alumni, because Senator Kirby fell short in terms of his referral when he confined himself to the Prime Minister. I think it is important to note that there are several other Canadians, most particularly in this chamber, who did their studies at St. Francis Xavier, among them being the Leader of the Government in this the Senate Chamber, Senator Murray; Senator Finlay MacDonald; Senator John M. MacDonald; Senator Allan MacEachen and Senator John Stewart, both of whom were professors at that great university; and Senator Norbert Theriault, who, I was reminded this morning by Senator Finlay MacDonald, pursued studies through the excellent courses offered by the St. Francis Xavier extension department. Two other honourable senators, Senator John Buchanan and Senator Richard Doyle, hold honorary degrees from St. Francis Xavier University, as indeed do Senator MacEachen and Senator John M. MacDonald.

I think that in this particular part of our proceedings we are going through one of the great democratic exercises of any parliament. That is the opportunity to present, on behalf of the people we represent, their own particular petitions or grievances. I have literally thousands of names from people who want us to stop the GST; but I will read only a few of them. They refer to the adverse effect that the imposition of the GST will have on the tourist industry in Nova Scotia. We were told by the Nova Scotia Restaurant and Food Services Association that 35,000 are employed in that sector in our province, and the imposition of the GST would mean the loss of 2,000 jobs. We have petitions from people like Martin MacNeill of R.R. 3, Antigonish, L.E. Bross from the Margaree Valley, Ronald J. Graham—

POINT OF ORDER

An Hon. Senator: Point of order.

Senator Perrault: Let him be heard. Give him a chance, for Heaven's sake.

Hon. Orville H. Phillips: He has had a chance since 1:00 this afternoon. I would like the Honourable Senator Graham to follow the rules, which were previously referred to by my good friend, Senator Corbin, and which state quite clearly that the names are not read. I would ask the honourable senator to follow the admonition of Senator Corbin and not read the names.

Hon. Eymard G. Corbin: Since my name is invoked here, I believe I have a right, Senator Graham. I apologize for interrupting. I was talking with Senator Marchand when Senator Phillips rose. I missed his comment. Would my friend mind repeating what he said?

Senator Phillips: I drew the attention of the Honourable Senator Graham to the rule that you quoted.

• (1130)

Senator Corbin: Senator Graham, the rule—

Senator Phillips: Page 57, I believe.

Senator Corbin: Yes. I said that a senator presenting a petition makes a brief statement to inform the Senate of the content of the petition. The petition itself is not read. The text of the petition and the names of the petitioners attached thereto are not printed. Nothing says you cannot read the names. It says it is not printed in the *Debates of the Senate* or the *Minutes of the Proceedings of the Senate*. Nothing, absolutely nothing, prevents the honourable senator from reading the names. It's another matter for the editors to conduct themselves according to the admonition that the names should not be printed. That's an entirely different matter.

We, as senators, set that rule down, and I'm sure the editors of the *Debates of the Senate*, and the *Minutes of the Proceedings of the Senate* will respect our wish. But who are we to prevent a senator from telling us who the petitioners are? I would not do anything to breach that sacred parliamentary right that is so basic and so fundamental, which reaches to the very Bill of Rights.

Senator Perrault: You bet your life it does.

Senator Phillips: Would the Honourable Senator Corbin explain, if the rule says the names will not be printed, why in the name of common sense would anyone assume that the names are not to be read and then not printed?

Senator Perrault: What's wrong with that?

Senator Phillips: What's wrong with it? It is preventing us from getting to the function of the Senate, and that is dealing with the legislation. We would love to move on to the legislation. It's fine to have three or four Liberal senators in here saying they are conducting a filibuster to oppose legislation, but if you are serious about opposing it, why don't you bring all your senators in here and debate the matter? Why have your leader absent? Why have your deputy leader absent? The whip is absent. There is no one in here except a few stragglers. Why don't you bring in your members and debate the legislation?

Senator Corbin: Honourable Senator Phillips, and my dear friend, I believe that you have missed some basic connection in terms of the democratic process here. You suggest we move on to the legislation. These petitions deal with the legislation. Your government claims that it has the right, from the last election to the next election—whenever that may happen, and the sooner the better—to govern unilaterally without respect for the opinions and voices raised in the country against the very legislation that you would like us to proceed with in the Senate. It seems to me that that is totally unacceptable. What means are in the hands of the people, the citizens of Canada, between elections if it is not their right, their very ancient and fundamental right, to petition Parliament? This is what the people are doing, and they are signifying that they are mad

with the government, they are mad with the process used by the government, and they pray the Senate to put a stop to this government nonsense. That is the reason for petitions. It is a very old custom. It goes back before the institution of the very Mother of Parliaments at Westminster. I quoted the other day, and I can read it again; I have the reference here on my desk. This is such an ancient and fundamental right that existed in the time of the Vikings, the forefathers of the Normans who conquered England, who crossed the Channel and established many of the rules now in place in the British Parliamentary system. The Vikings and Normans did that. Are we to brush that aside? I don't think so. I apologize, Senator Graham.

Senator Carney: Will the honourable senator permit a question on this issue of petitions?

Senator Phillips: I appreciate the ancient right of presenting petitions. I would point out to the honourable Senator Corbin that he is missing a very important part, which is that they presented them to parliament, not to a bunch of vacant benches like we have over there. If those petitions are so important, we should have a few Liberals in here, including the leadership of the Liberal Party, which has been absent from the day last week when the bells rang. The Liberal leadership has been absent. We've had a rump in here that is now over-cooked, over done, and I think it's time the Liberals came in here and heard all these important petitions. If the petitions are important, as I am sure they are, the Liberals should be in here to hear them. Why not bring in your membership and listen to those petitions?

Senator Corbin: You barely have a quorum in this house. You shouldn't lecture the Liberals. You shouldn't lecture Her Majesty's Official Opposition, and the members who sit on her behalf, because you barely have a quorum in this house. By the way, these petitions are not addressed to the Parliament of Canada. I will quote from one, and they're all identical:

> The undersigned, your petitioners, humbly pray and call upon the Senate . . .

and this is the Senate.

Senator Graham, I apologize once again.

Hon. M. Lorne Bonnell: Honourable senators, some years ago I had the privilege of bringing in some petitions from Prince Edward Island concerning the increased cost of drugs under the old Bill C-21 or C-22, and as I read those petitions, name after name, and their addresses, they were printed in the Journals and in the *Proceedings*. So the Leader of the government at that time, who was Senator Murray, said "You know, this is a bit of an expense to print all those names on these petitions." In each petition I had read, as printed, word for word, the names and addresses. I realized that it was an expense for the government of the day to bring out those *Hansard*s. They had to bring in extra clerks to get them out on time for the next day. That is the reason why this rule was made, on agreement by me, that they need not print in the Journals, or in the records, or in the *Proceedings* the names of every petitioner. But that did not mean you could not give the names of some of your petitioners in your own area who wrote to you personally to ask you to present a petition.

Senator Corbin: What is the purpose in signing them in the first place?

Senator Bonnell: The purpose of this rule was because I had handed in the petition. I did not read all the names. I handed in the petitions and asked that they be printed, and they were printed name for name. I then sent a copy of *Hansard* to each one of those petitioners to show them that their names were presented to the Parliament of Canada and the Senate of Canada. Realizing the cost of printing the names of the petitioners, we agreed, as a Senate, both government and opposition, not to print the whole petition. So the petitions were tabled. It was a matter of economy, of saving the government of the day from printing the petitions not only once in *Hansard* but also in the *Proceedings*.

My good friend Senator Phillips, whom I respect very highly, talked about empty seats on this side. I would like to say, honourable senators, that this side realizes the badness of the GST, as do the petitioners; but it's the other side where the empty seats are. There is no leadership, no leadership at all. The Leader of the Government is not ever here to hear.

Senator Phillips: He left two minutes ago.

Senator Bonnell: He left two minutes ago.

Senator Phillips: He knew you were going to speak.

Senator Bonnell: Well, if that's the case, Senator Phillips, if he knew I was going to speak, he never did listen to what I had to say for Prince Edward Island; they don't treat the province very well. I think the government members should be there, because it's the government members who have control of this chamber, who have the votes of this chamber, who act on behalf of these petitioners, and they should be ready to listen.

Take a look at the thing. My friend, Senator Rossiter, is here from Prince Edward Island, Senator Phillips is from here Prince Edward Island, I'm here from Prince Edward Island. We have only four senators and we're well represented here to listen to every argument put forth, pro and con, against the GST, and Prince Edward Island has always done that; but the Leader of the Government is not here and many of those who have influence with the government are not here. Consequently we do not need too many on this side when we have the people behind us asking us to pray for them that the government leadership in the Senate will do something on their behalf.

Some Hon. Senators: Hear, hear!

Senator Corbin: Senator Bonnell, will you permit a question?

Senator Bonnell: Certainly.

Senator Corbin: Our mutual good friend, Senator Phillips, rather discarded the argument that ancient right has no relevancy in this day and age. I wonder if he holds the same opinion with respect to the perhaps not so ancient right, but the right of the adhesion of the province of Prince Edward Island to Confederation. There were conditions, one of them

being a link with the mainland. Is that an ancient right that should be discarded, the same way that petitions should be discarded? How do you define ancient, old, and what's valid and what isn't? Are petitions included in our rules in much the same way that the link is mentioned in the agreement with Prince Edward Island? It seems to me they are very much contemporary, very much alive. I would like to hear your views on this matter. Are we to abolish everything because the government of the day no longer recognizes rules, or constitutions, or practices and procedures, and precedents? Is it your view that this institution does not rest on the rock of ages, but on a skimpy film of water and we could sink any day?

Senator Bonnell: Honourable senators, in answer—

Hon. C. William Doody (Deputy Leader of the Government): Is this on the point of order, or are we still on the point of filibuster?

Senator Bonnell: It would be a point or order.

Senator Doody: You spoke, honourable senator, on a point of order. Now you have a question on the point or order; and you are now going to speak again on the point of order.

Senator Bonnell: Not on the point of order, on the question.

Senator Doody: Let the record show—

Senator Bonnell: Let the record show that I'm answering the question on the point of order from the senator from New Brunswick about my colleague, the senator from Prince Edward Island, and I am sure that, as an islander, he believes in all ancient rights. I know that he believes in the rights of Prince Edward Islanders. He has fought for them; he has been fighting for them for years and has continued to fight for them. I am quite sure that he will be looking forward to, and trying to support, more government projects of Summerside in the future. I have great respect for him, and he is still a friend of mine. I am quite sure that he will protect and fight for the connecting link for Prince Edward Island, he feels that it is best for the Island. If he finds it's not for the best, then he won't work against it; until he is sure of what he knows and is told about the rights and benefits of Prince Edward Island, he will always be on the side of the Islanders.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. B. Alasdair Graham: Honourable senators, may I be permitted a to complete this part of my petition. There is something that is evident in this part of the debate, which is that the government's side does not want to listen to the people. They have not listened to the people, because had they done so, we would not have this legislation before us at the present time.

Some Hon. Senators: Hear, hear!

Senator Graham: I have received thousands of petitions. I could take up hours in this chamber, which I do not intend to do, to read the names of people who have written to us as the last bastion to stop this terrible legislation. The ordinary people of Canada are telling us that. The Banking committee went across the country to listen to what they had to say. We have four options before us: To approve it, to defeat it, to amend it or delay it. Well, the people are telling us to defeat it.

Honourable senators, I want to read three or four more names, if I may, from people whom I represent it this chamber.

(*Names of signatories read.*)

Honourable senators, it is quite apparent that the government members cannot stand the heat in the kitchen. If they can't stand the heat in the kitchen, they should get out of the kitchen.

Some Hon. Senators: Hear, hear!

Hon. Lorna Marsden: Honourable Senators, I too have some petitions which have come from all over the province that I represent, of citizens of this country who are protesting and calling on the Senate to stop the introduction of the proposed goods and services tax.

I have a petition here of 27 names of people from Simcoe, Windham Centre, Waterford, Port Dover, Port Rowan, and Townsend; from Harrow, Ontario, a very small town, wonderful place where many Canadians have visited; from Haliburton and Fisherville; and from a great many citizens in this area.

(*Names of signatories read.*)

Senator Marsden: There are many others who are calling on us to stop this tax. This petition has been put out by the IRATE Citizens from Peterborough, Ontario. The honourable senators will recall that the IRATE Citizens appeared as one of the witnesses when hearings of the Banking Trade and Commerce committee were held in Toronto. Noone knew who the IRATE Citizens were. Senators on both sides asked them who they were, and they turned out to be a group of people who were not social activists but were hardworking people. They are people running small businesses, they are teaching, they are at home raising children. They were absolutely furious about the possibility that this tax is going to ruin their businesses and their lives. So, on the basis of that mutual interest, they got together to form a group called the IRATE Citizens. This is no professional group of social activists; they are, as one might say, hard-core citizens. That is one petition.

There is another with 29 names on it, again from places like Simcoe. There are quite a few people from Argyle Avenue in Simcoe. A large number of people who clearly are older people, who are living in a building together and who realize what this petition will do to their standard of living, how it will ruin the quality of their lives, are also petitioning the Senate to stop the introduction of this tax.

Here is another petition with 27 names on it from, again, Simcoe, Langton, Delhi, and London; from the agricultural centre of Leamington, and again from Simcoe and Waterford; also Bancroft. There are more from Delhi and Simcoe. Again, these people are from all walks of life, who are worried about what the goods and services tax will do to those who live in small towns and agricultural areas. All these people have signed individually this petition asking us to stop the goods and services tax.

I have another petition with 27 names on it, again from those same parts of the province.

(*Names of signatories read.*)

Many of these have rural route numbers. They are people who have come into town, or have gone to some length to ensure that their name appeared before this chamber as a petitioner against this tax. There are people from Port Dover, and many names from Simcoe. I don't know who is the representative for Simcoe in the other place, but I think he had better be aware of the extent to which the citizens of that town strongly oppose the introduction of the goods and services tax.

Here is another petition with 27 names on it, many of them from Simcoe, but some from Waterloo. There are people from Port Rowan, Simcoe, Langton, more from Port Rowan, Waterford, and Hamilton. We know who represents Hamilton and how concerned the people are about this proposed tax.

(*Names of signatories read.*)

Again there are names from rural routes from around Simcoe, Ontario, those who were prepared to join the IRATE Citizens of Peterborough to call on the members opposite to do something about this tax.

I have another petition filled with names, individual signatures calling on the Senate to stop the introduction of the proposed goods and services tax. They are people from Port Dover, Simcoe, Langton, Brantford and Streetsville. There are more names from rural routes around Simcoe and others from around Brantford. All are people from towns that are really going to be hit. Honourable senators, who watched the National News last night will have seen the report on what is happening in Brantford as a result of the current recession we are in and how much they dread the imposition of a further tax which will have a worsening effect on an already bad economy in a town where 25 per cent of its workers are on unemployment.

Then I have another petition, which has a great many names from a suburb on Toronto, Willowdale. I refer to people at 121 More Park Avenue in Willowdale, which is a very important part of the citizenry of Toronto, to people from Mayberry Street, from Steeles Avenue. Steeles is a very long avenue and there are many people there. From looking at this petition, it would seem that just about everyone on Steeles Avenue will have written to the Senate to petition it not to impose this tax. There are people from 549 Steeles Avenue, 547 Steeles Avenue, 541 Steeles Avenue, 545 Steeles Avenue, and 551 Steeles Avenue. They oppose the imposition of this tax. They are voters, consumers, workers and taxpayers. They are people who will voluntarily file their tax forms accurately and, we hope, not retreat into the underground economy that will burgeon if this tax is imposed on them. These people are asking us to do something so that they will not have to resort to extreme measures.

I have another petition of 27 names. Many of the people are from Toronto: from Raglan Road, Coronation Blvd., Smith Road in Westbrook, Downs Avenue in Picton, Glengarry Road, and someone from R.R. 3 Odessa, Ontario. These are people from Layton Avenue in Westbrook. There are several different post office boxes in Westbrook, Ontario. There are people from Berliner Street in Westbrook; others from Odessa, Ontario, from Woodfield Road, from Woodfield Crescent. There are more people from Westbrook, people from R.R. 3 in Harrowsmith. There are a great many others from those towns in Ontario.

I have another one, containing names of 27 people—because there are 27 lines on this petition—who are calling on us to stop the introduction of the proposed goods and services tax because of what it will do to their lives. There are people from R.R. 3 in Kingston, people again from rural routes around Westbrooke. This particular list has a great many people from totally different addresses in Kingston, from Bayswater, from Waverley Crescent, from R.R. 3 in Kingston, from Westbrook Road, from Avondale Crescent. Here again are a great many names from Westbrook, from small towns around Kingston, names from Odessa, from Montreal Street in Kingston. There are more rural route numbers around that part of the province which will feel very strenuously the impact of this tax should it be imposed—and we certainly hope it won't. These citizens are calling on the government to listen to their plea, to do something before their lives are very badly affected by this tax, as their lives would be, particularly at a time of severe recession, as the government heard yesterday from three of the leading large business groups in this country.

I have another petition, again with 27 names, from people from small Ontario towns who have the right to be heard by government. They are from Napanee, from Odessa, from Glenburnie. There are several more names from Odessa. Again, there are several names from Westbrook, Kingston, and Hartington. Here are 27 more citizens who are concerned about the impact of the goods and services tax on their lives.

● (1200)

Here is another petition with 27 names of people who also come from that part of the province. Considering how many millions of people live in Metro Toronto out of the nine million residents of Ontario, and the number of people outside Toronto who have written to protest, one feels that everyone has signed a petition. These petitioners include George Hunter of R.R. 1, Westbrook; petitioners from R.R. 3 in Kingston; from Bank Street in Kingston; and Brian Motbraithe from Godfrey. There are more names of people from Westbrook, Yarker, Napanee, and Burwick Avenue in Kingston. All of these citizens are asking the Senate to stop the introduction of the proposed goods and services tax.

I have another petition of 27 names, again from people in that same eastern part of the province. All of them are sufficiently concerned to put their names, addresses and postal codes on these petitions calling on the Senate to stop the introduction of the proposed goods and services tax. They include people from Kingston and Amherstville. Some of these residents live on Princess Avenue in Kingston and Division Avenue, which is another main street in Kingston. They come from Odessa, Godfrey and Westbrook. They have written to

ask us to stop the introduction of the proposed goods and services tax.

I have a petition which contains 28 names, with an extra line drawn at the bottom of the petition that was provided. These people come from North Bay, Ontario, including such streets as Seeley Avenue, McLeod, Worthington Street East, MacPhail Street East and Glenwood Road. They come from South Porcupine, Ontario, and there is a petitioner from Baycrest Drive in Ottawa. These petitioners come from various rural routes around the North Bay area. One petitioner is Susan Dill of 288 Francis Street, North Bay. Some petitioners who signed must have been visiting from Toronto. The petition also includes people from Mattawa and Lake Heights in North Bay. They have given their names and addresses on petitions for us to stop the introduction of the proposed goods and services tax. These 28 petitioners are from an important part of Ontario, a main transportation centre.

I have another petition of 24 names from different parts of Ontario, including Mabel Kelly from Redbridge, George Close of 1425 High Street, Apt. 205, North Bay. There is Florence Blondeau from Iroquois Falls, Ontario, and Marie Savage from Sturgeon Falls, Ontario. There is A. Bowes from Mississauga who has signed this petition from residents in North Bay. They are calling on us to stop the introduction of the proposed goods and services tax. These people have responded to the call from the IRATE Citizens of Peterborough to try to do anything to get the government to listen to them and their views.

I have another petition of 14 names from people from Thunder Bay, Ontario, including D. McKenzie of R.R. 14. Another petitioner is Janet Owen of 199 Academy Drive in Thunder Bay. All these people are calling on us to stop the introduction of the proposed goods and services tax.

I have another petition from 27 Canadians who are calling on the Senate not to introduce the tax. They come from all over Ontario, but particularly from Milton, Ontario, an area outside Hamilton. There is David Agnew from Child Drive in Milton, Ontario. There are other petitioners from Milton, Ontario, as well as from Acton, Ontario, such as Doug Peddie. All of these 27 people are calling on the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

I have a petition from another group of citizens who want us to do exactly the same thing, and stop the tax. They, too, are Canadian taxpayers who are protesting the tax. These people come from Hamilton and live on such streets as Sutherland Street West and Canon Street. One petitioner is Janet McDowell from 194 Memorial Avenue in the small town of Stoney Creek, outside Hamilton. These petitioners include Ann McKinnon from Box 5069, Caledonia, Ontario. There are people from Bryant Court in Hamilton, Sundown Drive and Darlington Crescent. There is Maureen Rogers from Nanticoke. Another petitioner is Nellie McSwain from Mount Hope. Another is June Dipietro from Golf Club Road in Hannon, Ontario. All of these citizens have called upon the Senate to stop the introduction of the proposed goods and services tax.

I have another petition of 27 names calling upon us to stop the introduction of the proposed goods and services tax. Many of these petitioners are from Toronto, including Bathurst Street and Yonge Street. The number will be enormous by the time everyone on Yonge Street signs a petition.

The petitioners include residents of Fish Avenue West, Dovercourt Road, and Kehoe Avenue in Downsview. As well, someone visiting from Manitoba signed the petition. There are petitioners from Mississauga, Streetsville, Richmond Hill and Woodbridge. All of these people are calling on the Senate to stop the introduction of the proposed goods and services tax.

Other senators would like to present petitions, but before I sit down let me draw the attention of honourable senators to the fact that students at the Administrative Council at the University of Toronto, which represents 32,000 full-time undergraduates, also call on the Senate to stop the proposed goods and services tax.

They explain why. They are very pleased that the Senate Banking committee crossed the country and listened to ordinary Canadians voice their opinions on the GST. They believe that the consensus is overwhelming that this tax should be stopped. They say that as students they are particularly affected because a wide variety of essential and previously untaxed items will now cost them 7 per cent more. This includes textbooks, residents' fees, transit fares and locker rentals. They tell us that they are on limited, inelastic incomes. Those who have children in university know what that means. They cannot afford what they describe as the nightmare GST.

They urge us to keep on fighting and, as the member for Toronto-Taddle Creek, they elicit support. If nothing is done, 32,000 undergraduates of the University of Toronto will want their names and addresses written into this record.

I urge the government to listen carefully to the citizens of this country in their protest against this unfair tax reform.

Hon. Raymond J. Perrault: I feel deeply privileged and honoured to bring to this chamber a number of names of those who have signed petitions urging us to defeat the GST. The names are predominantly from the province where I was born and raised, the province which I love dearly, the province of British Columbia, Canada's third largest province; La belle province bilingue de l'ouest, anglais et chinois.

We now have a wonderful racial mixture in British Columbia. The first settlers came from Great Britain. They came in sailing ships—

POINT OF ORDER

Hon. Pat Carney: A point of order. Would you permit me a question? I, of course, agree completely with your remarks, being a British Columbian, but I wonder if it is pertinent to the issue we are discussing, which I believe is petitions, is it not? I believe we would all be interested in knowing about the petition you will be presenting.

Hon. Raymond J. Perrault: Senator Carney, if you will permit me the opportunity to do so, I will be able to table those names and provide a brief explanation, as called for in the rules. Frankly, I was rather amazed at the Conservative opposition to the idea of tabling these names.

I have here the rules and forms of the House of Commons of Canada. This right has been enshrined in the very substance and fibre of the Canadian political system since 1887.

Hon. C. William Doody (Deputy Leader of the Government): We have already heard that four times this morning. That statement has already been read into the record today, at least on one occasion and probably more.

We are all aware of the rights of parliamentarians and the place for petitions in the parliamentary system. Noone is quarrelling with that. We are quarrelling with the blatant abuse of the rules governing presentation of petitions.

The honourable gentleman asked me earlier if I had any reference to support the fact that we felt the system was being abused. *Beauchesne's* sixth edition states that when a member presents a petition he may not make a speech nor present argument in support of the petition.

The honourable gentleman who is presenting the petition may not make a speech nor present argument when presenting the petition. You are out of order, senator.

Senator Perrault: I find it disturbing that the Leader of the Government in the Senate would take such an obdurate position with respect to the desire of Canadians in all of the provinces to have their concerns brought to the attention of this chamber. It is quite appalling that he would take that position. One would assume the only time suitable to him to table these petitions would be at midnight, with stealth—

Senator Doody: It started at midnight.

Senator Perrault: There really is a fear of having these names tabled in the Senate.

Senator Doody: We welcome the names.

Senator Perrault: The government is so insecure in its position that it really does not want these names to appear anywhere.

Senator Doody: Wrong.

Senator Perrault: Witness the statement made a few moments ago that it would be wrong to print them. If we had our way on this side, we would print the name of every petitioner.

Senator Murray: You wrote the rule preventing it.

Senator Perrault: I read in the *Rules of the Senate of Canada* that we have a high degree of flexibility. The senators, in their wisdom, long ago decided that we do not need draconian, formal provisions in the *Rules of the Senate*. Rather, there is an understanding among senators that certain things are proper and right, and it is proper and right that these names be brought to the attention of Parliament.

I look at page 57 of our rules where it states:

[Senator Carney.]

1. Presentation of Petitions

> Documents are tabled by the Leader of the Government or by a senator on his behalf. No debate is allowed at this stage except with the consent of the Senate, but a brief explanation may be given of any document.

We will give a brief explanation of the documents we bring here. It is not seemly that you would attempt to resist this democratic process.

I look at the Mother of Parliament. I talked about the gallant people who came from Great Britain in sailing ships to settle in British Columbia. They happened to bring with them some idea of the British parliamentary system.

Senator Doody: On the point of order, would the honourable gentleman realize what he has just said? Let me read it again—

Senator Perrault: I have already read it.

Senator Doody: It says:

> Documents are tabled by the Leader of the Government or by a senator on his behalf.

Are you suggesting that you are tabling this on behalf of the Leader of the Government? Make the record clear.

Senator Perrault: There is a concerted attempt being made to prevent me from exercising my right to speak on behalf of hundreds of people who sent me petitions. I will not sit down until those names have been registered here in the Senate. I am not yielding the floor to you. You can sit down, senator.

Senator Doody: I probably will.

Senator Perrault: You are on a one-man wrecking mission.

Senator Doody: I certainly won't try to outshout you.

Senator Perrault: You certainly will not.

Senator Doody: I certainly could not challenge the great wind from the west.

Senator Perrault: This is a document quoting law proceedings of Parliament, from Butterworth Publishing.

Senator Doody: We have heard it all already.

Senator Perrault: It says that the right of petitioning the Crown and Parliament for redress of grievances—and there are plenty of grievances with the GST—is a fundamental principle of the Constitution. Those are principles we have inherited. This right has been exercised uninterrupted from very early times and has had a profound effect—

Senator Murray: And never abused as much as it has been these past eight hours.

Senator Perrault: The fact is, you don't want these petitions tabled.

Senator Doody: Table them.

Senator Perrault: The fact is that you must know that the GST will harm your province perhaps more than any other. Stand up and fight for your people. Don't be a toady for the Tories any longer.

Senator Doody: You told me to sit down.

Senator Perrault: Stand up and fight.

Senator Doody: Do you want me to stand up or sit down? The honourable gentleman just asked me to sit down. Now he wants me to stand up. I am standing up.

Senator Perrault: Why don't you try lateral?

Senator Doody: A member, when presenting a petition, may not make a speech to present argument in support of the petition.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Raymond J. Perrault: We have heard that four times. To get back to Dr. Cocks, the historical and constitutional aspects of petitions to the Queen and Parliament, which were originally directed to judicial rather than legislative assemblies, and from which in the medieval period the form of legislation, both public and private bill, was only gradually derived, is not considered in its entirety in this work. The rights of petitioners and the power of the house to deal with petitions were laid down by two resolutions of the House of Commons in the year 1669. The government would like to destroy it right now in 1990.

This is what this great British document states:

> It is the inherent right of every commoner in England to prepare and present petitions to the House of Commons in case of grievance and the House of Commons to receive the same.

That is the tradition of Parliament, not the bully boy efforts in which you are engaged.

Senator Cogger: Do you have a British petition now?

Senator Perrault: It is an undoubted right and privilege of the Commons to judge and determine, touching the nature and matter of such petitions.

I have some petitions from my province of British Columbia. There are 200 signatures affixed to this first petition, but I will not go through all the names. I know that other senators want the opportunity to speak and table petitions of their own. These petitioners come primarily from the Courtenay area on Vancouver Island, from people who have made an exceptional contribution to the province of British Columbia. There are a number of industries there, and they have a wonderful summer musical festival. Some of the petitioners include Natalie Munn from North Courtenay. Petitioners come from other places in the Cowichan Valley, from the City of Victoria, Campbell River—

Senator Bonnell: Is that on Vancouver Island?

Senator Perrault: Some of the best fishing in the world is to be found at Campbell River. I invite all of you to catch the big fish that regularly establish world records.

Senator Bonnell: Is that salmon?

Senator Perrault: That is salmon.

Senator Bonnell: Do they barbecue them up there?

Senator Perrault: They barbecue them. I have some names from Black Creek, Bowser, Courtenay and Comox. There are petitioners from Union Bay. There is a letter here from Fanny Bay, which is the source of some of the best oysters in Canada. They are not the kind they have in P.E.I.; they are the west coast oyster.

Senator Bonnell: Not the same. Sisters and brothers, but not the same.

Senator Perrault: They are cousins. Why are people in the Courtenay area concerned about the GST? Some of them are having a very difficult economic time these days.

The forest industry in British Columbia is in dreadful shape, as Senator Carney is aware.

Senator Carney: Is this a petition?

Senator Perrault: This is the reason a number of people were inspired to sign this petition.

Hon. Pat Carney: Will the honourable senator take a question? Is not the present federal manufacturing tax applied to all the equipment used in the forest industry? Would that industry not be among one of the beneficiaries from the GST, because they will no longer pay a 13 per cent tax?

Senator Perrault: There will be some benefits for certain industries if this proposal goes through. I am not arguing that. However, the reason why many of these people associated with the forest industry in Courtenay have signed the petition is that the profit outlook for British Columbia forest companies is the worst since the first half of the 1980s, according to Dick Ryan, Chairman of the Council of Forest Industries in British Columbia. This tax will have a measurable and detrimental effect on certain sectors of the industry.

The main villain for forestry is the free trade deal that you helped engineer, the 15 per cent impost carried by the forest industries of British Columbia.

Senator Carney: Senator, you should know that the tax does not apply in British Columbia. It is being replaced and is not applied at all. I am surprised that you would not know that.

Senator Perrault: What you do not say is that it is reflected in the higher stumpage fees charged the forest industry. You know that this was done deliberately to achieve the same result of that iniquitous 15 per cent tax that you helped engineer through the house.

Senator Carney: Senator, then you would like to hear my explanation. It is that the people of British Columbia own the forests. They are entitled to higher royalties for their forests. It should go to the people of British Columbia who own the forests and not to Americans and international companies who do not necessarily spend it here.

Senator Perrault: Explain why Simon Reisman, in his last visit to Vancouver, said that in retrospect we should have taken a tougher position on the forest deal, but Canada had to give up something. Why did we have to give up our forest advantage to the Americans when they were unable to prove any injury from Canadian competition?

Senator Carney: I would be glad to answer your question.

Senator Perrault: Could you do it later, because I want to finish these petitions.

Senator Carney: You asked for an answer. I am ready.

Senator Perrault: I am not yielding the floor.

Senator Carney: Be consistent. You asked me, and you should have the courtesy to let me answer. Since you asked the question, would you take your seat please, Senator Perrault, so I can answer?

Senator Perrault: I am not going to get into the detail. You can make your own speech.

• (1230)

Senator Carney: You raised the question. You specifically said that Simon Reisman said we should have taken a tougher stand on the forest industry. I am not aware, Senator, of that remark. I would be pleased to see some evidence of it.

Simon Reisman counselled me throughout that period and he fully supported the efforts that we made to return the money from the province's people-owned resource to the people, to get rid of the export tax through higher stumpage.

Senator Perrault: I don't care what Simon Reisman agreed to. He sold out British Columbia, and he certainly landed on his feet in the process. Simon Reisman was acting for the Government of Canada and he said the other day, "On second thought we had to give away something. Perhaps we shouldn't have given way on the agreement", and you can check your quotation book. I am not going to sit down again.

Earnings for the first six months of 1990 have already dropped 40 per cent to 50 per cent from the previous year in the forests of British Columbia. Projected earnings for the B.C. industry for the remainder of 1990 added to the 1991 are likely to deteriorate further. Now, why did the people of Courtenay sign this petition? They were worried about their jobs. What about the 160,000 industrial jobs that have been lost as a result of that great free trade deal you helped to organize—you Conservatives.

This is what he goes on to say—no wonder they signed the petition in Courtenay:

> The industry can't help but be affected by wide-spread slowing economic growth. We are now in a down-turn in our industry cycle.

He said

> "the Canadian dollar has reduced revenues of B.C. producers while high interest rates have contributed to diminished demand, particularly in North America. In addition, the profitability of B.C. companies has been severely affected by high government charges on stumpage, which reflects the 15% sell out the Conservatives inflicted on the forest industry in B.C. and which, by-and-large, is no longer sensitive to changing market conditions.

He said the high stumpage rates were imposed—now listen to this, Senator Carney. This is the forest industry, not a Liberal document. He said that the high stumpage rates were imposed on the industry by the B.C. government in 1987 following the signing of the Canada-United States Memorandum of Understanding negotiated by Simon Reisman, acting on behalf of Brian Mulroney, with your collusion and cooperation.

At the time the industry stated that—I want to finish my statement.

Senator Carney: You asked me to listen. You asked me specifically in this house to listen—

Senator Perrault: Listen.

Senator Carney: And I listened, and I wish to respond.

Senator Perrault: I will sit down; then you can reply.

Senator Carney: You asked me to listen—

Senator Perrault: At the time the industry stated these—

An Hon. Senator: Let's listen to the question. The question won't make any sense.

Senator Perrault: Do you have a question? I thought you were going to make a statement. At the time the industry stated that these greatly increased costs were greater than could be borne. Those considerations were ignored by Simon Reisman and Brian Mulroney. This is what they said:

> —particularly once the inevitable downturn began in the traditional forest industry.

That prediction has now come to pass. No wonder they signed the petition in Courtenay.

The U.S. housing starts, which are a major indicator of industry health, are continuing to slide to about 1.13 million currently, down from 1.37 million starts in 1989 and 1.48 in 1988.

The Canadian housing construction market may only reach about 175,000 in 1990, down from 215,000 last year and 220,000 in 1988.

Companies are striving to cope with these severe difficulties in a variety of ways, according to their particular circumstances. Do you know that the number one way is to put men off the payroll, to put them on the unemployment rolls?

You will remember that yesterday you mentioned the statement made by the Minister. He said that some sawmills have had to permanently lay off workers, while others have eliminated shifts or have implemented temporary shutdowns.

It is estimated that to date some 4,500 employees have been affected, and some of them have signed this petition. They are fed up with your economic policies which are leading this country to disaster. It is truly unbelievable why more people aren't signing petitions in addition to the millions that are coming in. The conference that was held yesterday, which included the manufacturers of Canada, said that we are in a recession, and the Minister of Finance, like a blind person, wanders around saying "No, we can't see a recession at all, it is just a technical adjustment." Can you tell me when a technical adjustment becomes a recession? Can somebody,

please, in the Conservative Party tell us when that event occurs?

It is estimated that to date some 4,500 employees have been affected on the pulp and paper side. Some companies have scheduled longer-than-normal periods of down time this Fall of four to six weeks, and longer in some cases.

Traditionally, pulp and paper mills discontinue their operations for only a couple of days each year for maintenance purposes.

B.C. market pulp shipments for the first half of 1990 were 22% below the same period last year.

Michael Wilson said the other day, "My heart goes out to every unemployed man and woman in this country. I feel for them." Those unemployed want more than just lip service from Mr. Wilson; they want some action.

Imagine, earlier today the senior senator from Alberta read into the record of the house Mr. Wilson's proclamation that he deliberately created this recession. You expect the Canadian people to support a government which would do that, and you attack us for what you term a "filibuster"?

The B.C. rail strike is having a serious impact and is forcing companies to use more expensive means to transport their products, and so on. So I bring a petition here signed by many people associated with the forest industry on Vancouver Island, and they say that with the industry being in such a dreadful condition at the present time, it will simply add another disastrous element to the unemployment picture of Vancouver Island and in the Province of British Columbia if it is introduced on schedule January 1st. Now, if you don't want this petition to be tabled—

An Hon. Senator: I just heard the—

Senator Perrault: Listen to that, the people—

An Hon. Senator: Black Creek—

Senator Perrault: Many of these petitioners derive their income from the forest industry of the province of British Columbia.

I have here another petition. It is from the Okanagan. I don't want to take an undue amount of time, because others wish to speak. but why would a person in the Okanagan sign a petition? You have so many elected—

Senator Cogger: Because one of your organizers went to see him.

Senator Perrault: You have so many elected members up in the Interior. They have given you their confidence, and you have betrayed them.

Senator Carney: Would you like to hear my response now, because you have moved off the subject?

Senator Perrault: Can you speak later—

Senator Carney: You asked—

Senator Perrault: You aren't supposed to debate on the tabling of petitions.

Senator Carney: You asked me to listen. With respect, would you tell me when you want to hear my answer? Thank you.

Senator Perrault: Yes, I will listen.

An Hon. Senator: A brief statement.

Senator Perrault: Why would anyone in the Okanagan of British Columbia sign a petition? Why are there so many names here? Why are they so upset? I'll tell you why they are so upset. It is because under this free trade deal you have practically wiped out the wine industry and the grape industry in the province of British Columbia, and I suppose you Conservatives are now going to say, "Well, we had to give up something." Why did you have to give up so much in the province of British Columbia for this deal?

POINT OF ORDER

Hon. Orville H. Phillips: Honourable senators, on a point of order, and being aware of the great respect that Senator Perrault has for the rule book, I would ask him to read page 57 of our rule book, on "Presentation of Petitions".

Senator Perrault: I quoted that a moment ago.

Senator Phillips: I know.

Senator Perrault: You have gone over this.

Senator Phillips: I know, but it is so seldom you are here on a Friday that you have forgotten that the rules apply also on Friday. I wish you would remember that, honourable senator. The point we are at on the order paper is Orders of the Day. It is Friday, and we are presenting petitions, and not discussing GST.

Senator Perrault: I have listened with great respect to you. My attendance record is better than yours in the Senate and I am here on a Friday any time there is a sitting on Friday.

Senator Phillips: I will challenge you on that.

Senator Perrault: So don't further distort the record in the old Tory spin-doctor style.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Raymond J. Perrault: So why would they sign a petition in the Okanagan? Because the economy is now in a serious condition. Wines are flooding across the border from California and from other countries, making it almost impossible for our wine industry to survive in the Okanagan. Those who grow peaches, soft fruit, apples, pears and the rest, are in serious trouble because of a free trade deal in which I fear that we were badly out-manoeuvred. It isn't appropriate at this time to get into a debate on free trade, so let us leave that to a later time.

I just wanted to give a brief explanation, as called for at page 57 of our rule book, of the reason why a number of people from the Okanagan signed this petition.

Senator Carney: I am waiting.

Senator Perrault: I have received petitions from the East Kootenay, from the Nakusp, Box 281 Nakusp, Box 1006 Vernon, British Columbia, Edgewater, Fauquier, all sorts of communities in the interior of British Columbia.

This is Canada, and these are the people who go to war to fight for this country when they are required to do so. They are the people who are only asking for an opportunity to make a living and raise families and have a decent life without being caught in economic downturns and losing their jobs—and, yes, losing their unemployment insurance benefits, if you get your way in this so-called "income recovery" program you have under way.

These are the real people in this country, and they deserve to have their names brought to this Senate chamber. There are names from Nakusp; there is Mr. Lockheart of Burton and Mr. Gregory of Nakusp. Some of the handwriting I am not able to read. There is Michelle Dietermann of Nakusp, British Columbia. That is an area which not only looks to its basic industries for its economic survival but is very concerned about the effect of the GST on tourism.

The tourist industry is very concerned about its ability to compete after the GST is introduced.

An Hon. Senator: We have a—

Senator Perrault: Now, be fair in any of your rulings, senator. These people are seriously concerned about the effect on tourism. We have, for example, a phenomenon in the lower mainland of British Columbia. As the Honourable Senator Carney is aware, we are only 28 or 30 miles from the border. Already american travel companies are advertising in Vancouver newspapers saying "Buy your tickets down here in northern Washington state and save yourself a lot of money as a result of the GST".

From coast to coast in Canada the people associated with tourism are dreadfully concerned about the effect of the GST on their ability to compete for major tourist business and big tour packages. Yet we are told by the government that the GST is, in effect, a seamless word, that we can't make any major or minor changes. Why can't we at least hear something positive from the government that it recognizes that there are certain deficiencies in this measure that could or can be corrected? There are some wonderful hot springs in Nakusp and the Kootenay Valley. Some of you have visited them. Understandably, they are concerned about their ability to attract tourists, and that is why many of them have signed this petition.

I have another petition, containing 27 names, ranging from Nakusp to Burton, British Columbia, and Edgewood. I have you some of the other names a moment ago. There are 27 names in this petition. Some of them come from Surrey and White Rock, two of the most rapidly expanding communities in the province of British Columbia. Some of the best farmland, of course, is in Surrey and the Fraser Valley. Again, the people are very concerned about government policies and the effect those policies are having on their ability to compete in the agricultural sector.

[Senator Carney.]

The Americans have a policy of providing very large quantities of irrigation water at cheap prices, based on the economy of scale, which make it very difficult for British Columbia farmers to compete. A recent report, difficult to believe, is that now fully 20% of the milk consumed in the lower Okanagan of British Columbia is purchased in the State of Washington instead of British Columbia; we are that close to the border.

Now, that is a concern; that is why some of these people signed the petition—people in Surrey, Delta, and Langley. The names include Brad Harris of Surrey and Joy Richardson of Langley, Mr. McFarland and Mr. Allan Jackson of White Rock. The people who live in White Rock and those who live in the retirement community, are very concerned about government action in the field of "clawing back" some of their benefits. We discussed that yesterday, and some speeches were made on that subject.

They are very concerned about the outlook. Yet Mr. Blenkharn makes it all sound so simple. He said "we are going to make it simple." Just listen to this quotation—oh, if it were only so simple. He said, "If you owe Mikey, the federal Minister of Finance, Michael Wilson, send him a cheque, but if Mikey owes you, then you send him a bill. That's how simple it is." If it were that simple there wouldn't be as many problems as there are at the present time.

The reason why many senior citizens of White Rock signed this petition is that every social agency tells us that even with your rebate system—read the evidence in the committee report; it isn't slanted or unbalanced—

Senator David: Scare tactics.

Senator Perrault: —senior citizens will not be able to recover the amounts of extra money which they will have to pay as a result of the GST. It's there in black and white.

Every agency, confirmed by the principle churches of Canada, say the same thing. Do we realize that many senior citizens, because of incapacity, are unable to fill in even the simplest document? The churches say that the rebate plan theoretically may have some merit, and those in the social program field say "We are old hands at delivering social services, and we tell you that it simply isn't going to work." How can we possibly move to impose on those people most vulnerable in our society a tax package that will make the rich richer and the poor poorer? That is the reason they signed the petition. This is a brief explanation of why the seniors have taken the position they have.

Senator Cogger: You are using the same scare tactics with which you tried to scare everyone off the free trade agreement. We heard that.

Senator Perrault: Senator Cogger, you are being unduly suspicious of motives. You are being—

Senator Cogger: Are you going to tell me you aren't partisan?

Senator Perrault: Senator, you know what we are willing to do?

Senator Cogger: Tell me.

Senator Perrault: I am willing to sit down after this speech and hear your defence of all of the sections of the GST, and I will not call any procedural points on you.

Senator Cogger: After your speech I would like to raise a question.

Senator Perrault: We will give you full opportunity to tell us why you are clawing back benefits from the senior citizens in Canada, why you are clawing back benefits from the unemployed.

Senator Cogger: Certainly, we will gladly discuss all these points the minute you move off petitions and get to the order paper, where we should be.

Senator Perrault: You can tell us why you have imposed 33 tax increases on the Canadian people since 1984, and we will sit and listen to your defence.

Senator Cogger: Fine, we'll get to the debate.

Senator Perrault: And then we will listen to the spin doctor sheet you have. You know what they said in that sheet? They said that the Liberals are trying to keep Canada from having a more progressive tax system after your leading spokesmen admit that the whole idea is regressive and that you are really introducing a package where the poor are going to have to pay more and the rich pay less. Isn't that a great statement? Incidentally, have you talked to Dalton Camp recently?

Senator Cogger: I don't talk to Dalton Camp.

Senator Perrault: You don't talk to him now because he has just finished telling the Canadian people that your tax package was regressive and it was harmful to the low income groups and the seniors.

Senator Cogger: Scare tactics.

Senator Perrault: You say these are scare tactics?

Senator Cogger: Of course they are.

Senator Perrault: Are you accusing the Winnipeg Chamber of Commerce of scare tactics?

Senator Cogger: I am accusing you.

Senator Perrault: The people who signed this petition are from the lower mainland. Some of them are in small business, and this is what the Winnipeg Chamber said to us in their brief:

> We are deeply concerned with the administrative burden placed on business arising from the multi stage aspect of the GST, thus a rational for a tax at the retail level only. Although this position has been advanced on several occasions over the past year, it has not been favourably received by the federal government which views the multi stage approach as the means of maximizing compliance.

You say there are no alternatives? Chamber of commerce after chamber of commerce say there are alternatives.

Senator Cogger: An alternative to the GST? The world wants to know.

Senator Perrault: Why did you boost the manufacturing tax 3 times since 1984 if you thought it was such a bad tax? Why did it go from 9.5% to 13.5%?

Senator Cogger: To try to pay for your debts.

Senator Perrault: You are still blaming the Liberals for things that happened in 1910. You are the government now—

Senator Cogger: Came from that.

Senator Perrault: The buck passes right over there now. Don't try to shift it. The tax should be integrated with the existing provincial sales tax.

Senator Cogger: Is that the petition?

Senator Perrault: The tax should be visible. No, these are the arguments why some of them signed the petition. This is the brief explanation. The tax should be broadly based, with a minimum number of exemptions. So here is a chamber of commerce—and I quoted that chamber because it is typical of many submissions by chambers of commerce—suggesting there is an alternative. But you say in your propaganda that there are no alternatives, and I say you are not correct.

Senator Gigantès: I was assuming this was a description of the petition—

Senator Perrault: Some Chamber of Commerce members signed the petition; so that is the reason I introduced it. It is totally relevant.

Senator David: So it is the petition of the Chamber of Commerce you are reading at the present time, is it?

Senator Perrault: These are the explanatory notes explaining why a number of people in small business have signed the petition. Is that unfair to do that? Does it bother you?

An Hon. Senator: Don't confuse him.

Senator David: Yes, but that isn't a petition of the Chamber of Commerce.

Senator Perrault: It is a valid point of view offering an alternative, which you say doesn't exist.

Senator Cogger: And it is brief.

Senator Perrault: Three business men in the past month where I live in North Vancouver stated they are going out of business because they simply can't cope with all of the regulations that will come into force if the GST becomes law. They have given up.

An Hon. Senator: Thank God it isn't coming into law.

Senator Perrault: Do we want a situation where small business is harassed to such an extent that they simply give up and say, "I can make more money by going home and buying Canada Savings Bonds instead of risking my money in a business."

An Hon. Senator: That's right.

Senator Perrault: Is that the kind of society you want to create? We are well on the road to destroying the economy if we don't get things in hand. There isn't a Canadian, I think, of

the list of people who signed these petitions—the one I hold in my hand, the one headed by Mr. Buchanan of White Rock—who wouldn't be prepared to pay a special tax specifically designated to reduce the national deficit and debt if it was felt that he or she was getting a fair shake and wasn't being asked to pay more money than he or she was able to do.

There isn't a single Canadian who wouldn't rise to that patriotic challenge, including all the members of this chamber.

Senator David: Is that the new Liberal platform; is that the new Liberal, the alternative?

Senator Perrault: Don't harass me.

Senator David: I'm not harassing you, I was asking a question.

Senator Perrault: Would that be because you want to join the party? Would you come over; would you undergo an agonizing reappraisal? We would love to have you over here.

Senator Olson: Hold it, whom you invited was part of the collapse we are in now.

Senator Perrault: That's right, yes. We would have a caucus meeting about whether we invited you in.

Why don't we keep it simple; why don't we say "Look, we are spending too much money. Why don't we cut back on some of the major projects we have been funding including some in my own province. Why do we hand out big grants for new construction for all sorts of facilities, those in B.C. and those across the country, if we are borrowing the money to make the grants? What are we doing it for?"

Why don't we challenge the Canadian people to say "Look, here's the problem. There's a five year program. If we each put X amount of dollars in a special fund, we will be in this position in five years, instead of establishing this complicated apparatus." It is going to cost two hundred and fifty million a year to collect the tax, 4,000 civil servants and a legion of gumshoes to enforce it. Isn't there a simpler way to collect this money? Is there a question?

Senator Balfour: The question is this, senator. What projects in British Columbia are you prepared to have cut back or eliminated?

Senator Perrault: The natural gas pipeline to Vancouver Island was not necessary. Do you have one in your province? No, no, none in your province.

There are projects in every province in Canada which should be cancelled, in my view, or slowed down, for the sake of the taxpayers of this country.

We announced an $88 million grant the other day for a ballet rehearsal hall in Ontario. My Ontario friends may disagree with me if I cut back on my natural gas pipeline to Vancouver, but do we really need an $88 million ballet rehearsal hall in the province of Ontario?

Senator Cogger: Order—

Senator Perrault: And a comedy centre in Montreal. Do we really need these things, when we have to borrow the money to pay for them?

[Senator Perrault.]

Senator David: When you are in the Senate, we don't need a comedy centre in Montreal.

Senator Perrault: That's another brilliant sally on your part, isn't it.

Senator Carney: I was in the ante room and I heard you asking for a question. In your speech you asked for a question. I have been trying to ask you a question, and you have refused to acknowledge it.

Senator Perrault: Ask your question.

Senator Carney: Much earlier this morning you were talking about the increase in stumpage in British Columbia and you were pointing out how terrible this was. So I basically want to ask you two questions, maybe three.

Are you aware that after the imposition of that tax, the B.C. forest industry reported record profit levels for years after that; and are you aware that the biggest union in British Columbia, the IWA, fully supported that measure and did a report and analysis of that, and said that, contrary to what you have told the Senate, not one single job was lost, because there were, in fact, 620 created by that measure?

Were you aware of that fact when you told this chamber that those impacts were adverse?

Senator Perrault: I am delighted you asked the question, and I appreciate the question, because at the time that agreement was signed—

Senator Carney: Will you answer the question?

Senator Perrault: Let me answer the question. At the time, the agreement was signed—

An Hon. Senator: Hold it.

Senator Perrault: Don't panic, senator. I know it's tough to take a little heat, but just hang in there.

An Hon. Senator: Go for the kitchen

Senator Perrault: Are you going to give me the opportunity to answer or not?

Senator Carney: Senator Perrault, I didn't ask for insults. You asked me to listen to your remarks. Be courteous here.

Senator Perrault: I'm trying to talk to your friend, who was trying to cut in on your time.

Senator Carney: I asked some questions. I would like a simple answer.

Senator Perrault: I am answering.

Senator Carney: I would like a simple answer.

Senator Perrault: The answer is this: The time that you and Simon Reisman, and the others, put together this profligate and unwise, short-ranged program, the forest industry said, "We bitterly resent this measure. We have relative prosperity in the lumber industry now but when the recession comes along, as it inevitably will, we are not going to be in a competitive position;" and all those predictions are turning out to be absolutely accurate.

• (1300)

You were warned, Mr. Reisman was warned, and the Conservative Government was warned at that time that as soon as the economy turned down we could not be competitive with American lumber supplies, either in British Columbia or in any other part of the country; and that is exactly what is happening. There is your answer.

Senator Carney: Give me an answer, Senator Perrault. You are not answering my question. Are you aware that they made record profits? Are you aware the IWA Union supported it and are you aware that the Union itself said that that measure created jobs? Are you aware that there is a business cycle in housing which has been part of that industry for the last 100 years, and that a decline in housing starts are part of that business cycle? Don't you know that as a British Columbian, Senator Perrault?

Senator Perrault: I am aware of the fact that we have had temporary prosperity in the industry, but I am also aware of the fact that the industry predicted in the long term that it would be a very bad deal for the forestry industry in British Columbia, I am also aware of the fact the American lumber producers, who placed us in this difficult situation, were unable to prove at any point that we were injuring them in their production process, and we should never have accepted that kind of injustice.

Senator Carney: Senator Perrault, let me ask you another question. Are you aware of the same doom and gloomers in the forestry industry, who said this would be adverse yet have record profits, are the same ones who now say they cannot afford to pay for environmental pollution controls?

Senator Perrault: That is another subject and we will get into that later.

Senator Carney: No, no, it is the same pattern as saying they can never afford anything at all that is in the public interest, because higher stumpage is in the public interest.

Senator Perrault: That is another question and I would be delighted to debate it. I do know that many of the forestry workers signed these petitions and there are even some executives of those companies now in breadlines. That's the situation that exists.

Honourable Senators, I know there are others who want to speak, so I will shortly sit down.

I have this petition with names from White Rock, Langley, Surrey, and Richmond. These are areas well-known to Senator Carney? I think she will agree with me there is real concern out there, not only in the farming sector. We have had a good yield of fish this year as a result of conservation measures begun by the Liberal Government, and the return has been excellent; but there is a concern about the ability of Canada to compete.

Surrey and White Rock represent a border community. They are right next to the border, as Senator Hays and Senator Fairbairn know, and also the other Senators who visit Vancouver frequently. What the merchants there are seeing is an almost impossible competitive situation. People are travelling across the border and shopping in the United States. They bring back the goods, and with seven per cent being added in January 1991, they believe there will be a record number of bankruptcies in the lower mainland of British Columbia, in Surrey, White Rock, Langley, Hope, Chilliwack, and all those border communities. That is the concern being felt there.

The same situation exists, I understand, in some of the western provinces, in the border towns of southern Saskatchewan and southern Manitoba, where people are also going across the border to shop. Those are the small businesses that you are looking forward to turning in tax receipts to provide revenue for this government. Is there such a thing, really, as killing the goose that laid the golden egg? Is it possible that this bill, which would impose a seven per cent tax in so many new areas, might be the last straw that breaks the camel's back; that it is going to drive some businesses out and more Canadians across the border to purchase all sorts of commodities down there? That is the reason why so many signatures have been coming in from Surrey and White Rock.

Then we have these 26 signatures:

(*Names of signatories read.*)

Chetwynd is one of our newer communities in northeastern British Columbia. It came into being as a result of the great mining development in that part of the country. There are some serious economic problems there because of the plummeting price of coal throughout the world, and the recent negotiation—

POINTS OF ORDER

Hon. Orville H. Phillips: On a point of order—

Hon. Raymond J. Perrault: Senator, I know what your point of order is. This is a brief explanation of why these people signed this petition.

Senator Phillips: Honourable Senators, our rules clearly state that there will be a brief explanation in presenting the petition. I feel that the honourable senator has transgressed the rule long enough, and I would ask the Chair to give us a ruling as to whether the honourable senator is perfectly in order or out of order.

Some Hon. Senators: Hear, hear!

Senator Perrault: This is an entirely new petition from the people of Nakusp. You are telling the people of Nakusp that their concerns cannot be brought to this Senate chamber, and I insist on my right to give a brief explanation of those signatures.

Senator Phillips: The Honourable Senator is free to present the petition. I ask him to do it within the rules, and I ask the Chair to rule on whether the honourable senator is presenting the petition within the rules.

Senator Perrault: This is within the rules. This is a brief explanation to explain the reason why so many people in Chetwynd, Nakusp and the surrounding area signed this petition. It is a brief explanation. Is that unfair? They are in a

very serious economic crisis out there. The lumber industry, because of this ridiculous trade deal that we made with Americans on lumber, is in serious shape. They cannot sell sufficient quantities of coal to maintain a viable economy, and they are worried that the seven per cent—

An Hon. Senator: Sit, sit.

The Hon. the Acting Speaker: Order, order. I will hear other opinions on the point of order.

Hon. M. Lorne Bonnell: On a point of order—

An Hon. Senator: On the same point of order? His Honour has to rule on a point of order before getting to your point of order.

Senator Bonnell: He didn't ask me if it was the same. I was asked if it was a point of order, and I say yes.

The Hon. the Acting Speaker: I am sorry. I said I would be pleased to hear discussion on the point of order raised by Senator Cogger, but not a new point of order.

Senator Bonnell: You mean to tell me that I do not have the privilege of raising a point of order at this time? A point of order is always in order.

The Hon. the Acting Speaker: I will handle the first point of order, that of Senator Phillips. Does the honourable senator wish to comment on Senator Phillips's point of order.

Senator Bonnell: If I can also raise a point of order myself at any time. I don't want Your Honour to get the impression that you are going to rule on a point of order from the opposite side, because that would be even worse than ringing the bells without the opposition here.

An Hon. Senator: Let him rule on that point of order; then he can have your point of order.

Senator Bonnell: Do you mean you want him to rule on a point of order by hearing one side of it, like the former speaker did, and not hear the opposition at all or give them the chance to vote? Certainly they want both sides, and they want the Speaker to hear both sides of view and then decide on the point of order.

An Hon. Senator: On that point of order.

The Hon. the Acting Speaker: Order, please. I will take one point of order and comment on it, but not all points of order at the same time. Do you wish to comment on the point of order raised by Senator Phillips?

Hon. H.A. Olson: Honourable senators, we are going to get into the same problem that we had before. If the person who is sitting in the Chair thinks that he is the presiding officer, he had better look at what has happened in the last few days. That is the kind of problem we got into, because the Speaker attempted to take unto himself authority that he does not have.

The Hon. the Acting Speaker: I am taking my advice from the Table Officers.

[Senator Perrault.]

Senator Olson: We are no longer going to have this kind of atrocity in this chamber. You can read the rules if you want to, but you will always come back to the same one. The Senate is in charge of its own procedure. We are not going to have the Speaker or alleged Speaker, get up here and start to bulldoze the Senate. Haven't we seen enough of that? I think the Leader of the Government in this place has at least learned one thing, that if this bulldozing tactic, that has been going on since the Speaker arbitrarily decided he was going to overrule the rules about how long the bells should ring and the function of the whips, and you are now going to interrupt senators while they are discussing what we are going to do with a point of order, we will have a continuation of the same debate. That is exactly what will happen. You must understand that bulldozing does not pay, does not get you anywhere.

Senator Murray entered the chamber a few hours ago and said there was a new atmosphere. There will be a new atmosphere, but only so long as you understand what is going on in here. If you don't understand what a filibuster is, then some of your senior colleagues should take you some place and explain it to you. You know very well what is going on in here. Don't try to bulldoze, because you will lose.

An Hon. Senator: Filibuster by the rules.

Senator Olson: We have more ways of carrying on the filibuster, if that is the way you want it; so just be careful. Senator Phillips raised a point of order, and he will read from page 57 again. We not going to put up with this. If you think you are going to bulldoze us with this or any other point of order, you had better contemplate seriously the consequences, because I will guarantee you that they will be worse.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Raymond J. Perrault: I want briefly to explain the attitude of the people in Nakusp and Vernon, British Columbia. Some of them are concerned, honourable senators. We are told by the Conservative Party that this is going to be a simpler method of taxation. If it is simpler, why do we have to hire 3900 additional bureaucrats to administer it, why is it going to cost $250 million to finance it, and why are we hiring some retired gumshoes in order to make sure the poor little corner grocer gets his money in on time? How does making more than 1.6 million businesses deal with the federal sales tax rather than 75 thousand to make the tax simpler? That is why some of the people who signed this petition are coming to me and saying, "For heaven's sake, can't you convince the Conservatives to make it simpler than it is?" Initially you recognized that the GST would be a significant burden to small businesses and you promised to pay every small business up to $600 a year to collect the GST. I have a question for the government whip. In December the government changed its mind and is now promising only a one time payment to small businesses of up to $1,000 in the first year. Small businesses say they are facing enormously higher costs, in addition to their business volume, than larger businesses.

Senator Phillips: I will be happy to explain that when we get to the GST.

Senator Perrault: Will you explain this to us, because this is why some of the business people signed the petition. They have told me that it does not seem fair to them. How can we ask up to 1.4 million small businesses to cope with this complex tax without providing some compensation on an ongoing basis for dealing with all of the GST paperwork? It just doesn't seem fair. I'm not defending the old manufacturing sales tax, and neither are these people. Some of these business people want to know why British Columbians have to be saddled with seven per cent on the transportation costs. This point was covered very eloquently by Senator Olson earlier. Why are we penalized just because we live 3600 miles from Toronto? Is Toronto the mecca of Canada? Is everything going to be priced from there? Why should the people be particularly heavily penalized in Alberta, Northern Alberta, Yellowknife and the Yukon Territory? These are the questions being asked by people who signed this petition. They say, "Why is it fair and just to do that? Why don't you eliminate that? It's so basically wrong." And yet we get no explanation from the government. Is that being unreasonable?

People in Newfoundland are saying the same thing. Is it going to affect your revenue to that extent that you cannot at least say that Canadians are equal wherever they live in this country? Is that such a wrong concept? How are these small businessmen who signed this petition, going to remain competitive if we keep loading them with taxes, some of which are not paid in other parts of Canada?

I will go through these quickly. They are from Burton, Edgewater, Nakusp, and Chetwynd. There is one from Calgary, Alberta. The honourable senator made an eloquent statement about the Alberta position. Why is it that all of the Conservative Premiers are opposing this measure? Are they all stupid, that the brilliant economists live only in Ottawa?

Why is Don Getty going to challenge this thing in the courts? I thought you liked Don Getty. You gave him a standing ovation at the last Conservative convention. What happened in recent months? Has Don Getty no credibility any more? Is he an economic nerd that should not be listened to, or does he have a little more common sense and understands what the measure is going to mean to Alberta?

Is Bill Vander Zalm totally out to lunch when it comes to economics? What about the new premier of Ontario, Bob Rae? I suppose he is wrong, too, when he says it is going to hurt the economy, that it is going to devastate Ontario. You plough ahead like a First World War tank, and you are going to land in the ditch upside down with this plan. That is what will happen to you. That's why people are signing this petition, but you don't like to hear it. What has Mr. Getty said to you recently? You are frightened of the facts. You could never have been elected as a Conservative senator if this had been an elected Senate. You know that.

Listen to the people who signed this petition. There are a number of small business men on it, and they are trying to send a message. They don't want any more hijinks and fun and games. They want a decent and fair taxation system. That's why they signed it. These petitioners come from Delta, White Rock, and Langley, British Columbia.

Honourable senators, I will not continue any longer. At times, you know—

Some Hon. Senators: Hear, hear!

Senator Perrault: —you may feel there has been some repetition in this debate.

An Hon. Senator: No, No.

Senator Perrault: But, it is the drip, drip, drip of factual information on the hard, hard rock of ignorance represented by some of you on the other side. You have a lemming instinct. You are going over the cliff, and you simply will not admit that you have a plan that is far from being perfect.

The two hundred names here represent small businessmen and farmers, senior citizens and the churches. Does the United Church of Canada not know anything about social problems? It happens to be one of the most active denominations in our community helping people. There is the Catholic Church and other churches. Ignore them too? They do not know anything either. Only the bureaucrats, some of whom have spent too much time in Ottawa, are out of touch with the people who signed this petition.

Honourable senators, I have found some more petitions. However, I think I will save them till later. Thank you.

Hon. H.A. Olson: Honourable senators, I have a petition from the people in Brooks, Alberta, close to where I live and another from Bow Island. I have already given a brief explanation of these petitions, so I will not repeat it. Senators have the right to give an explanation.

An Hon. Senator: Explain to Senator Phillips that Senator Olson was clearly very brief a moment ago.

Hon. Herbert O. Sparrow: Honourable Senators, I just wanted to bring forward to you a number of petitions, and ,in so doing, to speak before Senator Perrault became too excited, too loud and spoke too long—although I know he would never do that, and I appreciated very much his comments.

These petitions say "To prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax", and I guess from Senator Phillips originally talking, that these petitions could not appear in the proceedings of the Senate chamber or the *Minutes of the Proceedings*. I wonder do we then tell the people who are on the lists that these lists are destined for the garbage? These are important petitions brought by Canadians to the Senate for serious consideration of the problem as they see it, and I see no reason why their names should not appear, if we have the time to read them into the record and to answer these people if we can find the time. There is some problem, of course. The number of Canadians signing these petitions are now not in the thousands but are close to the millions.

Hon. Michael Kirby: I wonder if I might ask Senator Sparrow a question, in light of his comments and in view of the thousands, approaching millions, of names he has received, because, as we know, there are 24 new senators opposite who are new to this place and therefore not familiar with part of the history, the tradition, and the extent to which petitions have normally been introduced into the Senate. Since Senator Sparrow has been in the chamber far longer than I have, would he comment, in the light of his experience in this chamber, whether or not the number of petitions of this magnitude that we have received on the subject of the GST is unusual or even very typical—in other words, using petitions as the gauge of public opinion. For example, I see that Senator Graham has amassed a number of petitions, and I noticed that Senator Perrault and Senator Olson, in their comments, appeared to have a number of petitions. Since almost half of the members opposite are new to this chamber and do not understand whether getting hundreds of petitions is an unusual or typical event, I wonder if, as part of their education processes—I realize they were sent here merely to rubber stamp this bill, but at least we might as well educate them before they act as robots—the honourable senator might try to put the number of petitions and names he has received in some historical context, given the length of time he has been in the chamber.

Senator Sparrow: Thank you very much. I think it is an important question, and certainly, in the period of time that I have been a member of this chamber, and in Parliament, I have never come close to seeing as many petitions as we are now receiving on this particular issue. They are coming by the hundreds and thousands, and perhaps close to the millions., So no, indeed, it was a good question. Never before have I known such initiative to catch the imagination, and the fear and the disgust and the distrust, of Canadians throughout the country. Senator Phillips has left the chamber, but he mentioned—

Senator Phillips: No comment; he is right here.

Senator Sparrow: Hi, there. Excuse me. He mentioned some time ago that there were not many members on this side of the house because he was saying, in the mood of criticism, "If you were that concerned about this issue, why aren't there more people here?" Let me tell you, Senator Phillips, that the Liberals, although few in number here, are fighting this issue 24 hours a day, seven days a week. That is what we are doing, and we cannot expect 50 members of the Liberal Party to be here. So we are, and you are, taking shifts, because we feel, on behalf of the Canadian people, that this the most crucial issue facing us, and we are prepared to spend 24 hours a day, seven days a week, until such time as this problem comes before the Canadian people.

Senator Murray stated on television this morning that the bill will be passed. He has just made that statement to the Canadian people. Well, I tell him, and I will tell the Canadian people, that there is still some doubt about that; and I would hope that the Canadian people will now have some optimism that, in fact, this bill will not be passed—and Canadians should know that we will spend those 24 hours a day defending that purpose.

Senator Graham made a great presentation of petitions. I was going to say "speech", but he was presenting petitions. He said there were a great many ordinary Canadians out there who were appending their names to these petitions. Well, let me tell you they are not ordinary Canadians. They are extraordinary Canadians, from every community in this nation, who are taking the time and effort to put their name and address and their postal code on these petitions to the Senate, saying—not as ordinary Canadians, but as extraordinary Canadians—"Look, I'll spend my time and my effort to bring the message to the Senate." Surely we have the right to recognize these people, to let their names go into the record. I am sorry that I cannot take the time to read all of the names; but they deserve permanent recognition in the records of the Senate.

Who are these people who are signing these petitions? They are extraordinary Canadians who are independent and free thinking, who are saying to us, "There is something drastically wrong with what this government is doing to us." That is what they are telling us, and they are doing so in the best and simplest way they know how.

I will not necessarily quote the names, but I will tell you some of the communities. I do not know all of these people. Some of the names I recognize; but I can guess, since they come from Odessa, Saskatchewan, from Kendal, from Regina, and similar communities, that there are probably people on that list who are welfare recipients, who are far below the poverty level in this country, who have taken the time to get the message across. I am sure there will be unemployed people in this list from Claybank and Curtifred, Saskatchewan, from all of those communities, unemployed people who say, "This will devastate us even further. It will drag us down further into that poverty level." That is why they are signing this paper.

I see here the names of farmers who have taken the time to sign this petition, to say that "It's going to hurt or it's hurting now, and we're going to hurt much more as time goes on, and we are faced with that." Yesterday I talked to a small businessman in the construction business, gravel, sand and excavation, who said, almost in tears, that as of January 1st, if this goes through, he was faced with raising the prices on his services 23 per cent. I said, "Where do you get that figure?" He said, "Well, I have to compensate for the existing inflation, which is 4 per cent." That was the figure he used. He said, "I've got to compensate for the 7 per cent that is going to go with the GST tax. I have to calculate today that if the price of fuel goes up, as its purported to do, to $0.70 a litre, I have to raise my prices by 12.5 percent." He has to do that just to break even. Either that or he closes his shop, because the volume will decrease, because the people will not have the money in which to expand and develop. So he is in a diminishing market with a terrible price increase.

And you know what, the Saskatchewan Government puts a tax on top of that of 5 per cent. We are talking an increase of 28 per cent. Let us look at that. On the list are small contractors and farmers; there are single parent families who

are working at the minimum wage or are on social welfare, who cannot support their families and who are going to get a rebate as we talk about this. They know they will get a rebate of $190 a year, but the estimate of what they will spend on this tax is anywhere from three to five hundred dollars a year. Can we say to them "You will be rebated that?" How can we say to the farmer from Kendal, Saskatchewan, that, "It doesn't affect you, sir. There is no sense in your giving us a petition. Don't sign it, because we won't even recognize it in this chamber. We don't think it is worth anything. We won't even accept your petition and your name in this chamber." He is going to be faced with this problem of that 7 per cent, less the fuel tax, the fuel increase that we are going through now, and he's pleading with us, pleading with us, by his name and address and other methods. There are lots of letters, and so on, from farmers and the small business people, those whom we talked about in this house a few days ago, who are the backbone of the Canadian economic climate. In Saskatchewan, and I am sure throughout the country, we are faced with losing, without question, a further 30 per cent of our small business people.

● (0130)

There are names on this list from North Battleford, Battleford, Wilkie, Unity and Meadow Lake. In our community of North Battleford alone, do you know what we lost in actual business enterprises last year? We lost 30 per cent of our businesses. Who are they? They are the small businesses that employ the people of this nation. Let me name them: We have lost three plumbers, three electrician companies, several restaurants, three automobile dealers, at least four of our implement dealers—and the list goes on and on.

If we burden them now with a 7 per cent, and with the problem of fuel and inflation, how can we survive with a 20 or 30 per cent increase? It is just ludicrous to tell this petitioner from Regina, "Oh, it will only cause inflation of 1.8 per cent." We cannot survive and live with it. It is not 1.8 per cent. The unions are going to ask for a compensating factor for the 7 per cent, for the great increase in fuel. If there wasn't an argument before to do away with this 7 per cent, with this terrible price increase for fuel, then that alone is enough reason to drop the legislation or delay it until July 1 next year. Just delay it so that we can have a chance to recoup and survive. We are talking about survival.

These are the thousands of people who are talking about survival. They are not talking about, "Sure, we will have a slowdown in the economy, but we won't admit that we are in a recession. We don't even use that word "recession". Oh, no, it's not really a recession. It's a Canada-made high interest rate policy." These people believe we are going into a recession. What do they do when they lose their jobs? You don't talk about 2,700 people from Air Canada losing their jobs or 4,000 from somewhere else. You talk about one man and one woman loses their job. It is not just statistics of 5,000 or 10,000. It is that one person whom perhaps we know, that one person whom we have to protect.

I am not here to somehow protect thousands of people. I have to bring here the concern of one person, and if I can protect that one person, then all Canadians will be protected. That is how it starts. It is not some broad thing where we say, "Oh well, we'll have to suffer through this." I have looked through these lists. Not one banking institution has signed them. Not one bank manager that I am aware of has signed these petitions—although they may have done—because they are benefitting from the people in this country who are downtrodden—not the ordinary people, but the extraordinary people. That is who those Canadians are. They built this great country, and then we have the audacity to say, "We don't want these petitions. Throw them in the garbage. They are worth nothing."

Well, I tell you, they are worth something to me, and they are worth something to those Canadians who have signed them, otherwise they would not have gone to the trouble. These are not forms cut out of newspapers that said, "Sign this and send it to the Prime Minister." People had to go out of their way to do this; and I am going to go out of my way 24 hours a day to see that they get recognition in this Senate. You asked the question, "Have we ever had this before?" Not to any extent like this, never. What does it tells us? It tells us that there is great fear, concern and worry out there about what is happening to our country, about what is happening to that one single parent family who is desperate, who is desperately worried about what will happen tomorrow. Can you just imagine the devastating effect of someone getting a layoff notice, with house payments, car payments and families going to school or university? What a devastating thing to have happen. If we increase this by 7 per cent, it will mean at least 7 per cent to the people who are affected. Of course, it balloons and builds up with the high rates of gasoline tax, and so on.

I will not get into reading all of the names, but I want to read some from Qu'Appelle and Weyburn, Saskatchewan. Basically, I would suppose there are very few communities missed on these lists, and I have many more. Senator Stewart went through a number of lists from Saskatchewan. I have no idea how many thousands of names are from Saskatchewan, but I am sure that honourable senators opposite agree that it is crucial that we represent not just the large industries, not just the oil cartels who will make millions and billions of dollars from the high price of oil and petroleum in this country. The same oil that was coming out of the ground three and four weeks, or months, ago, the same petroleum product selling at 45 cents a litre, will now be 70 cents—the same stuff. Where is that money coming from? "Well", you say, "you have to cope with the world price."

Hon. Michael Kirby: I wonder if Senator Sparrow would permit a question?

Senator Sparrow: Yes.

Senator Kirby: I think you have just raised an extremely valuable point, because it is a point which has not been discussed here today during the presentation of petitions. My question deals with your point on what is happening to

petroleum prices and the fact that people in the western provinces, and people in my part of the country, the Atlantic provinces, pay significantly higher transportation costs as a component of every item they buy; that, in fact, they are being hurt, not only by the GST being applied to all goods, but because it is being applied disproportionately in the western and Atlantic provinces, because of the fact that the transportation component of the cost of goods is greater in your part of the country and mine. That would have been true had we not had a situation, as you correctly pointed out, whereby events in the Middle East are causing the cost of oil and gas and transportation costs to rise appreciably.

I would like the honourable senator to comment on two things: that if transportation costs are going up so disproportionately, is it not true that, in applying a 7 per cent GST to the transportation component of every good, and, indeed, the transportation of fuels, when we go to buy gas at the pump, and a variety of other things, the government would, in fact, have a windfall gain if the GST were to come into effect? The net effect would be that the government would be getting a significant windfall gain, by virtue of the fact that it is charging that 7 per cent on what clearly are not market set but artificially inflated prices? You might want to comment on that.

Also, do you think that, in fact, this government is attempting to further gouge Canadians by getting a windfall gain on the basis of applying the 7 per cent?

If, in fact, the transportation component is greater in your region of the country and in mine, and if it is true that the manufacturing sector in Saskatchewan is a relatively small percentage of the economy, as it is in Nova Scotia, does it also follow that in Saskatchewan, as in Nova Scotia, the job benefits, which senators opposite constantly apply to the GST, are essentially going to central Canada, and that the costs, in terms of what we pay in your region of the country and mine for every good we buy will be applied disproportionately because we have such high transportation costs? Do you think, therefore, that the government's economic and tax policy is designed precisely to help Ontario and Quebec and to hurt your region of the country and mine?

Senator Carney: Are you against Ontario and Quebec?

Senator Kirby: No. I am in favour of equity, which is a concept senators opposite frequently have great difficulty understanding.

Senator Sparrow: That is a question which I think the people on this list would be asking. You have put the words in their mouth, because they are unable to be here. I am sure those are questions that would be asked by people from Stouffville, Ontario. In fact, there is one petitioner on my list who must have been visiting in Saskatchewan. You were asking if this might be a bonanza for the government. Let us hope that maybe it is a bonanza for the government, but, let me tell you, if that fuel tax keeps going up to 70 cents or one dollar per gallon, and the 7 per cent goes on, the income for the federal government will be less, because we will not be able to drive cars, we will not be able to drive those farm trucks, we will not be able to use those garbage trucks that pick up the stuff. We will not be able to afford it. Unemployment will be so high that Saskatchewan may not be able to send as much money down here this year as it usually does. If prices continue to rise, and unemployment continues, and we have 30 per cent further businesses going broke, and the farmers going broke, who will be left to pay those taxes? Who will be left to pay the high taxes or the high prices on petroleum products? Will the head offices of the petroleum companies and the banks be well off? Of course they will. Every time the rate of inflation goes up, bank profits are higher. As soon as the price of fuel goes up to $1.00 a gallon, who will benefit? Will it be those people who signed the petition? No. They are the ones who will be unemployed. The small business people will lose their businesses and also the two or three people they hired. That is what happens.

I mentioned the other day, that the number of people using food banks, and those in school feeding programs, this year had increased by 20 per cent. The people who are employed are not keeping up with today's costs. What can we expect for next year if the price of fuel goes up a dollar a gallon? Perhaps there will be another 30 per cent increase in those foodbanks and feeding programs, and a devastating effect on people who are unemployed.

I will hand in a couple of petitions in a moment, and I have others. There are many from Saskatchewan—where the people are not only hurting now, but are petitioning us to say, "Don't hurt us any more. Let us try to build this country as we all want to do, but don't grind us into the ground any further."

Some Hon. Senators: Hear, hear!

Senator Bonnell: May I put a question?

Senator Sparrow: Yes.

Senator Bonnell: In the great province of Saskatchewan, if this 7 per cent sales tax goes into effect, would your province habitually add the 5 per cent on top of the 7 per cent and make it 12 per cent across the board, or would they get tax upon tax?

Senator Sparrow: I cannot answer that question. I am sorry that Senator Berntson is not here. He might be able to help us with that question. I don't know what the plans are. Rumour has it that, in fact, they will be adding that tax on and piggybacking onto the federal tax; but I don't know that. I would like to be able to answer your question, because people all over the province are asking the same question; but there are indications that it will be added on. The consumer tax in Saskatchewan has been there for a long time, and it affects certain items. We have that and we are used to that. We consider it basically a fair tax, because it is paid only by the ultimate user. It is not paid seven steps along the road. Now we will find that the provincial tax, which is 7 per cent. even if they drop it to 5 per cent, will now go on all services, including haircuts and garbage pickups, and all of those necessary services that we have. Of course, it will be a bonanza for the

treasurer of the Province of Saskatchewan, if that happens, if we have enough taxpayers left to pay any tax.

Senator Bonnell: Will you permit one further question? Will the province of Saskatchewan, start to charge taxes on children's clothing, on federal government postage stamps, and even the popcorn that the children use at the theatre? Will the provincial government add its tax on top of the federal tax? Will the government add its tax on all these things, such as wreaths for veterans who fought to save this country? Will the province now put a tax on those too, on top of the federal government's tax?

Senator Sparrow: I hope not, but it might very well happen. That is the route they appear to be following. It would be very sad, but that is the route they are rumoured to be going, which will affect what you are talking about, such as children's clothing and those other aspects.

Senator Bonnell: I have one further question: Is the Government of Saskatchewan a sister or brother government to the Tory government in Ottawa, and, if so, can we expect a similar type of leadership from that province?

Senator Sparrow: I don't know whether they are brothers or sisters or adopted, or even part of the family. I don't know. I don't know whether they are just adopted, or may drop them at any time. I don't know that.

Hon. P. Derek Lewis: Honourable senators, I have the honour to present a petition from the citizens of Newfoundland, containing 27 names. The subject of the petition is the proposed national goods and services tax. They humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

Briefly, I would like to give some background before getting into the details of where this petition comes from. I might say that this petition was not solicited by me. It is apparently a voluntary petition, which has been sent in. It is interesting that it was sent in to a Liberal senator from Newfoundland. I don't know if the senators from Newfoundland who sits on the other side of the house, have been receiving any of these petitions. If so, we certainly haven't heard from them. I hope that if they have, they haven't been throwing them away, because this is a very serious subject.

Honourable senators are aware that conditions in Newfoundland are particularly bad. We have a depressed economy and very high unemployment. I believe it is up to something like 18 percent. We have approximately 30,000 people employed in the fisheries industry. The fisheries are particularly depressed, mainly because of the lack of fishery products, for which the people put the blame on the federal government, because they say the federal government has mismanaged the fishery stocks, and they are suffering from that. Apparently the federal government miscalculated the actual stocks, and has forbidden fish producers from taking their usual amount of product, but have allowed the foreigners—

An Hon. Senator: The European Community?

Senator Lewis: The European Community.

An Hon. Senator: France?

Senator Lewis: France.

An Hon. Senator: The United States?

Senator Lewis: the United States, yes. To come in and gut the fishery. So, the industry is in a terrible state. As I say, there are 30,000 people affected by this. Of course, we find that we are going into a recession. I can tell you, the people of Newfoundland know that we are into a recession, and it is really cold comfort to them. I assume the reference I saw on television this morning was correct. I understood it to say that the Prime Minister had said there was no recession, but that there was a planned downturn in the economy. Planned downturn? Absolutely fantastic.

It reminds me of what happened in Newfoundland a few years ago. This was during the term of the Tory government. A minister was asked the question whether the negotiations with respect to Hibernia should be pushed a bit more to get Hibernia on the way. Of course, the provincial government at that time was being dilatory and they were not doing that. The ministry said, "Oh, we don't want to go too far, because we don't want to overheat the economy." Overheat the economy! Just imagine. This seems to be the Tory policy everywhere.

The people who have signed this petition are all consumers. There appears to be no reference to business in any of these. As we understand the goods and services tax, it is the ultimate user who will pay the tax. No doubt the businesses have no worries. They will pay tax on what they buy, sure, but when they sell it they will recover the tax. The tax is passed on down the line until the poor old consumer pays the shot. That is what these petitioners are concerned about. They also know, as far as business is concerned, that the businessman, in his normal operation, will look at his costs, at the price of his goods, and the cost of freight, upon which there will be a tax paid. He will look at the handling charges, and he will add on the actual tax that he pays on the purchase. Of course, he will then calculate his writeup, so that will go on top. Then the poor consumer will pay the shot for the whole thing. So businesses, of course, are not going to be too concerned. They will have a little more paperwork to do, but that is all.

This petition represents many different places in Newfoundland. I am familiar with the places, but not with a lot of the names. I see here a signature from a gentleman in Spaniard's Bay, which is on the east coast of Newfoundland. There are two names from Grand Falls. Grand Falls is in central Newfoundland, and is the site of an Abitibi Price pulp mill where they are having trouble. One of their machines is being closed down. I see a name from Bay Roberts on the east coast. There is the name of a person from Placentia. That is the Anglicised name of what formerly was the French capital of Newfoundland.

Some honourable senators may not have realized that there were two capitals in Newfoundland at one time. There was the French capital, and the Anglo capital St. John's. Then there is a name from Lewisporte. I don't claim any relationship to the name. There is another Bay Roberts' man, and two more from

Conception Bay. Here is an interesting name from Stephenville, the present home of our Senator Cochrane.

I spoke to her a little while ago and I was telling her about the hundreds of letters I have received from people all over Canada—I know others have too—objecting to the tax and asking us to do what we can to stop it. She told me she hadn't received any of these letters. But here we have a name from Stephenville, from Senator Cochrane's present home, where she resides.

There is another name from Manuels in eastern Newfoundland; others from Windsor, and Grand Falls, central Newfoundland. There is one from Harbour Breton, which is a small community on the south coast of Newfoundland. As a matter of fact, I think that is the birthplace of Senator Cochrane. There are six names from St. John's. I am sure that Senator Doody would be very interested to know that. I would like to know what kind of correspondence he has been receiving from his home town. Here is another name from Portugal Cove. Portugal Cove gets its name, apparently, from that great Portuguese explorer Corte-Real.

Senator Petten: Excuse me; would the Honourable Senator permit a question?

Senator Lewis: I would be delighted.

Senator Petten: Now, which Portugal Cove is that? There are two Portugal Coves. Perhaps you would just explain that.

Senator Lewis: I will be glad to explain. This Portugal Cove is about nine miles from St. John's, and is in Conception Bay, in the eastern part of the Avalon Peninsula. It is the terminal port for the ferry which runs to Bell Island, a large island in Conception Bay.

An Hon. Senator: May I ask you a question?

Senator Lewis: Would you mind if I finish answering this question? I am referring to Bell Island, for which Portugal Cove is the ferry terminal port. Belle Isle is up in the Strait of Belle Isle, which is between Newfoundland and Labrador.

There is another Portugal Cove called Portugal Cove South, which is south of St. John's, just to clarify that point.

Senator Simard: I read, at page 57 of the rules, that a senator may present any petition entrusted to him. I take it that this is what you have just been doing, right? May I know from you who entrusted you with that particular petition or those petitions?

Senator Frith: What difference does it make?

Senator Simard: I would like to know whether the good people of St. John's, Newfoundland woke up one fine morning and said, "Oh, isn't that nice, that nice Senator Lewis will protect me from an unjust act if I only bother to write to him." Or did you collect your petitions from the Deputy Leader, Senator Frith, who has been busy distributing them around to all of you guys?

Senator Frith: Why doesn't the honourable senator get his pencil out and listen. We will give him the name and address, and he can write to these people. Who is distributing them has nothing to do with it. The question is: Who presents them? They are presented and addressed to the Senate, and the Senators present them to the Senate.

Some Hon. Senators: Hear, hear!

Senator Frith: If you want to find out, why don't you write to them?

Senator Simard: It says, "Any senator may present any petition entrusted to him." I want to know who entrusted the senator with the petitions. That is a simple question.

Senator Frith: They are coming from the people of Canada; that is where they are coming from.

Some Hon. Senators: Hear, hear!

Senator Frith: The very same people that this government refused to listen to when we went around the country on the committee, and is refusing to listen to now; and senators opposite are sitting there uncomfortable about the fact that they have had to listen for a while to what the people of Canada feel. Let's carry on.

• (0200)

Senator Cogger: Senator Frith, may I ask another question?

Senator Frith: No. This is not question period.

Senator Cogger: It is a question that has been on my mind since last night.

Senator Frith: Make it good.

Senator Cogger: Petitions addressed to Senator Hébert were presented last night during the night. Senator Hébert was not here. I see him now in the chamber. I would like to ask him the question.

Senator Frith: He is not on his feet. This is not Question Period. It is up to him. Senator Lewis is on his feet. If Senator Lewis wants to answer questions, he may.

Senator Cogger: Senator Hébert—

Senator Frith: Why don't you listen? You are trying to find some way to stop up your ears and not listen to what the people of Canada feel.

Senator Cogger: I can assure you the question is very relevant.

Senator Frith: Relevant to what?

Senator Cogger: Let me ask Senator Hébert; he will understand.

Senator Frith: We don't mind your using up time. We are interested in the Senate's listening to what the people have to say. What is being suggested here is that while a senator is standing up during the presentation of petitions another senator can rise and ask still another senator a question, as if we were in Question Period.

Senator Cogger: During the night somebody on your side became the spokesman of a quasi-religious group based in Quebec which is well known for its anti-Semitic views. I want to know how you feel about that.

Senator Steuart: That is the kind of routine trick you pull. These are real names from real places that hate what you are doing, so sit down.

Senator Cogger: Let's find out from Senator Hébert.

An Hon. Senator: Shame on you.

Senator Frith: There is an allegation being made by senators. Now there is relevance for you—making anti-Semitic allegations.

The Hon. the Acting Speaker: Is there a question for Senator Lewis?

Senator Lewis: I will be glad to give you a copy of this so you can write all the people you wish. You can ask them directly. All I know is that these petitions come to us to be presented and we are glad to present them.

Senator Bonnell: Senator, will you answer a question? Since Senator Cogger is going to have the privilege of having a copy of this petition, would you ensure that all Senators have it by having it printed in *Hansard* with the names so we can write to them? Newfoundlanders are having trouble with the fisheries, unemployment, and Hibernia, with all the promises they get from the federal government. We should all have the privilege of writing to them.

Senator Lewis: I think that would be a good idea and I agree with it. I would caution Senator Bonnell, however, that this will take some time. Do you think we should adjourn so we can get all these copies made?

Senator Bonnell: I do not think we should adjourn. We can carry on with the business, but I would ask you to get permission of the Senate to have these tabled in the proceedings of the day so we might have a copy without interfering with further presentations or with the business of the Senate.

Senator Lewis: I would be glad to ask. I hope the Table will be able to do that. I forgot to mention some of the places included in this petition.

Senator Carney: Senator Lewis, is there a proposal before you to actually print the name of every petitioner on there? That would be extremely wasteful, environmentally.

Senator Bonnell: It is printed in the *Minutes of Proceedings*.

Senator Carney: My question to which I would like an answer is that it is breaking the rules or changing the rules to show the names of petitioners in the record. Moreover, it would be very environmentally wasteful.

Senator Gigantès: Are the names of Canadian petitioners pollution, in your view? You should apologize to the people of Canada for considering their names to be a pollutant.

Senator Carney: Senator, I do not have to apologize, you have to apologize to the people of Canada. Is the suggestion before us to print all the thousands of names that have been presented in petitions today?

Senator Gigantès: It is a real privilege to present the petitions of Canadians, and not bump people off airplanes.

Senator Carney: I have a legitimate question.

Senator Frith: Honourable senators, I believe that Senator Carney does have a legitimate question. I have consulted with Senator Bonnell. I suggest that for the moment we stick with the reading of the names in the way we are doing, with selected names being read. Senators are entitled to select what names they want to read. However, I suggest that not all the names be read into *Hansard*; but they can certainly be tabled.

Senator Carney: In concurrence with the rules of the Senate.

Senator Bonnell: I do not want to disagree with my house leader, but I wish to ask Senator Lewis a question. My request was to table the list of names on this one petition, not all of the thousands of names on all petitions. There are 27 names on this particular petition. Senator Cogger wants the names so he can write to those people.

Senator Cogger: That was not my point. I do not need to see the petition. I have my answer.

Senator Bonnell: If Senator Cogger withdraws his request then I do not think we have to ask to have them printed. I only asked that the 27 names on this petition be printed so that Senator Cogger, as one senator, would not alone be privileged but that all senators would have the privilege of seeing those names to make sure they could have the same answer from those people. However, if Senator Cogger withdraws his request, the names can simply be tabled for all to see.

Senator Cogger: I have my answer. I do not need the petition.

Senator Lewis: It is just a matter of tabling this petition then.

Honourable senators, we are down to Portugal Cove. Then we move across to the other side of the island, what we in Newfoundland call the west coast. I come to Cornerbrook, where there is another large paper mill. There is a petitioner back on the east coast again, from the town of Bay Roberts. There is a final one here from Fortune, which is a town on the south coast of Newfoundland. It is about 20 miles off the French islands of Saint Pierre and Miquelon. Perhaps Fortune gets its name because it is close enough to the French islands to do a lot of smuggling. But that is by the way.

The name written there looks like Olds, which is not a familiar name to me from Fortune. The only name of Olds with which I am familiar is from the town of Twillingate on the northeast coast. It was a Doctor Olds who lived there and worked at the hospital from the 1920s until his recent death. He was a member of the Olds family from Michigan, I believe, who were the automobile family. He was a doctor who went to Twillingate. It gives me very much pleasure to present this petition.

[*Translation*]

Hon. Jacques Hébert: Honourable senators, I know it was always a great ordeal for the Conservatives whenever I got up to present petitions these past months. I could always count on an outcry from the Conservatives. Senator Simard, in particular, seemed to be very perturbed at the idea of a senator

getting up to voice the concerns of ordinary Canadian citizens. That was the case for Bill C-21, a bill I still consider abominable. It is the beginning of the end of our employment system, one that is admired throughout the world, although I grant it was in need of reform but certainly not the type of sabotage undertaken in Bill C-21.

So over the past several months I presented a great many petitions requesting the Senate to block Bill C-21 on unemployment insurance. Afterwards, as the GST became the focus of concern, I received petitions not only from Quebec but from throughout Canada asking the Senate to use whatever powers within its means to stop the GST.

I have never really understood why the Conservatives took offense, and Senator Simard was not the only one, I was also booed in fine style by Senator Flynn whenever I rose to present petitions. Now what explains this reluctance on their part? Why are they unwilling to listen to the voice of the common people who have no other recourse but to sign petitions and send them to Members of Parliament and senators? What is it that is bothering those on the other side? I have never understood and I understand even less today.

Whatever the explanation, I consider it to be a fundamental, almost sacred privilege, for citizens in a British parliamentary democracy such as ours to be able to make their voice heard in the House of Commons and in the Senate through petitions. I hope that for once my colleagues opposite will have the decency to listen, without grumbling, to the voice of ordinary Canadian citizens who do not at all agree with the GST bill.

I have here a petition signed by 24,612 Candian citizens residing in the Halifax-Dartmouth area and in Sackville, Nova Scotia, requesting the Senate to turn down the GST bill.

I think it is a good idea my colleagues decided to read out the names of these persons; after all there are only 24,612 of them, so that we realize that they are real people. We are talking about flesh and blood, not some vague nebulous associations but citizens of the Province of Nova Scotia.

I note here a Mr. Kindy who lives at 30 Richville Road, Halifax, Nova Scotia; Meldy Shaw, 8 Willie Perry Drive, Nova Scotia; Albert E. Boudreau, I suppose he is an Acadian judging from the name . . .

Senator Corbin: An Acadian from Cape Breton.

Senator Hébert: From Cape Breton? Well, to be more exact, he is from Dartmouth, Nova Scotia.

Senator Corbin: Yes, but the Boudreaus come originally from Nova Scotia.

Senator Hébert: I suppose you are the authority in Acadian matters, especially if . . .

Senator Corbin: No, I am not an authority but I happen to know.

Senator Gigantès: What part of France did they originally come from, Senator Corbin?

Senator Bosa: There are also Boudreaus in Toronto.

[Senator H.]

Senator Hébert: Well, the Acadians have spread throughout North America, Senator.

Senator Corbin: The Acadians originally came from the west coast of France, from the province of Perche and the region of La Rochelle, for example.

Senator Gigantès: From the Vendée or Brittany?

Senator Corbin: I see someone standing up trying to speak. I do not think the Speaker has anything to say unless the honourable senator invites him to say something. No one asked this person to speak.

[*English*]

The Hon. the Acting Speaker: Honourable Senators, the reason for my rising is that when a question is asked, if the person who receives the question does not take his seat, then the question cannot be asked.

[*Translation*]

Senator Corbin: Mr. Speaker, I do not think anyone asked you anything. The practice of this Chamber is for senators to impose self-discipline. You do not have the powers of the Speaker of the Canadian House of Commons or the House of Commons in Westminster. You are to intervene only if an honourable senator or senators ask you to do so. That is a fundamental rule of this Chamber. Please keept it in mind. What was the question?

[*English*]

Senator MacDonald: I do not know which bill Senator Hébert was referring to. He started by referring to Bill C-21, but you are now talking about C-62. Would you give the preamble to the petitions and move on from there?

[*Translation*]

Senator Hébert: I would be delighted to, Senator MacDonald. As a matter of fact, it is written in English . . .

[*English*]

I have the honour to present a petition signed by 24,612 residents of Halifax-Dartmouth and Sackville in Nova Scotia who ask to Senate to reject the goods and services tax bill. It is a petition on the subject of the proposed national goods and services tax. It says: "The undersigned, your petitioners, humbly pray and call upon parliament to reject the proposed goods and services tax."

[*Translation*]

Then comes a list of signatures. I will keep on reading them and you can check to find out whether these people from your area did indeed sign the petition. For example, you can ask Mr. F. Johnson from Halifax or Mr. W. Baker from 26 Virginia Avenue in Halifax, Mr. Mack Mathe, 245 Portland Street in Dartmouth.

[*English*]

> To the House of Canada in Parliament assembled, your petitions, the undersigned residents of Canada who now avail themselves of their ancient and undoubted right, thus to present a grievance common to your petitioners in

the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth:

Since 1984 the Conservative Federal Government has imposed on Canadian Taxpayers at least 31 new taxes or tax increases; whereas since September 1984, the present Manufacturers' Sales tax has already been increased by the federal government from 9 per cent to 13.5 per cent; whereas the Conservative federal government wants to impose on Canadians a new general 9 per cent tax on goods and services.

[*Translation*]

. . . James Winter, 2359 Lawrencetown, Dartmouth; Elizabeth Farrell, of Spikenard Street in Dartmouth; Mr. Ed Simpson from Halifax; Fred Maybe, 77 Moxy Avenue, Bridgewater, Nova Scotia; Sheila Moffatt, 6321 Yale Street, Halifax; Cora Cortum, 339 Donaldson Avenue, Halifax; Iva King, 5415 Victoria, Halifax; Margaret Manon, 45 Oaklectaneg Street, Dartmouth; N. Kennedy, 28 Charlois, County Dartmouth; Florrie Shea, 159 Albro, Dartmouth, Nova Scotia, and so on. I have some here and there are others as well. Senators can take a look at the names to make sure that the list is authentic. There are more details in this one, it should interest you.

[*English*]

Whereas this new tax which will be hidden from Canadians will be applied to virtually everything they buy; whereas the imposition of this new general goods and services tax will cause serious and unfair hardship to low and middle income Canadians; whereas the imposition of this tax will create an onerous burden on small businesses; whereas on behalf of Canadians we strongly oppose this new goods and services tax which is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but higher inflation, higher interest rates and higher unemployment; wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to reject the proposed goods and services tax. As in duty bound, your petitioners will ever pray.

[*Translation*]

—That is what it used to be, it must be a misprint, I imagine it was meant to be 7%.

Senator Tremblay: Honourable Senator Hébert, may I ask a question?

Senator Gigantès: Not right now, we would like to hear all the names.

Senator Hébert: I would have to take my seat.

Senator Tremblay: I wanted to make sure I had heard you correctly when you mentioned the date of the petition. Judging from what you have read, it would appear to have been at the time when the GST was supposed to be at 9% when in actual fact the level has been brought down to 7%.

I would be interested in hearing your comments about the consequences of this differential level on the effects set out in a petition.

Senator Gigantès: May I answer for you?

Senator Hébert: Yes.

Senator Tremblay: I put the question to Senator Hébert.

Senator Hébert: I am yielding to my colleague.

Senator Tremblay: Let us agree at the outset that if I am not satisfied with the answer, I can return to Senator Hébert.

Senator Gigantès: Most certainly, in about six hours time. As far as the GST is concerned, people are not so much opposed because of the taxation level but because of the concept itself.

They are opposed to the timing and the type of measure. Any economist, even the most monetarist, will tell you that a recession is not the right time to impose a new tax.

Groups like the Conference Board, even the Economic Council of Canada, say that the inflationary push of this tax will be greater than the government foresees.

The first objection everyone has is the following: here we are in a recession, they are going to be taxing us. Common sense tells us that everything will be more expensive, people will buy less, businesses are going to sell less, so they are going to buy less from their wholesalers, the wholesalers are going to buy less from manufacturers, less will be manufactured, therefore more people will be laid off and those people will have less money to buy stuff at the corner store, who will be buying less from the wholesaler, who will buy less from the manufacturer, who is going to sell less and therefore have to lay more people off and the economy, in a vicious circle, is going to plummet. People understand that.

So people are opposed to the timing of this tax; that is number one. Number two, they are opposed to the folly of this tax. A tax, or any legislation, has to have some logical cohesion. So when a tax says that hot popcorn is taxable but the minute it is cold it is not, that one kilo of caviar for Mr. Wilson's rich friends from stock market country is not taxable but four ounces of Canadian caviar—but caviar is usually Russian or Iranian, so let us say four ounces of Canadian yoghurt—is taxed. That is foolish.

Then you also have the administration of this tax. It could have been as simple as it is in New Zealand where, to get your tax credit, the businessman presents the total of his sales and his purchases. His 7% is calculated on the basis of those two figures, two figures that he is going to calculate anyway, as anyone in any kind of trade does all year long on every occasion. But no, they had to set up the worst of models, closely based on the British setup, which requires a morass of paperwork for each little corner store, for each little tradesman, for each small- or medium-sized business. It is just mind-boggling.

Experts have told us that the administration costs of this tax could be forty times higher than the administration of provincial sales taxes. People are not crazy, they do not want that. It is going to decrease their profits, which are already being threatened by recession. Not only are they going to have fewer sales, but their administration costs are going to be just awful,

and all because of this tax that is really off the wall, to say the least.

The Mulroney government does not even have the courage of its own convictions. If you want to impose that kind of tax, Senators, they could have said as the New Zealanders did—

[*English*]

Senator MacDonald: May I ask what your are doing?

Senator Gigantès: I am answering a question.

Senator MacDonald: I think we are all a little confused. Senator Tremblay was asking a question of Senator Hébert which you are attempting to answer.

Senator Gigantès: Yes, he delegated to me, and Senator Tremblay accepted on the condition that if he is not satisfied with my answer—

Senator Murray: How can that be within the rules?

Senator Gigantès: Pardon?

Senator Murray: How can that be within the rules?

Senator Gigantès: Which rules? You have abolished the rules.

Senator Murray: Don't make a mockery.

Senator Gigantès: You carried out a procedural crush on October 4. Until then the bells were a signal that a vote would take place but the timing of that vote until that infamous occasion was the assent of the two whips. Not only that, you gave us a false time. You said the vote would take place at 5:25 p.m., and there were independent senators at the gate and they could not come in to vote when they wanted to vote on your side.

• (1430)

You destroyed the rules, you brought in a precedent which you want to apply which would allow you at any time unilaterally to move the meeting of this Senate, if you wanted to, to 24 Sussex Drive, meet in secret, do anything you want and then come up and present us with a fait accompli. So don't talk to us about the rules. You are the rapist of the rules.

Senator MacDonald: Have you such sufficient faith in your colleague that he can't answer a question directly?

Senator Gigantès: My colleague delegated to me and if he regrets the delegation to me, I am prepared to throw the ball back to him. Would you like me to stop talking?

Senator MacDonald: Let him answer his own question.

Senator Hébert: No, senator, I am happy, you have been doing a fine job up to now. Please go on. I appreciate it.

[*Translation*]

Senator Tremblay: Senator Gigantès, I have listened attentively to the kind of answer you have been giving to the question I put to Senator Hébert. I have been listening to you for three or four minutes hoping that from one sentence to the next you would finally address the sense of the question that I had put.

[Senator Gigantès.]

Senator Gigantès: It takes time.

Senator Gigantès: I get the impression that the more you talk, the further you are getting from the sense of my question. So I would like to put my question to Senator Hébert once again, which will give you the time to think about how to answer it without getting away from the subject at hand.

My question was addressed to Senator Hébert and had to do very specifically with the meaning of the petition he described in general terms, keeping to the spirit of our Rules in go doing, for when a petition is submitted, the person who submits it simply gives us its meaning.

Now, in the text that was read and which was the petition itself, it was clear that what was being referred to was a time when the rate of the GST was supposed to be 9 per cent. I asked him whether that changed anything in the meaning of the petition, since the rate of the tax is not 9 per cent anymore but 7 per cent; taking more particularly into account the fact that the petition addresses the inflationary effects of the tax being addressed in the petition, which is a 9 per cent tax. A 7 per cent tax, it would seem to me, will at least have inflationary effects the severity of which will be different from those of a 9 per cent tax. I simply wanted to know what Senator Hébert's own conclusion was as to the difference between the situation at the time the petition was signed and the present situation of a 7 per cent tax rather than 9 per cent?

Senator Hébert: I would have preferred someone more competent than I to answer you. I can at least tell you this: I got this 24,000-name petition yesterday, and if you want to know who sent it to me, it is the *Tax Payers' Council on National Issues*, 192 Joseph Zasethsman Drive, suite 14, Burnside Industrial Park, Dartmouth, Nova Scotia, telephone: 468-3006.

So I got it yesterday. In brief, what the petitioners are asking for, at the top of the petition, is to get rid of the GST. There is a typographical error someone made when they started circulating the petition a long time ago and did not check the typography. I do not think that changes anything, because I got it yesterday.

As for the date, it was of no importance. In our rules, there is no mention made of any date, there is no timeframe, there is nothing about that. It may have been signed 10 years ago and it will still be valid and can be presented as long as it has not yet been tabled in the Senate.

Senator Tremblay: It is because they are talking about a 9 per cent tax in the text of the petition.

Senator Hébert: It appears to me that it was a 9 per cent tax originally and they decided it was not worth revamping their form. That is all I can see to it.

Senator Tremblay: Would you personally have preferred that they revamp the text as it was not 9 per cent anymore but 7 per cent?

Senator Hébert: Yes, Senator Tremblay, it would have been better because we could have avoided this whole discussion, which I do not find useful at all.

Senator Tremblay: I would point out that it would have been better in and of itself.

Senator Corbin: Senator Hébert, could I ask you to read the prayer of the petition? Would you read the prayer of the petition because, in fine, that is all that is important under our rules. There is no mention of debate, there is no mention of the rate, what do those people want? Do they want the tax to be abolished? Yes or no? That is what I want to know.

Senator Hébert: So I shall read what we have at the top of the petition, in other words, what the people read before signing it.

[*English*]

On the subject of the proposed national goods and services tax. The undersigned, your petitioners, humbly pray and call upon Parliament to reject the proposed goods and services tax.

[*Translation*]

That is the text of what the people signed.

Senator Tremblay: You said something else before.

Senator Hébert: Yes, but that is on the back, those are the explanations on another petition. It is not really important as these are annexes or appendices. In any case, I would say to Senator Tremblay that if he really wants to check the authenticity of this petition or if he wants to know if people prefer the tax to be 9% or 7%, he can always consult them, for example:

Janet Zeller, 179 Lake Harwood Drive, Halifax, Nova Scotia. Or he could always phone up Darlene Humbikin, 18 Herace Avenue, Halifax, or Lisa Golden, 96 Mayflower, Sackville, Nova Scotia.

[*English*]

Senator MacDonald: Honourable senators, we can dispense with that. We will take the word of the honourable senator.

Senator Gigantès: You may take my word, but some of you are not convinced.

Senator MacDonald: We will take your word. You can dispense with that. We will accept that as an honest, legitimate petition. There is no need to go through that.

Senator Gigantès: Well, I don't agree because there is another question?

Senator MacDonald: Is there another question?

Senator Bosa: Yes, there is another question. I have never heard those names. I never heard the petition. I would like to hear it. I would beg the honourable gentleman to go ahead and read the names. But there is a point I want to make. I understand that the rules of the Senate provide that when a petition has been read by an honourable senator, it should be handed to messenger to be delivered to the Table, and it seemed to me that the first petition was placed beside you.

Senator Gigantès: Yes, that's right.

Senator Bosa: So, I hope I am not offending you by asking you to comply with the rules. Would you call a messenger and send it to the Table?

Senator Gigantès: Yes. We never know if we have any rules in this place. That's why I forgot. If there is a Senate page available I would gladly start the process of handing them over.

[*Translation*]

Senator Cogger: May I ask a question, please?

Senator Hébert: About the petitions I am reading?

Senator Cogger: A question about the petitions that were presented on your behalf last night.

Senator Hébert: I have no objection.

Senator Cogger: Senator Hébert, last night, petitions, addressed to you, were presented. They were presented, if memory serves, by Senator Hastings. They were written in English and at the bottom of the petition there was a note—you can check this because it was tabled—a note to the effect that the petition had been given widespread circulation in a publication entitled *Michael*.

My question is as follows: are you familiar with the publication *Michael* or its French-language version *Vers demain*? Are you familiar with the organization which publishes this magazine? Are you familiar with the sometimes racist and often anti-Semitic positions of this organization? And if so, how can you agree to being these people's spokesman?

Senator Hébert: Senator Cogger, I am truly astonished that an honourable senator could ask me such a question. When I get properly signed petitions from Canadian citizens whose signature I have no reason to doubt, am I to ask that they go to confession before having their petition tabled in the Senate? How am I to know whether or not they have made anti-Semitic statements at some time or other in their lives? I know nothing about them? Have they committed adultery? I do not know. Are they right wing or left wing? I do not know.

It is true and I acknowledge the fact—if you will allow me to finish my question—it is true I have noticed that from time to time some of the petitions I receive are not petitions that I have solicited; I want to make that quite clear. I have had no contact with the organization *Vers demain/Michael*. I receive petitions as do all senators and I automatically put them in my in-basket. I have never read this particular petition; it holds absolutely no interest for me. I have no sympathy for the groups it represents.

But that is not the point. What these people are doing is quite legitimate. It is a group which is recognized in Canada. When I see a petition signed by 24,000 people, I am not convinced that all 24,000 of them are Social Creditists. These forms are passed out by citizens who stand at street corners or at shopping centres and who ask people to sign. These people have the right to be heard.

Senator Cogger: Senator Hébert, are you telling us that you want to be the spokesman of the pilgrims of St-Michael, a racists and often anti-Semitic group? Does that not bother you.

Senator Hébert: I have just told you, Senator Cogger, this is a group for which I have no particular sympathy, a group I know nothing about and have nothing to do with; but, I am aware of its existence and I know that its existence is absolutely legal in Quebec and Canada.

Furthermore, I cannot understand how the fact that these people who have a magazine got together and sent out absolutely proper forms to their subscribers, and the fact that these petition forms were passed out in shopping centres and signed by people who for the most part were not members of this organization, should have any bearing on the petitions legitimacy or justify the discussion we just had. I think it is quite ridiculous. As I said, I do not deny the fact that some of the people who signed this petition belong to this organization. I am no more familiar with it than I am with the *Taxpayers Council on National Issues*. I do not know whether or not it is a bona fide organization or whether or not it is racist or anti-racits. I have no idea. That is not what counts. What counts is the fact that these people are Canadian citizen and that they have signed a petition. I know you do not like to hear this sort of thing, but that is the way things are.

Pearl Nicholson—and you can check this by getting in touch with her—1606 Frankie Drive, Sackville, Nova Scotia. You can write to ask her about the circumstances in which she signed this petition. You can also ask here whether she likes the GST any better now that it is at 7 per cent than when it was at 9 per cent, etc.

Dan Manhouse, 178 Cavalier Drive, Sackville, Nova Scotia; C.M. Kelly, 21 Noria Grass, Saskville; M.A. Johnson, 3601 Lynch Street, Halifax; M. York, 682 Windsor Road, Sackville, Halifax; Lindsay James, Box 1, Site 1, R.R. 1, Windsor Junction, Nova Scotia; Ken William, R.R. 1, Art's County, Nova Scotia; Margo Fraser, Site 852, R.R. 1, Bedford; M.J. Macmaster, General Delivery, Waverly, Halifax; Debbie Reid, 8 Sammy Road, Sackville; Ross Parkhouse—Mr. Parkhouse would not be overjoyed to know that you have interruped me while I am in the middle of reading this petition.

Senator Tremblay: Senator Hébert, you are reading the list of those people who have signed the petition. I would like to draw your attention to the rule on page 57 of the *Rules of the Senates*.

Senator Hébert: Have you had this book a long time, Senator Tremblay?

Senator Tremblay: If I remember correctly, I got it in Septembre 1979, a few years before you got yours.

Senator Hébert: That was not obvious last week; it was as if you had abolished it.

Senator Tremblay: I do not see the connection between your first question and the comment you have just made.

Senator Hébert: You make a point of order on a mere trifle and you ignore the Rules when fundamental principles are concerned.

Senator Tremblay: The point of order is not on a mere trifle, it is on what is happening here. Have you read this section, Senator Hébert?

[Senator Cogger.]

Senator Hébert: Yes, I have read it.

Senator Tremblay: So, you are quite consciously infringing the Rules.

Senator Hébert: I am not infringing the Rules. I now give the floor to Senator Corbin.

Senator Corbin: I would like to ask Senator Tremblay to read the Rule in question.

Senator Tremblay:

> A senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.
>
> I believe that the content of the petition ends when the list of petitioners begins.
>
> The text of the petition and the names of the petitioners attached thereto is not printed in the Debates of the Senate or the Minutes of the Proceedings of the Senate.

That seems clear enough. It is indeed a public petition and not a petition concerning a private bill; it concerns a public bill. That seems fairly clear, do you not think, Senator Hébert?

Senator Gigantès: It is not at all clear.

Senator Corbin: Honourable senators, I would like to say something because some of your colleagues, Senator Tremblay, raised the same point this morning. I would like to point out that the reading of petitioners' names and addresses is not forbidden. All that the Rules say is—please allow me to quote the text:

> The names of the petitioners attached thereto are not printed in the Debates of the Senate or the Minutes of the Proceedings of the Senate.

Nowhere in the Rules or in this book on the Rules of the Senate is a senator presenting a petition forbidden from giving the names and addresses of the petitioners. I will go one step further and quote Bourinot's *Parliamentary Procedure and Practice*; page 233 of his edition and not the one that was rewritten by academics and scholars but by the procedural expert himself, Bourinot. What does he have to say:

> What is Senator Hébert doing? He is making a brief reference to the source. And what is the source? It is the people who have signed. What he is doing is completely in keeping with the rules.

Senator Hébert: I knew that I was within the rules; especially as I am not reading the text itself—

Senator Tremblay: Unless you agree to stop reading the names.

Senator Hébert: I am trying to answer you and you keep interrupting me.

Senator Tremblay: If you want to answer the question I have raised, I will not object.

Senator Hébert: I am indeed answering your question about not reading the entire petition. Unfortunately, I have to skip a

name from time to time because such signatures are hard to make out. So, I am not reading the entire petition.

Senator Tremblay: With your indulgence; Senator Corbin has just indirectly confirmed the point that I am raising. The Rule reads:

> A senator . . . makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.

This would allow a senator to summarize the content of a petition in order to give an idea of its thrust, which is what you did earlier.

I simply cannot see how this paragraph deals with the reading of names. Moreover, Senator Corbin was very careful to say that it was not forbidden to read them but the Rules read: "The petition itself is not read". This had to do with content; and common sense would have it that the list of names is not part of the petition's content, of a petition's thrust. I think it is quite clear that our Rules do not provide for the reading of names; far from it.

Senator Corbin: Honourable senators, I believe that if Senator Tremblay knew how this section came into being, he would change his mind. This paragraph was introduced following the tabling of petitions in this House by the Hon. Senator Bonnell when we were studying the bill on drug patents. I am sure that you remember this episode.

Senator Bonnell rose in the Senate on two or three occasions and began to read the names. Someone suggested that it would cost a great deal of money to have the names printed—and I stress this point, as did my colleague at that time—in the transcript and in the Minutes of the Proceedings of the Senate. At no time did anyone intend to prevent the reading of names here in the Senate. Quite the contrary.

The Rules simply do not deal with it; they deal with the printing, and not the reading, of names. Let us be clear on this. When one remembers the incident that led to the introduction of this Rule, all this is absolutely clear—crystal clear, as Senator Beaudoin would say.

Senator Hébert: Thank you, Senator Corbin. Once again you have managed to have the last word and I congratulate you for that.

Senator Tremblay: Honourable senator, I would like you to clarify your answer. You have implicitly admitted that the reading of the list of names is covered by our Rules. You have told us that you skip a name here and there. So, why do you not skip several at a time?

Senator Hébert: I do not skip any of the names that I can read. The problem is that sometimes signatures are hard to read. I have no trouble, however, in reading the signature of Ms Betty; Cooksune, Box 2277, Windsor, Nova Scotia; Mr. Wilf Vigneault—now there is another fine name from my part of the country and it might just be an Acadian name.

Senator Corbin: He comes from the North Shore.

Senator Hébert: Windsor John Chin, Nova Scotia; R. R. Holland, Bedford, Nova Scotia; M. J. Kingston from Auniak, Nova Scotia; M. Don Rickenport, 156 Stockin Drive, Stackville, Nouvelle Écosse. Whenever a page is available, this petition is ready. I have another signed petition, and I will spare you by not rereading the actual text of the petition; on it you have the names of Gail Archard, 74 Hillside Avenue in Sackville; Rick and Karen Hoffman, 22 Sunnyview, Sackville; Robert Babard, 12 Belmont Avenue in Bedford; Ray Coldwell, 423 Old Sackville Road, Sackville; Clarke Squeel, 5415 Victoria Road, Sackville; Bill Squires, 18 2nd Avenue, Sackville; followed by Scott Squire; it looks sa though the whole family signed, 18 2nd Avenue, Sackville; Mitch Gillin, 14 Woodbury Drive, halifax; Peter Hill, 24 Colburn, Waverley, Nouvelle-Écosse; Sharon Barry, Site 2, Box B, Rural Route No. 1, Ansley, Nouvelle-Écosse; D. P. Petitpas, 63 Glendaw Avenue, Halifax; S. Hinds, Estey, Nouvelle-Écosse; Barry Reed, Bridgewater, Nova Scotia; Karen Bayers, Dartmouth, Nova Scotia; Todd Perry, Sackville, Nova Scotia; Catherine Watson, Endfield, Nova Scotia; Eddy MacAuslin, Endfield, Nova Scotia. Whenever a page is available this sheet is ready; John Turner, 171 Kay Street, Sackville; Wilhem Hawes, 3481 Windsor Street, apartment 4, Sackville; John Archer, 74 Hillside Avenue, Sackville.

Senator David: I have a question for you, may I ask it?

Senator Hébert: Yes.

Senator David: I am a little surprised to hear you reading the names and addresses of the persons who signed the many petitions you have introduced, and I understand you intend to continue introducing, whereas you presented petitions concerning Bill C-21 one after the other almost every day for weeks and at that time you felt more appropriate to give us simply the city of origin, the number of signatories, and the reason for the petition. What has changed your attitude in the interval between those previous weeks and today?

I think it needs to be said that since 1 a.m. this morning or thereabouts, we have been listening to the names and addresses of petitioners. I feel that this is an exraordinary waste of time for a parliamentary assembly such as our own. I subscribed wholeheatedly to your actions when you were presenting petitions, but I have reservations about your reading lists of names and addresses . . . why not give us postal codes and phone numbers while you are at it?

Senator Hébert: I will begin by replying to the last of your questions. I do not have the phone numbers, and so I cannot give them to you.

Senator David: I do not want them.

Senator Hébert: As others have said before me, I am sure, the GST has become a very serious issue in our society at this time. We do not know exactly what the economic consequences will be but it may mean catastrophe to a large number of Canadians. Even from the political perspective, we do now know what this tax holds in store for us in the future. And so it is because this seems so important to me that I am doing things which I have not done in the normal course of events in the past few months. Now that this has taken on—and I think that you would agree with me on this—crisis proportions, that

the issue is in the news every day, Canadians are becoming more and more aware of the importance of what we are doing here in the Senate, i.e. preventing the tax bill from passing. In this way we are buying time for the Canadian population.

As you know, 85% of the population has spoken out against the GST. There is still work to be done to convince the remaining 15%. When we have reached 100%, I wonder whether Mr. Mulroney, your esteemed leader, will continue to want to impose his tax against everyone's will.

Because, then, of these unusual circumstances and of the importance of the situation, I think that it is normal for us to give the names of the citizens who took the trouble to sign this petition and send it to us. It is that simple, and I do not see where the problem lies.

And so the next ones are Lewis Keeney from Dartmouth; Margie MacGuire from Fall River, Nova Scotia, and I will spare you the postal codes, Lauren Kennedy from Halifax, Nova Scotia; Doreen Smith from Dartmouth, Nova Scotia; Linda Smith from Dartmouth, Nova Scotia; Charamine Hickey, from Halifax, Nova Scotia; Ruth Henderson from Beford, Nova Scotia; Judy Hopaw from Eastern Passage, Nova Scotia; Rose Mary MacLeeway from Dartmouth, Nova Scotia; John Thompson from Halifax, Nova Scotia.

If the page would like to come over, I am ready to give him this sheet. I shall continue. Sonia Sutherland from Halifax; Susan MacKay from Halfiax, Nova Scoita—

Senator David: How many hours do you intend to spend reading that whole pile in front of you?

Senator Hébert: I do apologize; had I known that you were going to put that question to me I would have practised in my office, I would have timed myself, but I did not know that you were going to ask me that question. Honestly, I cannot answer you.

Perhaps you could take on the task of computing how long it takes to read each name. I admitted quite simply at the outset that I had 24,612 names. As I am not reading all of them—

Senator Corbin: If you would like a moment's respite, Senator Hébert, I have petitions that I would like to present on behalf of my fellow citizens from New Brunswick. It is up to you.

Senator Hébert: Give me a few minutes.

Senator Corbin: There is no one speaking on behalf of New Brunswick on that side of the House, and I am eager to step up to the mike.

Senator Hébert: Are you trying to tell me they have not received any petitions?

Senator Corbin: Not only is that the case—

Senator Hébert: Do not tell me we are the only ones to receive petitions?

Senator Corbin: It is quite normal in Parliament to receive petitions asking for the imposition of taxes. Have they received petitions asking for the imposition of this goldarn tax?

[Senator Hébert.]

Senator Hébert: We can hardly suppose that they have not received any. They must be reserving them as ammunition to crush us later. Later, they will say: we also have petitions, petitions demanding the GST. So, we will be expecting them.

Senator David: Honourable senators, if all of you had simply added up the number of petitions you have received, you could have said to us: we have received 125,000 petitions and you could have reduced this exercise to an hour or 30 minutes, whereas now we are going to be here for two or three days listening to your reading peitions to us. If you do not think that is a waste of time, I suppose it is a free country.

Senator Corbin: I have a comment for Senator David. If you would like to resolve one or two problems that were caused by your side, we will speed up the reading of petitions. I dare you to do so.

Senator Gigantès: I would like to make another comment. I am surprised to hear such remarks from a man of the calibre of Senator David, a man who is so well respected by Canadians throughout the land, a man who enjoys an international reputation as a humanist, a man we all love and respect. I am surprised to hear him suggest that it is not worthy of one of the Houses of Parliament to be reading the names of citizens who signed petitions, when this is one of the oldest traditions available to citizens, one which antedates even democracy; even villeins, even serfs, even slaves, could petition their masters.

I would like to read something from *Beauchesne*, which you so love to quote—

Senator David: Which I so love to quote? Certainly not!

• (1500)

[*English*]

Senator Gigantès: The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution and has been exercised without interruption since 1867.

[*Translation*]

I am translating the text. It is not an official translation but it will be good enough:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution and has been exercised without interruption since 1867.

That is a sacred right. It is not a casual exercise. These are the names of two million people, their addresses and phone numbers. Those people have sent in petitions because they want to be heard. They have sent them to us because they are anxious, because they have had enough, because they are frightened by some of the things your government is doing. You like to quote the Winnipeg Free Press. In today's Quorum, on page 26, there is an article by one of their editorialists, Francis Russell, on this very topic which says that people are afraid of your free trade: they are afraid of free trade with Mexico where workers take a week to earn what a Canadian worker earns in an hour. They are afraid of losing

their airline because you want to deregulate; and so they resort to this fundamental right, that of petitioning the government. I urge you, Senator David, and I know that you did not do this on purpose, not to show contempt for the Canadian citizens who send us petitions for the redress of grievances brought about by the actions of your government.

Senator David: Honourable Senator Gigantès, allow me first of all to thank you for your compliments. I am very touched by compliments coming from a person as erudite and cultivated as yourself. You went far beyond the very simple question I had put to Senator Hébert.

Let me say firstly that I do not despise the Canadian people. Secondly, I simply asked why, when he received thousands of petitions concerning Bill C-21, he respected this Chamber's collegiality by saying, rather than reading every name and address on his list, that he had received a petition from such and such a place containing 26 names, and another from another place, with 35 names, and after at the most 10 minutes he had presented all of his petitions. I simply asked him why he had changed his tactic for today's petitions, and why he was not handling them as he had handled the previous ones. His former method was much more expeditious and did not lead to the waste of time we have experienced since one o'clock this morning.

Far be it for me to suggest that petitions not be presented; I do however suggest that it be done in a gracious, expeditious manner, one which respects senators' time.

Senator Gigantès: Honourable Senator, is a senator's time worth more in your eyes than the wishes of the people? Is that time more precious than the voice of the people who want to make themselves heard? Really, Senator David, you surprise me.

They have a right to be heard, they have a right to make themselves known. If they did not want to be identified, they would not give their names, addresses, and phone numbers, is that not so?

If you want us to read the names and addresses of the people who sent in petitions on Bill C-21, just wait until the bill comes up for debate in the Senate; we have hundreds of thousands left and you will be hearing them one after the other. Members of the general public do not want this treated lightly. They want their individual voices to be heard here in this Chamber in order that they may personally take part in defending their freedom and their interests, which their government no longer defends.

Senator Corbin: Honourable Senators, I just heard our esteemed colleague Senator David refer to collegiality. I would like to ask Senator David how this respect for the collegial spirit was honoured with regard to the Standing Order referred to on page 70? Where was your spirit of solidarity then? And I quote:

> The division bells are rung, and when the Whips have entered the Chamber and have indicated to Speaker that they are ready to proceed to the vote, the Speaker would say: "Let the doors of the Chamber be locked".

Where was your precious collegial spirit on that day? Today, you have the nerve to lecture us on the collegial spirit when we are simply expressing the wishes of Canadian citizens. I have had enough of that. Stop lecturing us!

Senator Hébert: Now, where was I when you interrupted us, Senator David?

Senator Gigantès: Would you like a pencil to mark the spot?

Senator Hébert: No, the worst that can happen is that I will repeat one twice, and no one will be the worse for that. Louise Brenton from Halifax Drive; Harold Morgan from Bedford, Nova Scotia; C. Royal from Bedford, Nova Scotia; M. Power, Halifax, Nova Scotia; Michael Duffy, Sackville Drive, Nova Scotia.

Senator Gigantès: I wonder if he is related to Mike Duffy?

[*English*]

Senator Hébert: Mr. Michael—Michelle—Duffy, Sackville Drive, Nouvelle Ecosse.

Senator Fairbairn: Related to Mike Duffy?

Senator Hébert: I don't know. We should ask her. Do you want her address?

Senator Gigantès: Do you think that this Michael Duffy is a cousin of Michael Duffy of the CBC? Could we find out?

Senator Hébert: I don't know. Maybe we can take care of that. She is Michelle Duffy.

[*Translation*]

Senator Lavoie-Roux: I have a point of order, Honourables Senators. I have just listened to the exchange between Senator Gigantès and Senator David about reading the names that are generally to be found on a petition.

I will not claim to be perfectly informed about the customs and traditions of this House, but in the Standing Orders, in Section 1, it states that:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall so far as is practicable, be followed in the Senate or it any committee. Thereof.

Mr. Speaker, to my knowledge, there is no parliament where practice dictates that when a petition is tabled, the names of those who signed that petition are read out one by one. I wonder if in so doing we are respecting the spirit of the Standing Orders. Secondly, it has been argued that the people who signed the petitions have confidence in Parliament and want to be heard and indentified. I think that if we really want to help the people who signed those petitions, it would be much more appropriate to go on to the discussion of the famous bill and, by so doing, to really defend the interests of all the citizens of Canada instead of reading lists of names. This is unheard of in any Canadian Parliament.

Senator Gigantès: I am pleased that the Senator, and the word is in quotes for the time being—

Senator Lavoie-Roux: I want to raise a question of privilege, Mr. Speaker. Mr. Speaker, I think that my colleague Senator Meighen made this point before. We have as much claim to be here as the Honourable Senators opposite. Our appointments were approved by the Prime Minister, by the Queen of the Realm and by the government of Canada. We were sworn in. I will not countenance being treated as a second-class senator here in this Chamber, as long as the Supreme Court, to whom this may eventually be submitted, I imagine, has not invalidated our appointments. For the moment, we are here on exactly the same footing as Senator Gigantès.

Senator Gigantès: Honourable Senator, I did not say that you did not have the same claim to be here. I simply said in quotes. This does not mean second-class. I simply wanted to highlight the word. Be that as it may, you were referring to Standing Orders, but you did say that you are not yet quite up on them yet.

Senator Corbin was reading the Standing Orders earlier and he said that a senator presenting a public petition makes a brief declaration in which he informs the Senate of the content of the petition without reading the whole text verbatim.

I have a petition here before me and I will illustrate the difference between reading the whole text verbatim and not doing so. If I say that this is a petition against the GST, that is not reading the whole text verbatim. If I were to read the whole text I would do so as follows:

[*English*]

> The undersigned, your petitioners, call upon the Senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax.

[*Translation*]

Senator Gigantès: If I read all of those words, I am reading the whole text. If I say that it is simply a petition against the GST, I am not reading the whole text.

Nowhere does it say that I am not to read the names. Perhaps the rules you proposed were standard practice in Quebec's National Assembly, but nowhere here does it say that we are not to read the names. In our Standing Order, on page 57, it is said that

> the list of names included in petitions "is not printed or in the *Debates of the Senate* or in the *Minutes of the Proceedings of the Senate*." That is something else. We are not asking that they be printed. If we did print them, we would be fueling Senator Carney's—in quotes also—fears, for she did express the concern that we were going to be destroying Canadian forests by having all of this printed. No, we are not asking that these two million names, addresses and phone numbers be printed, but we will read them to you. When we go on to Bill C-21, we will also be reading other petitions on that bill and on Bill C-28 because there are a lot of people who believe that their pensions are threatened and who also have written to me. We have those petitions on hand and you will be hearing them with their names and addresses. We will not, however, be reading the whole text of the petition.

[Senator Gigantès.]

Senator Hébert: I of course respect Senator David's and Senator Lavoie-Roux's irritation, and I would go so far as to say their indignation, at what they felt was disrespect for the Rules of this Chambers.

What surprises me is that these same Senators were not annoyed or indignant when something that is of great concern to all of us took place in this Chamber. It is one thing to take some time to read the names of good Canadian citizens who have asked us to present a petition to the Senate. This may seem to some to go on at length, it may seem boring, especially if it goes against one's political persuasion, of course! But I want to ask those same people, whose indignation comes so easily in the faces of such simple things, where their indignation was when the Rules of this House were being trampled before their very eyes? Why were they not indignant when half of their colleagues opposite were deprived of their vote? They did not get very indignant then, but now they are becoming irate because we are taking a few minutes of their precious time. We on this side have the time to listen to the petitions of Canadians and to read their names in this Chamber. So , when I was interrupted, I had reached the name of Michelle Duffy, you will remember, from Sackville; Gerry Mackinnison, Dartmouth, Nova Scotia; Marie Morrison, Lower Sackville, Nova Scotia . . . Ken Duffy, Sackville, Nova Scotia; Dan Taylor, Dartmouth, Nova Scotia; Linda Duffy (what a large family!), Sackville, Nova Scotia; Olivia Lumgrasse, Sackville, Nova Scoita; Sarah Gilbert, Sackville, Nova Scotia; Stephen Wilson, Halifax, Nova Scotia; Lyle Simpson, Beford, Nova Scotia; Ray Rhinehard, Cold Harbour, Dartmouth, Nova Scotia; Robert Warnt, Sackville, Nova Scotia; Jo White, Halifax, Nova Scoita; Jay Thompson, Beford, Nova Scotia; Bay Staples, Beford, Nova Scotia; Vaughn Price, Lower Sackville, Nova Scoita;—

[*English*]

(*Names of signatories read.*)

An Hon. Senator: You are delaying the process.

Senator Frith: I would be the last to want to do that.

Senator Hébert: I'm sure. Nora Wilson.

[*Translation*]

Hon. Eymard G. Corbin: Honourable senators, I have petitions which come to me from New Brunswick. The petitioners ask the government of Canada to withdraw its Goods and Services Tax Bill.

[*English*]

This particular petition contains 27 signatures. I will skip the first name. I can't make it out, but it is quite an elegant signature. I think it is Tricarter or something to that effect, but the address is from Upper Woodstock.

(*Names of signatories read.*)

By the way, I should remark that these are hardworking people from a relatively poor area of New Brunswick. I know the communities, I have been there. I drive through some of those communities quite regularly, and these are poor, hardworking people. Many of them don't have work during the

winter. Some of them work in the woods in the summertime, enduring flies, sweat and spruce gum, but in some areas they can't find work in the woods in the winter because of a slowdown. In other areas they prefer to work in the winter. The companies decide that. So there you have it, a cross-section of New Brunswick from Newcastle on the Northumberland Strait right up to the Maine-New Brunswick border. That is one petition.

I have another petition which proposes the same remedy, that the government should do away with the goods and services tax. Most of these names are from the Woodstock, Canterbury, Harvey Station, Forest City again, Pemberton Ridge, Canterbury, Canterbury, Fredricton, Canterbury, and Newcastle. I will dispense with the reading of the names. There are 27 signatures on that petition.

Let's look at the source of some of these signatures. Some are from St. Stephen, Lawrence Station, St. Andrews. Many from St. Stephen. Rolling Dam.

Rolling Dam, by the way, if you want to know more about the origin of that name, is 16 miles northeast of St. Andrews. There was a post office at Rolling Dam from 1856 to 1915. It was called Rolling Dam Post Office. Then it became Rolling Dam Station around 1889, and since 1970 it is simply Rolling Dam. I'm referring to the edition of Toponylmy Study No. 2, Geographical Names of New Brunswick, by A. Rayburn. This was published in 1975 by the Government of Canada. It is quite possible that Post Canada has totally removed the post office in that small locality of which I am speaking. But the name itself is for a dam with both upward and downward slopes to keep from jamming, designed to prevent undermining. The locality was settled in 1830. So there you have it. That's the origin of the name "Rolling Dam".

Petitioners from St. George signed this petition. St. George is a community just inland from the Bay of Fundy. It is near the sardine capital of the world, if that means anything to you.

Oak Bay, New Brunswick, in the St. Andrews, St. Stephen area. There is a nice beach there, in case tourists are interested in wanting to know that. A petitioner from Saint John signed this. We have a signature from the great island of Grand Manan; great people. Fishing is the chief economic activity on Grand Manan. It is an unusual fishery, and it certainly is worth a visit. Many American tourists visit Grand Manan. They are not isolated from mainland New Brunswick. They have an excellent ferry service, and I encourage all senators who have never been to Grand Manan to make the trip there next summer. Of course they will encounter a little fog, but there is nothing wrong with that. On Grand Manan, you will meet some of the kindest people in the world.

● (1530)

There are also many, many signatures on this petition from St. Stephen, Riverview, New Brunswick, and Bocabec. Would honourable senators care to know the origin of the name "Bocabec"?

> Flows southeast into Passamaquoddy Bay, a name derived from Passamaqoddy, that is the name of an Indian group, or Pokabesk, meaning "unknown".

But I say to the people of Bocabec, you are no longer unknown. The Senate of Canada knows you exist and we hear your voices loud and clear. So, that is Bocabec.

Then I have another petition. The signatures are all on the face of it. There are 27 signatures. Again, honourable senators, the vast majority of them are from St. Stephen, with some from Pennfield, St. John, and Fredericton, which is the capital of New Brunswick, as everyone knows. Every one of the petitioners listed their postal codes, so that senators can get in touch with them if they so please. From that part of New Brunswick you see names from various linguistic or ethnic stock.

(*Names of signatories read.*)

There is a name here from Harvey Station. Harvey Station is a great dairy area.

An Hon. Senator: A great what area?

Senator Corbin: Dairy: Milk, ice-cream, cream.

An Hon. Senator: I thought you said daring.

Senator Corbin: They are daring people. They are courageous people. It is a difficult country to farm, with rolling hills, but good land. They used to hold a very lively summer festival in that area. In fact, the Minister of Agriculture of New Brunswick would make it his duty to attend the Harvey Fair to encourage those great people.

Senator Gigantès: I regret that you do not intend to read them. I really think you should. Go more slowly and put in all these names.

Senator Corbin: Well, I heard some senators complaining.

Senator Gigantès: They are always complaining, because these petitioners are against their nefarious policies. I beg you to read the names.

Senator Corbin: Perhaps if I did go halfway to meet their earnest wishes and desires, then maybe they would take 50 steps and meet mine.

Senator Gigantès: They would have to have at least a million names drummed into their ears before they would begin to see some sense.

An Hon. Senator: Don't bet any money on it, senator.

Senator Corbin: Senators, I have another petition on the subject of the proposed national goods and services tax and these people are opposed to it, to put it mildly. Twenty-eight people have signed the petition.

(*Names of signatories read.*)

There is a petitioner from McAdam. McAdam was one locality that was very hard hit during the last decade. There was much unemployment, and many people went out of business. They had a very hard time. This is a workers' town on the border near Vanceborough, Maine. There is a border crossing there, a customs house and immigration. Many of the

people from mid-southern New Brunswick who want to do their shopping at Freeport, Maine, or who want to see a baseball game at Boston or New York, cross at the McAdam-Vanceborough border point. The road is not very good, but it is a shorter route to where they want to go.

(*Names of signatories read.*)

There is a petitioner here from Sussex. Sussex is a another great dairy centre in New Brunswick. It is also being industrialized at quite a pace and there is a very important potash mine near Sussex. It is, in fact, one of the biggest potash mines in Canada outside of Saskatchewan.

(*Names of signatories read.*)

Someone from Edmonton, Alberta, signed this petition. He must have been visiting New Brunswick, because he signed in St. Stephen.

Senator Hastings: I could verify that Don Kennedy who signed that petition is a native of St. Stephen, New Brunswick, but he is presently a lawyer practising in Edmonton. He was probably home for some occasion when the petition was circulated.

Senator Corbin: Then this is a person who is known to you. That is good. That is the sort of exchange we must have in Canada, the west visiting the east and not staying locked into their home provinces. Go out and see what is happening in New Brunswick and Nova Scotia. Go and see what the fishery situation is, the problems that the sardine fishermen are having. Go and see the problems the potato growers are having in Prince Edward Island. Go and see the sweat, the grime and the dirt that forest workers have to go through to earn a decent living to put bread on their table. They are not white-collar people, you know, taking the commuter service into the inner city core and getting out at night over cocktails and reading their papers. These are hard-working people who feel they will be unjustly treated by the imposition of this goods and services tax, and they are crying out loud and asking the senators to put a stop to this nonsense, and I am glad to do this for them.

(*Names of signatories read.*)

There is a petitioner here from a locality known as Ledge. To tell you frankly, I had never heard of that locality until today. However, it is in the *Geographical Names of New Brunswick Toponymy Study*.

Ledge Post Office from 1854-1915 at The Ledge, four miles east of St. Stephen. We should not confuse that with Ledges, which is a former railway station in Saint-François-de-Madawaska, established in 1891. The post office name was Winding Ledges. It is now known as Saint-François-de-Madawaska, a thriving community where a strong majority of the people voted for me in the five elections in which I ran to get a seat in the House of Commons.

They are brave people, hard-working people; people whom I would describe as commoners; your run-of-the-mill Canadian; good-hearted and hospitable, you would not believe it. There is no better place to visit. It is also a very picturesque place, right on the Upper Saint John River. Across from Saint-François, or the old Ledges, are the beautiful hills of Maine. I would like to be there right now to see those colourful hills. How I miss them, honourable senators.

Senator Gigantès, perhaps you would relieve me.

Senator Gigantès: I have a petition, which I will not read integrally. It is against the GST, and it comes from Alberta. I have received a lot of letters from Alberta, because unbeknownst to most of you, I was there for a while. I was Dean of Lethbridge University. It is a most interesting and wonderful place.

I was driven out of Lethbridge by Cleo Miles, a great Liberal who was the editor of the *Lethbridge Herald*, and who was a member of the Board of Governors of the University of Lethbridge. He was also an aficionado of amateur wine-making. He would make it out of the most fantastic substances; dead snakes, and all kinds of peculiar weeds that grew in the foothills. He would invite you to his house and he was so proud of that wine. He would insist on you drinking it. I knew that it was more than my life was worth, and certainly my palate, if I had stayed in that position.

So eventually I left, but while I was there I met some wonderful people; the kind of people who are writing their names and addresses on this petition. I have names of people who were students of mine from the university.

(*Names of signatories read.*)

I had all kinds of strange students. One of them was sent to me for neglecting his studies, and he had been brilliant in high school. In his first term he had been the best student in the university with the best marks, and in his second term his marks collapsed. So he was sent to the Dean. I said, "What is the matter? Do you have any problems you would like to discuss? Is there any way we can help you?" He said, "Mr. Dean, I am married." I said, "Well, you are only 19. I remember when I was 19, I would have had enough energy to be both married and to study." He said, "Mr. Dean, you don't understand. I am married. I have a mistress. My wife does not like it, and she keeps me awake all night." I said, "You have one more month to complete your work."

Lethbridge is a great university. It has a fantastic Department of Botany, and by going on various excursions with the professors of botany around the foothills in Jeeps, I came to appreciate the beauty of that particular part of Alberta, and in particular the foothills. It is really marvellous country. They also took me further east to the plains, and further south to the plains. That is where you really understand the song, "Oh give me land, lots of land, under starry skies above." It is God's own country.

The people of that area have a great sense of independence and freedom. They are ordinary, and they will throw out the Tories in the next election, because they put their trust in someone for a while and they are very loyal, and they stand for a certain amount of being pushed around, but as soon as they detect trickery, it is over.

(*Names of signatories read.*)

Duchess is a great little town. You don't expect it. You drive along the road and you are through it before you know where

you are. Sometimes there is snow on the ground and a perfectly blue sky, cobalt-tinged towards the evening, just after the sun has set. That is a marvellous sight to see.

(*Names of signatories read.*)

Brooks, Alberta is worth visiting. It is one of those towns where you understand the alienation of the west. They have been passed by. The railroads have been closed down. One of the revolutions that I saw in Alberta when I was there was the overthrow of the Social Credit, the party of Mr. Manning, our former colleague here. Incidentally, Mr. Trudeau was the first Prime Minister of Canada to appoint senators from the opposition party. We have some very distinguished senators opposite who were appointed by him. He appointed them knowing full well that they were true Tories and that they would sit in the Tory seats. On the other hand, there are some senators, allegedly Liberal or whatever, who have been appointed to the Tory seats.

An Hon. Senator: Why don't you name all those senators? That would be interesting for history.

Senator Gigantès: No, no. No turn coats. Mr. Trudeau did not like turncoats so he appointed true-blue Tories to the Tory seats; an act of equity which has not been equalled in Canadian history.

An Hon. Senator: Did he appoint any NDP senator, for example?

Senator Gigantès: He appointed someone who had been a member of the NDP and had converted to Liberalism. He saw the light when the NDP lost its way and declared for a policy of two nations. That was the Honourable Eugene Forsey, member of the CCF Party and one of the greatest senators we have ever had.

Senator Hébert: I am sorry to say, but you forget a very important Canadian, Madame Thérèse Casgrain, who was one of the most prominent NDP members in Quebec, and in Canada for that matter. Mr. Trudeau appointed her to the Senate, as he appointed Mr. Manning from the Social Credit Party, and some Conservatives and some independents. So I think it is quite a score for a Prime Minister to appoint people from the three opposition parties, and some independents on top of that. We haven't seen that in recent months, by the way.

Senator Gigantès: Both Madame Casgrain and Senator Forsey had a conversation with Mr. Trudeau, which they both reported, saying that they were wondering on which side they were going to sit, and Mr. Trudeau said, "That is your decision." There is a man. He did not extract any promises that they would vote this way or that, and Senator Forsey in many ways was an intellectual thorn in the side of the Liberal government on many occasions. Mr. Trudeau still holds him in high esteem because he could recognize quality, even in opponents.

(*Names of signatories read.*)

We had a professor in Lethbridge. He had been with Simon Fraser University and he moved to the University of Lethbridge after a sort of belated Berkeley type of rebellion in Simon Fraser. He brought with him, as his assistant, a graduate student who was the prototypical Nordic goddess. At the University of Lethbridge there was an enormous corridor with two great straightaways at the top, and all the professors' offices opened on to this corridor. This splendid young lady would jog there when the weather was inclement. Of course, all the professors' doors would be open, and the male professors would be gawking. I think scholarly research suffered at the time, but I didn't see any way of saying to this young woman that she should not run around the corridor of the professors' office. Unfortunately, my office was on another floor.

Senator Bosa: Are you keeping in touch with that professor?

Senator Gigantès: That particular professor had the young woman living with him and his wife, and after a little while the wife left the professor to marry another professor, and this first professor married his Nordic goddess. So everything was well that ends well.

Senator Bosa: You have a theme for a movie there.

Senator Gigantès: It was somewhat like "The Last Picture Show"—there was one cinema in Lethbridge, and every now and then it would get close to bankruptcy. When it was getting close to bankruptcy, the owner of the cinema would bring a "skin" flick—a porno movie—and all the leaders of the religious sects and churches would go to see whether it should be condemned, and they would go over and over and over again, sitting there condemning it and making sure that nobody else could get in.

Senator Bosa: It sounds like a movie out of Peyton Place.

Senator Gigantès: A little, yes.

Senator Corbin: Are you still on petitions, senator?

Senator Gigantès: Yes, I am on this petition. I haven't counted the names.

Senator Corbin: I was wondering what you were talking about.

Senator Gigantès: I am talking about all the wonderful places from which these people were writing.

The standard of scholarship was very high, let me tell you. There was a young professor of philosophy who was doing his doctorate, and felt he had to go back to Plato, but he did not trust the various translations, quite properly, because they do not concord. Since I am a classicist, he asked me whether I would give him private lessons in ancient Greek, and I agreed. Then a young woman called Sandy—I won't reveal her name—came and asked if she could participate in that class, too. I ended up having six students to whom I was teaching the ancient Greek language—Platonic Greek, because Greek differs, depending on the age. Ancient Greek goes from Homer to the modern Greek churches. It is quite difficult to understand or to go from one language to the other. It is not as far as from Beowulf to modern English, but would compare with Chaucer to modern English. However, the similarities between Homer

and modern Greek are much greater than the similarities between Latin and any of Latin's descendant languages.

So this young woman came to the class and she wiped the professor and the class. She was better by far than anyone else. She was studying phys-ed; and some idiot counsellor had convinced her that she was not bright. Well, she was excessively bright. She is now a professor at one of the Ivy League universities. In any event, she suffered two great tragedies. One tragedy was that this young professor would not pay any attention to her, and she had attributed that to the fact that she had a gallstone operation. Lethbridge, Alberta, incidentally, is the gallstone capital of the world. There are more gallstone cases per capita in Lethbridge, Alberta, than anywhere else, and they can't explain it. Apparently, it does not have anything to do with the water. Maybe it is the fantastic Charolais steaks they eat and the very rich cream and milk that they have. It is dairy country.

Senator Corbin: What do they do with the stones?

Senator Gigantès: They have them removed, generally. Sandy had her gallstones removed, but there was a complication, so she had a drain attached to her for some weeks. She told me, weeping, that one reason she felt she couldn't seduce this young professor, whom she wanted to marry, was that she felt embarrassed about showing herself nude in front of him with this drain hanging out her.

Senator MacDonald: Excuse me, senator, I can't stand the sight of blood.

Senator Gigantès: Let us go back to the names.

(*Names of signatories read.*)

By the way, the Vice-President of the University of Lethbridge at the time became President of the University of Carleton. Mr. Beckwell was a man with a great sense of justice and equity, but also had a tendency to drive at insane speeds. He was driving from Lethbridge to Calgary, a distance he used to cover in half the time that anybody else took, and a young RCMP pulled him over and gave him a ticket for a huge fine, because the fines in Alberta are really stiff. Mr. Beckwell recognized this young RCMP officer as one of our students. I am proud to say that Mr. Becker didn't hold this against him. This student graduated with high honours without any harassment from Mr. Becwell, which is the right kind of academic behaviour and shows the sort of character that is so lacking in this present government.

Senator Fairbairn: May I ask you a question, senator?

Senator Gigantès: Certainly.

Senator Fairbairn: I was given the information by Senator MacDonald that you had referred to my hometown as the gallstone capital of the world? I thought after all these years that I had missed something somewhere. I wonder whether you could bring me up to date?

● (1600)

Senator Gigantès: There is a clinic where the doctors do group practice. I used to go there. The doctors told me that, statistically, Lethbridge in 1971 was the gallstone capital of the world. I am delighted I was able to enlighten you.

I was also talking about how Clio Mower drove me out of town with his concoctions. As you know, he used to brew wine out of snakes and Lord knows what else. It was more than I could bear. It was that and—may the producers of this product forgive me—Canadian Sherry. The snake wine and Canadian sherry at the university was too much.

Senator Fairbairn: He also grows prize-winning delphiniums.

Senator Gigantès: His delphiniums were a joy to behold. Have you had his delphinium wine?

Senator Fairbairn: No, I have not.

Senator Gigantès: Don't try it.

[*Translation*]

Senator Hébert: Honourable senators, if you would allow me, your story about a professor being pulled over by a police officer made me think about an incident that is more directly linked to our business at hand.

It happened last Saturday. I was shopping in Montreal, on Jean Talon Street, and I was caught in heavy traffic. At one point, I saw—

Senator Gigantès: I am sorry to interrupt. I only hope that Senator Lavoix-Roux was not anywhere near you at that point in time because it would be very dangerous.

Senator Hébert: So I was on Jean Talon Street doing some shopping when suddenly I saw a police car from the Montreal urban community police edging its way through the traffic and coming to a halt beside me. So I thought: this is it, I must have crossed on the red light without realizing it, too bad. And the police officer told me: well done, Senator! Do not give up! We support your fight against the GST. That was from the good old Montreal police.

Senator Gigantès: Whoever has said that this is not a distinguished police force. I have always found these gentlemen to be most courteous when I was living in Montreal.

[*English*]

Senator Gigantès: There is Ross Hampton from Hudson, Quebec. How he finds himself in Brooks, Alberta, I don't know, but it reinforces Senator Corbin's earlier statement that it is good for people to travel from one end of the country to the other. It helps them to realize there is no country as beautiful and wonderful as this. That is how I remember Alberta.

I remember the kindness and hospitality. They really wore their hearts on their sleeves. They were prepared to give anything. The rich ranchers thought nothing of taking one to Vancouver for a Chinese meal.

There was a Chinese restaurant in Lethbridge and people used to say that people from Vancouver ate there. Of course, there was another Chinese restaurant in Lethibridge, a wonderfully hospitable and generous place.

I was saying earlier that Sandy had another tragedy. I was in Mower's living room, watching the famous 1971 Grey Cup. If you remember, an Alberta team was playing against the hated Alouettes. The game was played in a snowstorm such as you have never seen. The Alouettes won by a field goal in the last 10 seconds of the game. Sandy's father dropped dead right there. They take their loyalties very seriously.

I have another petition which I will spare reading but simply say that it is against the GST.

(*Names of signatories read.*)

These petitioners include a petitioner named Hicks. The Hicks reside not only in Nova Scotia, where a distinguished former colleague made such a name for himself, but also in Alberta. There is a petitioner here from Chinook, Alberta. A Chinook is that wonderful wind that comes along all of a sudden, when you are at 40 below, and the temperature climbs to 20 degrees above. As a greenhorn, I was told that the trees, after feeling this heat, would start producing sap that would run into the small branches. When the cold returned immediately after the wind died, one could hear the branches cracking in the middle of the night. I stayed awake at night, waiting for those loud cracks but never heard them. Is that a true story, or were they kidding me? When they said they did not collect the garbage because they waited for the wind to take it all the way to Toronto, were they kidding me?

Senator Waters: They were kidding.

Senator Gigantès: It is a tradition that tenderfeet get kidded in the great west.

I have wonderful memories of that wind. The parking lot at the University of Lethbridge was a long way from the university. It was on one of the banks of the river and in order to get from the parking lot to the university, one had to go through an enormous plastic tunnel. It was full of holes and one would nearly die from the cold. I happened to own a Volkswagen because Volkswagens were much more resistant to cold with their air-cooled engines. It also had a gas heater that would work immediately. I felt I would die in any other car. The Chinook was a great relief.

Before I went to Calgary for the first time, central Canadians told me with some contempt that I was going to uncivilized parts and would not be able to eat anything decent other than steak. Of course, steak in Alberta is ambrosia. It is food for the Gods. One can get a filet mignon as big as a football, and the ranchers are prepared to give it to you any time. One only has to stop and the hospitality pours out.

However, I was told that Calgary would be a cow town. I stayed at the Palliser Hotel where the chef, who has since left, had made one of the most elaborate meals in the history of french cuisine. Their cellar was exquisite. They had a 1967 St. Estephe wine. My father was a general and very fond of those wines, so I am sure you probably are, general. It was just the right time to taste that wine because any later and it becomes granular at the bottom and one has to be careful with the decanting.

Senator Bosa: Would the honourable senator accept a question? Where did that wine come from.

Senator Gigantès: It came from the Bordeaux region. If one wants to understand the root of the French-English problem in Europe, one of the oldest enmities started when the English first took away those magnificent wine-producing regions from the French. Naturally, the French never forgave them and took the vineyards back. The British never forgave the French for taking back all this magnificent wine. To this day, the British have such an appetite for this sort of wine that at the auctions in France, they buy the best. They will pay any price to buy the best there is. The Belgians buy the next best, and I regret to say that the French in France get the third chance at their own wines. I am very happy to say that there was great wine in Calgary.

I have another petition with 35 names, all from Alberta. I am presenting these petitions because I was in Alberta and met many people. When there was a dance at the university, the good fathers of the town made sure nothing wrong happened and packed the place with more RCMP plain clothes policemen than there were students.

(*Names of signatories read.*)

Erickson, the great archict who designed our embassy in Washington, also designed Lethbridge University. Despite all my entreaties, he committed what we came to call Erickson's folly. He ordered a special carpet in a design he called "wheat field", which was laid in the cafeteria. The first thing to be spilled on that carpet was grape juice, which can only be removed with acid or dynamite. It is a killer stain and that carpet was utterly destroyed a few days later.

The cafeteria itself was great because the nearby ranches donated haunches of their wonderful beef. One could eat a slice of that great beef for pennies.

Other petitioners are from near the Rockies. The Himalayas are much taller and more barren, whereas the Rockies are relatively young and contain fantastic vegetation at a much higher level. The colour changes in these rich forests as the sun passes through each day. Those are some of my favourite pictures. I can understand why Mr. Chrétien says that he does not want to give up the Rockies.

The Conservatives may joke, but anything that does not suit them is either a joke or beneath their dignity, like the names of petitioners that they do not want to hear in the Senate.

Other petitioners are from Red Deer. I attended a meeting in Red Deer where the principal hotel is the Capri. Again, one notices the hospitality and the multi-ethnicity. You meet Italians, Japanese, Chinese and Franco-Albertans. There is a freedom and camaraderie in Alberta that one finds practically nowhere else in Canada. Maybe it is because I spent a considerable amount of time there, at least until I could no longer stand snake wine.

Senator Corbin: What about the First People?

Senator Gigantès: That was one of my great shocks. I suppose Canadian propaganda was very successful, or Canadians I had met did not know the facts. I had never been on an

Indian reservation until I went to one near Lethbridge. It is a shock to see it for the first time. Like it or not, it is one of the sad things in this great country that, at least until recent years when we have begun to care somewhat about the fate of our aboriginal people, we did not give them what they wanted. They themselves cannot always express what they want but, above all, we have to give them something that will allow them to feel the dignity of control over their own affairs to some extent.

Senator Cogger: Would you allow me a question? Were the good people of Alberta who signed those petitions aware that their names would be put on the record through you?

Senator Gigantès: Honourable Senator, if you do not want your name to appear or to be used, normally you would say that you do not want it. You do not give your name but use a pseudonym like "logger" or "jogger". If you send me a petition with your name and address, I will read it.

Senator Cogger: Perhaps you do not understand my question. My point is that if I want to oppose or support something through a petition and I did not want it put on the record as part of a bunch of nonsense and irrelevant statements, could I still have it straight as I would send it? That is my question.

Senator Gigantès: Senator Cogger, are you suggesting that the good people of Alberta might have reached the point where they should be afraid of reprisals by the Tory government if they reveal their names as opposing the GST? Even the Mulroney government cannot have reached that point yet. That is the next stage. You started with the Senate to show a total lack of any respect for precedent and law. I am on my feet. I will let you talk to me in a moment.

Senator Cogger: I am only suggesting that the good people of Alberta risk seeing their good wishes and their petitions to the Senate drowned in a bunch of nonsense that is so irrelevant that we may miss the point. Why not give it to us straight?

Senator Gigantès: If praising the magnificent scenery and hospitality of Alberta—

Senator Cogger: And the parties in Lethbridge.

Senator Gigantès: —which shows their joie-de-vivre and the fact that they are lively people who have come from survivors. If that is irrelevant in your eyes, it is not irrelevant in mine, and I do not think it is irrelevant in the eyes of Alberta.

Senator Cogger: When I want to hear about the beauties of Alberta, I would sooner listen to Chief Morning Bird.

Senator Gigantès: You would lose the experience of someone who did not live there long enough to become blasé.

Senator Fairbairn: Are you saying I am blasé?

Senator Gigantès: If we live there all our lives and watch the magnificent movement of the prairie in the summer, with the wheat near its peak, it is like a golden sea. It is breathtaking the first time it is seen. I am still haunted by this wonderful sight, but after 10 or 15 years of looking at it, one might not be haunted by it.

[Senator Gigantès.]

Senator Fairbairn: Senator Gigantès, I would suggest you are quite wrong on that. The more years one spends looking at those wheat fields as they drift into the foothills of the Rockies, the more moved one becomes. One never becomes blasé.

Senator Gigantès: I stand corrected. I am glad you told me. Unfortunately, I did not have the good fortune to stay longer. I had to return to Ottawa, which itself is one of the most beautiful capitals in the world. Where else in the world can one live in the forest, as I do, 18 minutes from Parliament Hill?

Senator Corbin: In New Brunswick.

Senator Gigantès: Yes, but that is not from this Parliament Hill. That is another Parliament Hill.

Senator Corbin: You don't need a parliamentary building.

Senator Gigantès: I would miss the company of our wonderful friends. Where else would I get to see Senator Cogger? Perhaps in Montreal, but then I would have to go a very long distance to go to the woods.

Senator Cogger: I do not live in Montreal. I live in an equally beautiful part of the world. I live in the Eastern Townships in the town of Brome Lake, which is the result of the amalgamation six years ago of the village of Knowlton, Bonneville and the village of Foster. The village of Foster was named after the Foster family. There was an eminent gentleman by the name of Foster who turned out to be the legislative counsellor in Quebec which was the equivalent of the Upper Chamber in the provincial legislature. I invite you to come and visit with us and acquaint yourself with the good area I am fortunate to live in. Unfortunately for you, our people down there have the good sense not to petition, especially through Liberal senators, against measures that will reinforce the Canadian economy.

Senator Gigantès: You are perfectly right. The Eastern Townships are wonderful. I was Dean of Bishop's University as well. Therefore, I again had the great benefit of the hospitality of the people of the Eastern Townships who were absolutely wonderful. General Price used to downhill ski in his 80s.

Senator Cogger: He was a brigadier, sir. His name was Jack Price. His daughter, Mrs. Winser, subsequently became Canadian representative in Los Angeles. He won the Military Cross in the First and Second World Wars.

Senator Gigantès: In the army, one calls a lieutenant colonel, "Colonel", and a brigadier general, "General". One does not say Rear-Admiral, one says "Admiral". However, one does not expect a civilian to know about military flattery.

There seems to be a preponderance of women on this petition, which may indicate the fact that women who run households and have children are possibly more conscious of the true facts of the economy than are men.

Senator Fairbairn: Many of them are single mothers.

Senator Gigantès: Many are single mothers who are the most discriminated group in our society, apart from our

aboriginal people. They are truly discriminated against. Not only do they have to work, they have to run a household as well. If their children are very young, they generally are forced into the great poverty of the welfare system, which takes from them any money they might earn outside. But that is for another occasion.

I now have 27 names on a petition which I will not read individually. The petition concerns the GST, like all the others. It is also from Alberta.

(*Names of signatories read.*)

There are people of Scandinavian descent in Alberta. They are among the finest people I have ever met. They have brought to this country a great sense of civic pride, just as they did in Minnesota. They are solid citizens whose name is of Scandinavian descent, I am sure.

Our friend, the senator opposite, I am sure has a name of Scandinavian descent. I would be proud if I were of Scandinavian descent. I admire the quality of their character and strength.

(*Names of signatories read.*)

• (1630)

I am proud of these petitioners, all opposed to this iniquitous, badly constructed, ridiculous tax that can only harm the country, and I am sure some of them are in business. They know how heavy the burden of administering an ill-conceived tax will be.

Incidentally, when and if we ever get around to discussing the GST itself, around July, I intend to give you a six-hour economic analysis of the policies followed by your government and how they could have avoided this tax, reduced the deficit by $85 million and had the economy in a much better state to enter into this recession, made in Canada as the Conference Board of Canada, the Business Council on National Issues, the Manufacturers' Association and the Chamber of Commerce have just said.

Honourable senators, it is suicidal and masochistic to create a recession. Anyhow, we will get to that, as I say, around July perhaps. That is, if you behave and repent; above all if you repent.

I once encountered a Greek right in the middle of Morocco in Kenifra, in the middle of the Atlas mountains. And it was in 1953, and the French were trying to overthrow the Sultan Mohammad V of Morocco, and they organized a diffa, which is a great big celebration, and all the tribal chieftains and petty sultans and beys, and so on, who resented the centralizing tendencies of Sultan Mohammad V were invited by the French to this diffa in Kenifra and there was a El Glaoui who was the boss of Marrakesh and a friend of Mr. Churchill's. Churchill used to visit El Glaoui and stay in his palace and warm his bones away from the very cold, humid British winters, and there was Sharif El Kitani who temporarily succeeded Sultan Mohammad V.

There also was an, absolutely fantastic spread, the centrepiece of which was a baby camel stuffed with small lambs, stuffed themselves with hare and the hare stuffed with chicken livers, and it was brought on an enormous platter carried by four men and the host, who was El Glaoui Pasha of Marrakech, plucked out one of the eyes of the camel and put in my hand and plucked out the other and put it in the hand of my former wife and I said to her, "Swallow", and that, I think, was the beginning of the end of our marriage.

Senator David: Was that taxable?

Senator Gigantès: If the Tories had been there, they would have taxed the eyes out of that camel, that's for sure.

We were saying that we had got back to another Kopulous, Rick Kopulous in Three Hills. So the fellow who organized that banquet for an El Glaoui Pasha was a Greek. Suddenly, on come the dancing girls doing belly dancing. The organizer comes up to me and says, "You can pick any one you like". I pointed out that I was married. He said, "So am I". Anyhow, other days, other kinds of habits. After all, we were in a Muslim country: polygamy was a fact there.

POINT OF ORDER

Hon. Michel Cogger: A point of order, please. If I may, my point of order relates to this procedure that has been adopted throughout of reading the names of petitioners, individually. I would like to quote and seek your ruling on the following, Your Honour.

On March 16, 1988, Chairman of the Standing Committee on Standing Rules and and Order, Honourable Senator Molgat presented the Sixth Report. He said:

> Honourable senators, the matter that we deal with in the Sixth Report has to do with the presentation of petitions to the Senate . . .

Further on, he said:

> The problem that arose, and which the committee considered, was the request made by certain senators that the text of the petition itself and the list of names be included in *Senate Debates* and in the *Minutes of the Proceedings of the Senate*. It was determined that this was a costly procedure and, further, that it was an awkward procedure in that it meant a tremendous amount of extra work for the staff and on at least one occasion delayed the publication of *Senate Debates* the following day.
>
> The committee considered this very carefully. The committee considered the practice that is currently followed in the other place and recommends that henceforth names not be printed and that petition itself not be printed.
>
> Senators must at all times be able to present petitions from citizens, but in order to handle this in a practical manner, it is the recommendation of the committee that the senator so doing be asked to state briefly what the petition is about and how many signatures are on it, if he or she so wishes. But in future there will not be any printing, as such, of those names. This recommendation separates the procedures to be followed for those petitions

in the form of requests from a large number of citizens, from the procedures relating to petitions for private bills.

Honourable senators, I move the adoption of the report.

It goes on a little further, and Senator Molgat, quoting again on behalf of his committee, gives an example of how a petition should be properly presented and says, for instance,

"If the senator presenting a petition does not wish to say, "I have 7,000 names from Prince Edward Island, it is not necessary for him to do so; it will be satisfactory just to present the petition. If he wants to provide the number of signatories, however, that is something else.

I believe, Your Honour, that what we have witnessed in the last fifteen hours or so is not according to the rules. I suggest to Your Honour that, for instance in the case of Senator Gigantès, apparently it would suffice if he said "I have a petition from however many citizens from Alberta who wish to oppose the tax", and table it. Might I ask that you rule on this matter, Your Honour.

Senator Frith: Senator, speaking to the point of order—

Senator Cogger: Senator Frith—

The Hon. the Acting Speaker: Yes, I think I am prepared to make a ruling.

An Hon. Senator: Without listening to any debate?

The Hon. the Acting Speaker: If you listen to me, I am prepared to make a ruling that would make any intervention by you unnecessary.

Senator Gigantès: Another usurper; another usurper.

The Hon. the Acting Speaker: My ruling is, unless you insist, that Senator Cogger has not raised a valid point of order.

An Hon. Senator: I don't think you have taken it so well.

Senator Frith: Senator Cogger, perhaps you would like to go out and call in the press.

Senator Cogger: Win or lose, we appeal.

Senator Frith: Honourable senators, Senator Balfour certainly has found a way to get my attention.

Hon. Philippe D. Gigantès: May I ask Senator Cogger a question? Is he implying that the Liberals are filibustering against the GST? Is that the implication of his alleged point of order?

Senator Cogger: I am not implying anything of the sort, Sir, and anybody who tells me this side of the house is partisan, I would fight it.

Senator Frith: Defend it to the death.

Senator Gigantès: What generosity. You see, there is good in everyone, even in Senator Cogger.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Phillipe D. Gigantès: I have pointed out that there have been another four Greeks on the previous petition and I am very proud of them because the Greeks have gone everywhere and, present company excepted on this side Greeks are wonderful.

Senator Barootes: I don't need your insults. I get enough as it is.

Senator Gigantès: I am not insulting you. I said you are wonderful. Now, there we are, they don't understand English. What is this?

(*Names of signatories read.*)

There is no place with such a charm as Ireland, especially the women of Ireland. They really tug at the strings of your heart and that lilting accent—let us not waste time.

Senator Cogger: No, let's proceed.

Senator Gigantès: There is a petitioner listed here from Medicine Hat. Actually they are spelling it "Med Hat" and I mind, because Medicine Hat is such a wonderful name. It makes one think of the Lone Ranger and his friend Tonto.

Senator Cogger: An old Canadian tradition.

(*Names of signatories read.*)

Incidentally, they do have mutton and good lamb in Alberta. You need hilly country really for good mutton, otherwise if the sheep are in low plains and the plains get soggy at any time, they get footrot and die. But on the hillside the water drains well, and the sheep thrive.

Senator Cogger: Improbable farmer.

Senator Bosa: You permit a question?

Senator Gigantès: Certainly.

Senator Bosa: But with all the mutton that is imported from Australia, is Australia a hilly country, a hilly continent that would be suitable for sheep raising like the honourable senator contends it should be?

Senator Gigantès: No, they don't have the moisture that we have in so many parts of Canada. Actually, I have always been puzzled by the fact that we do not raise more sheep in Canada, because we have splendid areas for raising sheep and we need not import as much as we do. I would like to see that, because I like lamb in the spring for Easter. I ask, is there anything better, cooked with thyme and oregano and lemon?

Senator Bosa: And sage, too.

Senator Gigantès: Sage, absolutely and good wine and dancing around the pit where it is being roasted.

There is a Mrs. Shirley Mutton also. Some of these names, you realize, are descended from the job that people performed. The Smiths, for example, were all blacksmiths. I am always puzzled by such names words as bishops and wondering how you can have descendants of bishops before the reformation, because there were people named "Bishop" then. We have name of "Bishop" when celibacy was a natural rule for bishops, so one wonders how that could be. nickname. Somebody behaved like a bishop, had the dignity of a bishop. Who knows. Let's not explore this too much.

(*Names of signatories read.*)

I wish Anglophones would adopt the habit of crossing their sevens as do the people on the continent of Europe. It makes it much easier to distinguish between a seven and a one. In this case it was a little difficult to read.

Senator Bosa: It isn't only the Anglophones that are not doing that, it is Canadians in general. I mean, surely the Honourable senator would not point a finger only at the Anglophone community. French Canadians aren't noted for crossing their sevens. I have never seen that, unless I am mistaken.

Senator Gigantès: You cannot expect a Quebec Senator to say anything critical about the people of his province. I will leave that to Senator Cogger.

Senator Cogger: I know I am accused of being suspicious but could I ask a question? Perhaps the deputy leader could answer me. Are the Senators on the opposite side of the house are trying to run up a lot of time?

Senator Gigantès: Perish the thought. How could you possibly suspect us of such a thing? Here we are performing, as *Beauchesne* says, one of the most sacred and ancient functions of Parliament.

I will give you the reference again: *Beauchesne's Parliamentary Rules and Forms of the House of Commons of Canada with Annotations, Comments, and Precedents*, 5th edition by Alistair Fraser, B.A. Ll.b., clerk of the House of Commons, G.A. Birch, B.Sc., D.P.A.M.A., clerk of Committee's House of Commons and W.F. Dawson, B.A., M.A., D.Phil. a great scholar, and a professor of political science at the University of Western Ontario, one of the summits of Canadian scholarship.

Senator Stewart: The son of a great father.

Senator Gigantès: Please tell us about his father.

Senator Stewart: His father was professor R.M. Dawson, Robert McGregor Dawson, whose book on the Government of Canada was for many years the classic text on the Government of Canada. The son at Western has concentrated more narrowly than his father did on procedures of the House of Commons; that is why he became involved in the preparation of the volume to which you have just now made reference.

Before I resume my seat, I must say, we in this chamber must not fall into the trap of assuming that a book prepared for the use of the other place can be applied automatically here. This is a very different house, with very different traditions. We must resist what is almost inevitably a constant temptation to import the patterns of the other house here. We must resist that constantly, honourable senators.

Senator Gigantès: I am glad you pointed that out, sir, so I will shift to Erskine May's Treatise on the Law of Privileges, Proceedings and Usage of Parliament. This is the 18th edition, 1971, edited by Sir Barnett Cocks, K.C.B., O.B.E.—

Senator Stewart: I knew him well.

Senator Gigantès: He was clerk of the House of Commons. A very, distinguished scholar in parliamentary procedure. This book is published in London by Butterworth and Co. (Publishers), well-known scholarly publishers, who also have branches in Sydney, Melbourne, and Brisbane, known as Butterworth and Co. (Australia) Ltd. and in Toronto, known as Butterworth and Co. (Canada) Ltd. All lawyers know about this particular publishing firm. In Wellington and Auckland in New Zealand, they are known as Butterworth and Co. (New Zealand) Ltd. The New Zealand, as the Australian and Canada, are in parenthesis. Also in Durhan, they are known as Butterworth and Co., (South Africa) (Pty) Ltd.

What this particular book is dealing with is the history and the development of parliament—I am referring to Chapter XXXII which is on public petitions, and it talks of the course of development of the form of petitioning.

> The right of petitioning the Crown and the Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution.

Here he is talking of how the system developed in parliaments of British persuasion:

> It has been uninterruptedly exercised from very early times, and has had a profound effect in determining the main forms of Parliamentary procedure.

I will skip a few lines to save time:

> Public petitions may pray for an alteration of the general law or the re-consideration of a general administrative decision, and they may also pray for redress of local or personal grievances.

The rights of petitioners were laid down by two resolutions of the Commons in 1669. This pre-dates the foundation of Canada by nearly two centuries, and it is clearly stated in the Constitution of 1867 that our Constitution, the British North America Act of 1867, is an offspring of British practices and British constitutional custom.

Senator Stewart: That is before you were born.

Senator Gigantès: A little, yes. I know I look a little younger than my age, as do you, Senator. Your elegance, your sartorial perfection is a wonder to behold. I am delighted that I am your colleague and we are on the same side. I cannot possible imagine you with those people over there.

In any event, the rights of petitioners were laid down by two resolutions of the Commons in 1669. That is the Mother of Parliaments of the British persuasion.

I think the Greeks proclaim that the mother of Parliament universally was the Assembly of Athens established by Solon, 594 B.C. but we will talk about that another time. I quote now—

Senator Stewart: Honourable Senator, will you permit a question?

Senator Gigantès: Certainly.

Senator Stewart: You made reference to antiquity.

Senator Gigantès: Yes.

Senator Stewart: I have been led to believe that on one occasion Philip of Macedon was approached by an elderly

woman who had a matter about which she wished to place a petition in his hands. He was returning, I believe, from battle. He was very, very weary and dismissed her curtly.

Now, I am told that she said, "Sir, if you are not prepared to do your duty as king by hearing my petition then, Sir, the time has come for you to abdicate."

This would suggest that the practice of those in authority, in this case kings, princes, call them what you will, receiving petitions, is of very great antiquity. I ask you, sir, as a great scholar in these matters, to say whether or not this story is accurate.

Senator Gigantès: It is, indeed, true and, of course, it goes much further than that. If you look at the Iliad of Homer, that is the oldest written text of the western civilization. We have a case that is even more applicable to what is happening now, the case of Thersythes. Thersythes was a commoner, an ordinary soldier and he was there, unwillingly probably, with the troops besieging Troy.

Senator Bosa: When sould that have been?

Senator Gigantès: There is a dispute as to when it happened, because the remains of the city which Schliemann assumed to be Troy have been found and there are various layers indicating that there were destructions that occurred at that city. Homer tells us that it was set afire by the Greeks when they captured it.

However, there are two different instances during that geological history of Troy where a fire occurred and carbon tests placed them a couple of centuries apart, but we are talking about 1000 B.C., 1200 B.C. and perhaps 800 B.C. Homer wrote four centuries later, however.

Senator Bosa: If my memory serves me correctly, Homer was blind, wasn't he?

Senator Gigantès: Absolutely.

Senator Bosa: And he could not write—

Senator Gigantès: Absolutely blinded. It was one of the cruel customs which the—

POINT OF ORDER

Hon. Michel Cogger: A point of order, Mr. Chairman, please. With respect to senators on the other side, their Bible appears to be *Bourinot and Parliamentary procedure, Fourth edition.*

Senator Bosa: No, we were talking about ancient history.

Senator Cogger: Yes, I appreciate that. However, I would like to point out that according to *Bourinot*, page 233, a senator in presenting a petition may briefly explain its purport but other members may not discuss its contents. I suggest to your Honour, that both Senator Bosa and Senator Stewart were out of order in their recent interventions, and I am seeking a ruling on the point.

An Hon. Senator: Don't you understand English? We are not discussing the content; we are discussing the antecedents of the rule, Sir.

[Senator Stewart.]

Senator Gigantès: That was my understanding.

An Hon. Senator: What was that again?

Senator Cogger: You only have an hour to go.

Hon. John B. Stewart: Honourable Senators, what I said earlier with regard to *Beauchesne* is equally applicable in the case of *Bourinot*. These are books which derive from the rules, practice and experience at the House of Commons.

The situation which we now find—

Senator Cogger: I am sorry, it says "a senator" it does not say "a member". It says "a senator in presenting a petition may briefly explain its purport but other members may not discuss its contents".

Obviously, in this case, "members" means another member of the same place; of the Senate.

Senator Stewart: I don't take that—

Senator Cogger: Are you telling me you agree you are out of order?

Senator Stewart: I could write a book on the Senate—

Senator Barootes: And you did.

Senator Stewart: No, no, not yet.

Senator Barootes: We are preparing a disclaimer for everything you are going to heap—

Senator Stewart: I thank you, Senator Barootes, you are most helpful. I could write a book, I suppose, on the Senate. Senator Cogger could write a book.

Senator Cogger: No, no.

Senator Frith: Are you sure?

Senator Stewart: I am talking theoretically. I could write a book and say all sorts of things; for example, that members from Quebec may speak only in French. That's one point.

The only authority I think you and I will have to recognize is the Chair. That's why I am asking the Chair for a ruling. The problem, Senator Cogger, is—

Hon. Royce Frith (Deputy Leader of the Opposition): What's the point of order? I wasn't here when the point of order was raised. Is there a point of order being raised?

Senator Cogger: Yes.

Senator Frith: Is it being raised because you want to try this on every successive Senator because you have already had a ruling against that?

Senator Cogger: I know—

Senator Frith: I don't know whether the present occupant of the Chair was here when Senator Balfour made a ruling and I take it you intend to raise this point of order 23 times and just keep changing. Do you intend to raise it when you get in the Chair?

Senator Cogger: I am sorry, I didn't realize you people were in a rush. I will shut up. You seem to be in such a hurry—are you getting anywhere?

Senator Frith: No.

Senator Cogger: We have all the time in the world, don't we? My point of order is that—

Senator Frith: That is what I am asking. Do you intend to keep raising the same point of order?

Senator Cogger: This is a different point of order.

Senator Frith: Another way of saying the same thing.

Senator Cogger: Senator, please listen for a second. It says here, that a senator in presenting a petition may briefly explain its purport but other members may not discuss its contents.

I am suggesting that both Senators Stewart and Bosa, in discussing the contents of the petition presented by Senator Gigantès, are out of order.

Senator Frith: What are you citing?

Senator Cogger: *Bourinot.*

Senator Bosa: Honourable senators, who has raised this matter in this Chamber is Senator Cogger by quoting *Bourinot's* rule that applied to petitions and he is the instigator of this debate because what Senator Gigantès was doing was he was giving the roots, where petitions originated so as to inform us, to inform me, to inform maybe the honourable gentleman opposite if he were not aware of how petitions originated.

● (1700)

So it was in order to inform me, to inform, perhaps, the honourable gentleman if he was not aware of petitions originated and how there came to be parliamentary rules, and this is what Senator Gigantès was saying when he was talking about Homer, because it goes back 3,000 years, when these petitions were presented to the rulers of the day; I implore Senator Gigantès to keep that up because I studied this subject, but I admit I have forgotten some of the things of which Senator Gigantès is informing us. Please continue.

Senator Cogger: When I listened to the position as presented by Senator Gigantès, when he refers to contents, it is so wide it encompasses anything and everything. For the last hour we have heard about the wildflowers of Alberta, the cattle, the raising of sheep, the foot and mouth disease, the dance partners in Lethbridge, the RCMP thereat and so on and so forth. That is fine. That is his petition and its content.

I only suggest that when you, Senator Bosa, or you, Senator Stewart, jump into the debate, you are out of order. That is my simple point. Your Honour, may I have a ruling?

Senator Bosa: On the same point of order that Senator Cogger has just mentioned, I was not discussing with Senator Gigantès the content of the petition.

Senator Cogger: So you were out of order, then.

Senator Bosa: We were trying to get to the bottom of the argument that Senator Cogger instigated by invoking the wording and the ruling of *Bourinot* as to the origin of petitions. This is what we were discussing, this is what we were trying to get to the bottom of, so there is no point of order. You are the one, Senator, who started this.

Senator Cogger: Senator Bosa, if you discussed something that has nothing to do with the petition, I suggest you are out of order, and according to *Bourinot*, if you discuss or intervene through the contents of that petition, you are out of order. You cannot have it two ways.

Senator Bosa: Perhaps I was not laconic in my way of expressing myself, but may I say that the questions I was putting to Senator Gigantès had to do with the origins of the petitions. I was not discussing the content of the petition but the origin of the rule, and how it evolved into a state where it is now enshrined in *Bourinot's* rules.

Senator Cogger: Let's wait for the Chair's ruling.

Senator Frith: We have to debate this matter.

The Hon. the Acting Speaker: Honourable senators, Senator Cogger feels that I should render a judgement or a decision on the matter I would prefer to wait, but if he insists, my predecessor has already ruled that you have no point of order.

Senator Frith: Hear, hear!

PRESENTATION OF PETITIONS ON BILL C-62

Senator Gigantès: I was saying before I was pointedly interrupted—

Senator Frith: When you change Speakers, will you let us know so we can come in and do it all over again?

Senator Gigantès: The first literary mention of a petition episode involving a petitioner and a Tory is in the Iliad. Thersytes—did you get the spelling last time? T-H-E-R-S-Y-T-E-S, was an ordinary soldier, and he presented himself to Agamemnon, A-g-a-m-e-m-n-o-n, Agamnenon, the name of a tragedy, of course, written by Aeschylus, the man who sacrificed his daughter, Iphigenia, so that the gods would—I beg your pardon?

An Hon. Senator: There are two m's in Agamemnon.

Senator Gigantès: Please don't try to challenge my spelling in ancient Greek, okay?

Senator Stewart: Did you learn Greek at the same place?

Senator Gigantès: I have got the marks to show it. I was taught by people who hit me if I made mistakes.

Anyway, Thersytes presented a petition to Agamemnon. Those were really Tory times because the leaders of the Greeks were very conservative. They thought that people had no rights, and had no right to present petitions, and Homer tells us how Ulysses beat up Thersytes and how the other soldiers saw this and felt offended by the behavior of their leaders. So it is a very old custom.

Senator Stewart: Did Penelope do anything?

Senator Gigantès: Well, she was weaving and sort of unweaving her cloth while Ulysses was spending his time, first ten years in Troy and then running around the Mediterranean

for ten other years, having allegedly unwilling affairs with various ladies all around, and then he came home and she accepted him. Now, this is remarkable and, in my view, a little stupid.

Anyhow, it is quite clear that the right to petition is very often the right of petitioning the Crown. Have you forgotten the references? It is on page 792, of the 1971 edition. If you want more details, I can give it to you, or I can have it photostated and sent to you.

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution. It has been uninterruptedly exercised from early times, and has had a profound effect in determining the main forms of Parliamentary procedure.

The great St. Louis of France, Louis IX, used to sit under an oak tree at Vincennes and petitioners would come to him. Of course, there is the episode between Alexander and Diogenes. Alexander, who had just conquered Athens, had received so many petitions that when he arrived before the barrel, where Diogenes, the Athenean cynic philosopher was, he said then, "What is your petition?" and Diogenes said, "Get out of my sun." So I think that the point of order—

Senator Stewart: Would you come back to my question?

Senator Gigantès: The question that Senator Stewart posed relative to Philip is indeed a story that we find in fragments from Greek historians. Ephorus is one of them who mentions it, and you cannot tell if it is a true story or not. The story goes on to say that Philip stopped and listened to the petition and granted it. So he was a good king.

While we were in Greece on a Parliamentary mission we were taken to see the tomb of Philip, which had just been discovered. In that tomb there is an incredible fresco. It is about 50 kilometres from Salonika in Macedonia, and we were being given lunch by the Minister for northern Greece, and one of the members of our delegation, a Tory, naturally, got up and said, "Aw, Minister, we didn't know back in Canada you had this kind of stuff. I mean,. that Philip, he was the dad of, what was his name? Alexander. We knew that you had some ancient stuff, but this gold, we never knew about it." The Minister said to me in Greek, "I don't believe this guy." I said, in Greek also, "Minister, you have people like them in the Greek Parliament, too." He said, "Yes, but we don't let them out of the country." I said, "Minister, you probably are losing the flavour of what he's saying in the translation." And the Minister said, "Don't give me that shit. I'm a Harvard man."

Senator Frith: What?

Senator Gigantès: "Don't give me that excrement. I'm a Harvard man." I do apologize for the use of an unparliamentary word.

Anyway, where were we? We were with the sheep. Yes.

(*Names of signatories read.*)

Over to you, Senator.

Senator Hébert: To me? All right.

[Senator Gigantès.]

Senator Gigantès: We have more time.

Senator Hébert: Well, I go back to this list of petitions, and I read again the petition itself so that we are all aware that we are on the right subject.

Petition on the subject of the proposed national goods and services tax.

> We the undersigned, your petitioners, humbly pray and call upon Parliament to reject the proposed goods and services tax."

I am now reading you some of these names. They are all from Nova Scotia, by the way.

(*Names of signatories read.*)

Senator Hébert: It is certainly interesting place that Senator Gigantès visited. He must have lots of anecdotes to tell us later on the subject.

(*Names of signatories read.*)

Senator Hébert: Senator Cogger is not here. I am reading the straight list without any comments, and I thought that would have been appreciated by Senator Cogger, but he left. I am sure that some of you people will tell him what happened, that I was reading the names without losing any time.

(*Names of signatories read.*)

[*Translation*]

Senator Corbin: I beg your pardon.

Senator Hébert: We were asking you whether you thought Hervé Guénette was an Acadian living in Shearwater, Nova Scotia.

Senator Corbin: I have no idea, I am reading Julius Caeser's *Commentari de bello gallico.*

Senator Hébert: I picked up a pile of petitions from the Province of Quebec. I can pick and choose, as I have some from all the provinces of Canada. If you would like to hear some from Prince Edward Island, I can grant your wish; I have some from all over.

For the moment I have a few from Quebec which I would like to present to you. Honourable senators, I have the honour of presenting a petition signed by 180 citizens from the region of Desbiens, Quebec. They are asking the Senate to reject the GST bill.

Desbiens is a small village in the Lac St-Jean region. It is a region where, it must be said, the governing party managed to get quite a few votes, with the help of the separatists, of course. However, in the meantime, these people have had time to think and they are asking us to vote against a bill which the government considers to be one of its most important pieces of legislation.

I think it is significant that such a large number of people from such a small place feel that way. Desbiens is not a large village, I do not know what the population is exactly. It is a pretty village, an interesting one, but not a large one.

Senator Corbin: Feeling the full force of the recession.

Senator Hébert: These people are telling us that they feel they were wrong to vote as they did. They are telling the government that they want nothing to do with their so-called important legislation.

Senator Bosa: What riding is the village in?

Senator Hébert: I do not know.

Senator Corbin: You may continue, I will look it up.

Senator Hébert: It may be in the Chicoutimi riding. Desbiens is the name of the village. Among the signatures, I see the name of Jacinthe Tremblay, a name which is very characteristic of the Lac St-Jean and Chicoutimi areas, where half of the people are called Tremblay. That is a figure of speech, of course! 183 9th Avenue, Desbiens. Carol Gagnon, that is also a name typical of the Lac St-Jean area; there are a lot of Gagnons in that part of the world. Ms Gagnon lives at 183 9th Avenue; George Girard, 173 9th Avenue, Desbiens; Laurent Dufour, 128 9th Avenue, Desbiens; Edith Lepage, 163 9th Avenue, Desbiens; Pierre Blouin, 163 9th Avenue, Desbiens; Odile Boudreau, 236 12th Avenue, Desbiens; Jacques Gagnon, 78 9th Avenue, Desbiens; René Boily, 78 9th Avenue, Desbiens; Michel Gagnon, 28 9th Avenue, Desbiens; there follows a name which I cannot read to you, as it is impossible to decipher; Line Boily, 71 9th Avenue, Desbiens; Sylvain Néron, 91 9th Avenue, Desbiens; Yvan Néron, 91 9th Avenue, Desbiens; Gaston Néron—now that is an unusual name; I wonder if there are many of them in that area; Néron is a name one associates with emperors; Néron in French and Nero in Spanish, and in Greek—I do not know! Gaston Perron, 91 9th Avenue, Desbiens; Lousie Turcotte, 128 2nd Avenue, Desbiens; Denise Desmeules, 139 9th Avenue, Desbiens; Brother Edouard Laverdière, he is a cleric, then, a Marist, I would expect; Marise Simard, 224 13th Avenue, Desbiens; Anik Simard, 224 2nd Avenue, Desbiens; when a page is available this sheet is ready to be picked up. Carl Simon, 224 13th Avenue, Desbiens; Michel Cloutier, 284 13th Avenue, Desbiens; Didyme Laporte; now that is a Christian name one seldom sees today, it is a fine name, there is in fact a Saint Didymus; 1202 13th Avenue, Desbiens; Claire Lacroix, 12 Hébert Avenue, Desbiens; Lucette Simard, 391 13th Avenue, Desbiens; Lise Bilodeau, 383 13th Avenue, Desbiens; Jacques Tremblay, here are the Tremblays again, 410 13th Avenue, Desbiens; Chantal Tremblay, 410 13th Avenue, Desbiens.

Senator Bosa: Any relation to Senator Tremblay?

Senator Hébert: Everyone is somewhat related in Quebec.

Senator Tremblay: We are all descendants of the same ancestor who came over here 350 years ago.

Senator Hébert: Are you not yourself from Lac St-Jean?

Senator Tremblay: Yes.

Senator Hébert: Not Desbiens.

Senator Tremblay: No.

Senator Hébert: The next on my list is Martin Martel, Alma. Alma is a very pretty and interesting city. I can see that these people are of age from their handwriting. Colette Tremblay, Desbiens; Lucie Fortin-Scott, Alma; Marc Deschesnes, Desbiens, Lac St-Jean, Province of Quebec; it must be the riding of Lac St-Jean; Esther Dufour, Desbiens; François Tremblay, Desbiens; Manon Piché, Montreal, no doubt a tourist who was visiting; Alain Girard, Desbiens; Denise Girard, 132 Savard, Desbiens; Lina Thériault, 132 Savard, Desbiens; Mrs. Marie-Berthe Thériault, Hébertville, Quebec.

Senator Bosa: Thériault as in Senator Thériault.

Senator Hébert: Yes; I thought you were going to ask me, rather, whether Hébertville was named in my honour. I was going to humbly report that it was not, but rather in honour of my great-great-uncle, Father Hébert, whose name was Nicolas de Tolentin Hébert, and who opened up Lac St-Jean to colonization. Hébertville is a small city situated at one end of Lac St-Jean. They named this small town for my great-great-uncle. The next is Murielle Gagnon, from Varennes, Quebec, which is another area altogether, and she lives at 25 Judith Jasmin Street; Judith Jasmin was an eminent radio journalist, a woman with a great deal of heart, filled with compassion for the poor, and I am happy to note that a street has been named after her, even though it is in a small village like Varennes. I am sure that there are other streets named for Judith Jasmin elsewhere in Quebec. Whenever a page is available, I have sheet ready. The next is Chantal Lemay, 182 9th Avenue, Desbiens; Daniel Fortin, 182 9th Avenue, Desbiens; Julien Gagné 98 9th Avenue, Desbiens. Desbiens is a beautiful village in the Lac St-Jean area, but I do not know what its population is exactly; perhaps we should ask Senator Tremblay. Georgette Boily, Desbiens, ah, here we have someone from Montreal, Gilles Gagnon who was there on a trip. Jean-Marie Boily, Desbiens; Micheline Dufour, 130 9th Avenue, Desbiens; Claire Verrault, 154 9th Avenue, Desbiens; Guy Coulombe, 154 9th Avenue, Desbiens; Gertrude Boudreau, 166 9th Avenue, Desbiens; Brigitte Déry, 49 2nd Avenue, L'Ascension. That is strange, that is not at all in the same area; Claudette Tremblay, 19 2nd Avenue; Georgette Villeneuve, 11A 2nd Avenue West, L'Ascension; Marie-France Turcotte, L'Ascension; Mrs. Brigitte Lemieux, L'Ascension; Natalie Lemieux, rue des Tulipes; Dame Wally Brook, Alma; Gisèle Tremblay, L'Ascension; T. Bouchard, L'Ascension; Rose Hélène, Hébert Street, Desbiens; Patrice Girard, 1020 Hébert Street, Desbiens, Pierrette Girard, 1034 Hébert Street, Desbiens; as I was saying, Hébert Street was not named after me, but after my great-great-uncle the parish priest; he the brother of my great grandfather who was the parish priest of Kamouraska. He went to Lac St-Jean to open up the area for settlers, and brought settlers there. He furthered its colonization. Régis Julien, 1050 Hébert Street, Desbiens; Joël Desmeules, 3465 Desbiens; Fernard Desmeules, 1124 Hébert Street, Desbiens; the address I gave a moment ago, 3465, was on Hébert Street in Desbiens. There follow names here that I cannot make out, so I will skip the ones I cannot read because of the handwriting; Laval Turcotte, 156 2nd Avenue, Desbiens; Jacinthe Turcotte, that must be his wife, 256 2nd Avenue, Desbiens; Jean-Pierre Fox, 1305 Hébert Street, Desbiens, Léopold Larochelle, 1350 Hébert Street, Desbiens; Gérard Poulin, 1396

Hébert Street, Desbiens; Francine Allard, 144 Hébert Street, Desbiens. As you can see, there are a lot of people living on my street.

[*English*]

Senator Bosa: When did your ancestors come to Canada?

Senator Hébert: As a matter of fact, my ancestors were Acadian and they came with the very first French people to come to North America and they came to Acadia. There were three Hébert brothers. They were deported by these people. You remember the deportation of the Acadians. They put them on ships and sent them away.

[*Translation*]

Senator Poitras: Who deported them?

Senator Hébert: They were deported by the English, I did not say by the Conservatives.

[*English*]

An Hon. Senator: Did that take place between 1753 and 1759, just after the battle on the Plains of Abraham?

Senator Hébert: I will tell you the story. These three Héberts were sent down the coast of the United States. Some went as far as Louisiana, and eventually they came back. One of them, my direct ancestor, came back to Quebec City and he had a fiancée that he had left, because they had been sent different ways on, different ships. And so my ancestor came back on foot, I presume, across the United States and back to Quebec City. He did not go back to Acadia, which was not a nice place to go in those days.

An Hon. Senator: Not only in those days, it still is a nice place.

Senator Hébert: It is, of course. So he went back to Quebec City and he finally found his girlfriend and fiancee, and they got married. I was told by an Acadian, a Franciscan brother, who made some research, that the famous poem Evangeline by Longfellow was inspired by this event that concerned my ancestor who came back to Quebec City.

Senator Bosa: I don't know if honourable senators are aware that, when one takes a tour of Charlottetown, a similar story is told about the deportation of French Canadians, and the story is about this young lady who was separated from her fiance and they never got together. She died of a broken heart.

Senator Hébert: That is another poem, but it is not the same.

Senator Bosa: No, it is not a poem; that is a part of history. If you visit Charlottetown, and take a tour of the city, this is one of the stories the guide usually relates to the tourists.

● (1730)

Senator Hébert: I am proud to tell you that I lived in Charlottetown for two years. My father sent me there when I was sixteen. I was at a college called St. Dunstan's College. I am very proud to have been there. That is why I have such direct communications with some of our colleagues on the other side that happen to be from Prince Edward Island, for example Senator Phillips. We have a special type of relationship because of that.

[*Translation*]

Françoise Allaire, 144, Hébert Street, Desbiens; Eliette Verault, 951 Duport, Desbiens; Mrs. Jean-Marie Tremblay, 648, Hébert Street, Desbiens; Ursule Gagnon, same address, Desbiens; Sylvie Plourde, 370 Nolin, Alma; Gérard Tremblay, 370 Nolin, Alma; Colette Dumas, Desbiens; Lisa Portrusse, 252—17th Ave., Desbiens; Fréménile Desmeules, 279—16th Ave; Rosie Dorée, Desbiens; Odilde Grenon, Desbiens; Gilles Tremblay, 346—5495, Desbiens; Anne-Marie Martin, 24 Marguerite, Metapetchwan, which is a native name given to a village—also charming—not far from Desbiens; Noella Martin, 34 St. Antoine, Metapetchwan; Marlene Martel, 420—11th Ave., Desbiens; Audrey Martel, 420—11th Ave., Desbiens; Bertrand Martel, same address; Madeleine Allard, Desbiens, same address; Paul-Émile Bilodeau, same address; Sylvie Fortin, 251 Olympia, St. Léon, Québec; Frédéric Tremblay, 255 Olympia, St. Léon. (I don't know St. Léon; can anyone be of assistance?) Linda Tremblay, 228 Damas, St. Léon; Rhéaume Martel, 225, Principale Street, St. Lazaire; Marlene Gagnon, 239, Principale Street, St. Lazaire; Julien Boilie, 277, Principale Street, St. Lazaire; Hélène Goudreau, 271 Principale Street, St. Lazaire.

Senator Corbin: That is an Acadian name, the same family as the Boudreaults to be found in Halifax.

Senator Hébert: Annie Bernier, 281 Principale Street, St. Lazaire; Sylvie Gallant, 285 Principale Street, St. Lazaire.

Senator Corbin: Is it Gallant or Gallante?

Senator Hébert: Gallant or Gallante, as the English say, but it is Gallant.

Senator Corbin: Gallant is a very typical Acadian name. The fatherland of the Gallants is Prince Edward Island.

Senator Bosa: There are also Gallants in Czechoslovakia.

Senator Hébert: In Czechoslovakia? Small world, is it not?

Senator Gigantès: Do you think she is a relative of Mr. Edgar Gallant, former chairman of the Public Service Commission, a very eminent Acadian from Prince Edward Island?

Senator Corbin: Senator Gigantès is quite correct. Edgar Gallant was originally from Prince Edward Island. As I was saying a moment ago, Prince Edward Island is Gallant country.

Senator Hébert: Réjean Tremblay, Desbiens; Mario Lalancette, 640 Route 6, St. Ambroise. I think I am going to stop for a few minutes, I have others, but I am going to stop to give the floor to Senator Gigantès.

Senator Cogger: According to my calculations you now have named 796 petitioners; does that tally with your total?

Senator Hébert: Yes, Senator Cogger, that tallies with my total, but there are many missing. As I said at the beginning, I simply had some from the group . . .

Senator Cogger: —24,000, minus 796.

Senator Hébert: Quite so, very good.

Senator Gigantès: I simply wanted to mention it for your information; we have used up part of the total, i.e. two megabytes, that is to say two million signatures, and you are going to hear them all.

For the moment, although I am speaking of the good people of Alberta, I will speak French. As you know, Alberta may be the province in Canada where there are the most French immersion classes. They have really espoused bilingualism in a major way. That is admirable. I want to congratulate the senators from Alberta for this initiative which furthers national solidarity.

Senator Corbin: Senator Gigantès, do you remember the bilingual welcome we received in the spring when our party held a leadership convention in Calgary?

Senator Gigantès: Yes, Senator Corbin, it was absolutely marvellous. I also remember those wonderful young anglophones who welcomed us in very clear French and, of course, I remember the generosity and hospitality of the Albertans, which was incredible. It is extraordinary to see those people out west, in the Rockies, on the Prairies, who are so patriotic that they are promoting the French language.

Senator Corbin: It is also the country from which the dinosaurs hail. Alberta is the land of the dinosaurs, it is in fact the dinosaur capital of Canada. I believe the most ancient dinosaurs, however, are to be found in Nova Scotia.

Senator Gigantès: Are you quite sure they are not on the government benches opposite?

Senator Corbin: We shall see at the next election.

Senator Gigantès: So, back to the beautiful Province of Alberta. The first name is that of Mr. Auguste Roste, from Anna in Alberta. Anna is a biblical-sounding name, do you not think? Anna was Madeleine's sister in the New Testament, was she not?

Senator Corbin: Was she not Mary's mother?

Senator Gigantès: I will have to bring my bible in to check that, but I do know that it is a name the Germans like very much.

Deborah Carry, Post Office Box 97, Anna, Alberta. Mr. Cruickshank, now that is a very British name. I wonder whether he is related to the associate editor-in-chief of *The Globe and Mail*, whom I used to know. He was my colleague John Cruickshank at *The Gazette*. I do not know how he can stand to work for the editor-in-chief of *The Globe and Mail*, who is of course a right-wing sort who is very fond of the Tories.

Senator Corbin: Unless I am mistaken, I believe there was a former president of the CPR named Cruickshank, unless it was the CN. Does that mean anything to you?

Senator Gigantès: John Cruickshank? Unless his father frittered away the family fortune, he did not strike me as the descendant of a president of the CPR.

Sed Jess from Anna, Alberta. The citizens of Anna do not like the GST very much.

Senator Bosa: How long did you stay in Alberta? Because you seem to know a lot of people there.

Senator Gigantès: I stayed in Alberta for a year. When you are the dean of a university and you know the young people and get along well with them, you meet their parents, they invite you, and you wind up knowing quite a few people. That was a very interesting period, as I said earlier, when Mr. Lougheed had unseated Mr. Manning, and replaced him.

Social Crediters had built the University of Lethbridge in the hope that the young people of Lethbridge would not go to Calgary.

Senator Bosa: You mean the Social Credit Party and not the Creditistes?

Senator Gigantès: Yes, Social Credit. They joined forces for a while, as you may recall. So the seniors of Lethbridge, where the Social Credit Party had an important base, obtained a great deal of money from Mr. Manning's government to build that university in Lethbridge, in order to keep their young people there. That is always the way with older people, they always hope that the young people will stay. All of the young always want to leave, to leave their parents, grandparents, uncles and aunts, etc. But young people from other parts of Alberta came to Lethbridge, people from places such as Anna, and to them Lethbridge seemed like a great metropolis, whereas to the young people from Lethbridge, this was not the case and they could only be satisfied by cities such as Calgary, Edmonton, Vancouver or Toronto.

Did you want to make a comment, dear Senator Cogger?

Senator Cogger: I simply wanted to ask you whether you were happy in the land of the dinosaurs.

Senator Gigantès: I was perfectly happy with the petrified dinosaurs but the live dinosaurs of the Conservative Party do get under my skin a bit.

So, the last name I read was that of Sed Jess, Anna; West Robinson, Anna; Barry Hutton, Anna; Davie Mohl, Anna; Martin Ackelman, Anna; Sonny Saxon, Anna, Alberta; Aretha Thums, that is a pretty name, Aretha. There is a singer called Aretha, I believe!

[*English*]

Senator Gigantès: Are you into rock? Is there not a singer—Aretha Franklin, yes.

Senator Stewart: What is rock?

Senator Gigantès: Rock is that music that is so different from Mozart. You hear it generally through your buttocks, because it is played at such a high volume. The ears are emulsified and then it is your buttocks that vibrate to the music of rock. It is very good for losing weight there, especially if you dance to it.

(*Names of signatories read.*)

Senator Gigantès: May I have a page in order to turn this in? That has reduced the two million figure by another 23 names. Shortly we will reduce it by another 23, although I doubt that, between now and 6 o'clock, I will get through 23 names. So, again, this is a petition against the GST.

Perhaps I can infringe a little and read you the first two lines.

> On the subject of the proposed national goods and services tax, the undersigned, your petitioners . . . .

and then they very politely say that they are against it.

(*Names of signatories read.*)

Senator Gigantès: I do not like to use "O" instead of zero when I give postal codes. It leads to some confusion. Some people might think that we are talking about a British postal code. The British, as you know, do not have a nice symmetry—letter, number, letter, then number, letter, number, as we have. Incidentally, this system has been devised by engineers who never sorted letters. I am told by people who work in the Post Office that in the old days there was a kind of artisan pride. You would see old post office workers standing a few feet away from a row of pigeonholes with a bunch of mail and actually throwing envelopes into each pigeonhole. Everyone knew the way it worked. Now, one person sits at a machine and the letter passes by on a conveyor belt and the workers print in magnetic letters, the postal code. They do that for eight hours a day, and they go stark raving mad. No wonder postal workers do not very often seem to be satisfied people.

Senator Stewart: You said this system was devised. Do you mean the British system or the Canadian system?

Senator Gigantès: No, the Canadian system. The British system was devised by the British, and the British, as you know, are people who love names such as Cumberland Crescent, Cumberland Square, Cumberland Street, Cumberland Lane, Cumberland Avenue, and you start with number 47, and the next number is a 2. The next number may be 58. Of course, you lose yourself totally. That is a secret conspiracy so you are forced, when you are in Britain, to use British taxi drivers, who are real geniuses. They will get you to the right number on the right Cumberland. All of those are called Cumberland, because they belong, of course, to the Earl of Cumberland—one of the largest landowners in Britain. A descendant of the Countess of Cumberland who threw out her ghillies—ghillies, of course, being her agriculture workers—and turned their fields into pastureland for sheep, because she could get more money selling wool. That is exactly Tory economics.

An Hon. Senator: She was a Tory.

Senator Gigantès: She was a Tory. Of course, there was starvation and, to our great benefit, those people immigrated to Canada and have brought in a strong and wonderful Scottish stock to this great country, for which I am very grateful. I have MacDonald blood, by the way. An ancestor of mine from the Island of Cephalonia—a pirate—went to Scotland and married a MacDonald lady and brought her back to the Island of Cephalonia. When I was young and would go into the village, I would be told by the people of the village, who did not know why, "You cannot trust a Campbell." That is what she had taught many decades before, that you cannot trust a Campbell. She had gone through the massacre of Glencoe as a small girl and had survived. The corner store in the village could not stock Campbell's soup, because the villagers were convinced that if it was Campbell, it was evil.

An Hon. Senator: Was that an Aylmer's soup conspiracy?

Senator Gigantès: No, it wasn't an Aylmer soup conspiracy. They were using other kinds of soup. Maybe it was Greek canning coming up to the surface. I do not know. You could find a Campbell soup in the next door village, which was only a seven-minute walk up a hill. The richest person in that other village was a shipowner, and he built a soccer field in that village. When I visit my village, the people of the village say: "You know, your father and uncle were the leading men that came from this village. They were national heros. "We would have been much better off if they had have been rich shipowners. We would have our own soccer field now, instead of having to borrow the one from those so and sos up the hill." Anyhow, that is the way history is.

I pride I pride myself on from being from the part of Greece that was under the Venetians and not the Turks. When I was young, it was very, very evident that the people of the seven islands that had spent six centuries under the Venetians had totally different characteristics. They had not been browbeaten. They had not been exploited. Naturally, the Catholics had the better fields and the Catholic priest was a little snooty toward the Greek Orthodox priest, but there was amicable cohabitation. I am sure there must be some Italian blood in me. I find it difficult to believe that not one of my lady ancestors raised a joyous thigh to some Italian. I am not saying this critically, you understand. I am glad of my Italian blood.

Senator Bosa: The reason I raise this question is because in Senator Gigantès' biography, it is written that he was born on August 16, 1923 in Salonica.

Senator Gigantès: Salonica is the capital of Macedonia. My father was an army officer and he was serving in Salonica at the time. I was born in the Jewish quarter of Salonica, because the rent there was cheaper than in the other quarters of Salonica. My father, being a young officer living entirely on his salary and married to a wife whose brothers had dissipated her dowry totally, could not afford habitation in a richer part of town. Therefore, we lived in the ghetto. I have friends from there to this day. The Jews are wonderful people.

Senator Bosa: Senator Gigantès says that his father was a poor officer, but here in his biography he is listed as being the son of a general, Christodoulos Gigantès. He was a general. Surely, generals must have been well paid.

Senator Gigantès: Not really, but I am very proud of the following episode. My father likes to live it up, even into old age. One evening, I went back to my father's apartment and he was there, the worse for drink, and a taxi driver was loosening my father's tie and taking off his shoes. I said to the taxi driver, "I am his son. I will take over." At that point I offered

him a tip and he, I am very proud to say, indignantly said to me: "I have had the honour to help the hero Gigantès, and you are going to give me a tip? This man who reached the highest offices, and never a penny stuck to his fingers." That is why he was poor.

Senator Bosa: Honourable senators, it is not that I am questioning the veracity of the way you describe yourself; you describe yourself as a poor humble individual.

Senator Gigantès: Humble, no. I never said that. Poor, yes. Humble, no.

Senator Bosa: Economically, I mean in the beginning. But, for a person who describes himself that way, I read here that you attended the Lycée Janson de Sailly in Paris, and then Athens College, Royal Navy College, Dartmouth England; University of Toronto, University of Carleton.

Senator Simard: Are you reading the biography of one of the petitioners? I'm not too clear.

Senator Gigantès: I am not sure.

Senator Simard: Whose biography are we into anyway?

Senator Bosa: If the honourable senators would hear me out and contain himself for a moment, he would know that I am just trying to question—

Senator Simard: I don't want to use up too much of the precious time of Senator Gigantès.

Senator Bosa: Senator Gigantès now purports to have had a very poor start in life. He said he was the son of a poor officer. His father was a general. I am just reading from his biography. It seems to me to be that of anyone other than a poor starving kid because in addition to that, he studied in Quebec. He is a journalist by profession. In his legislative career, he ran in a general election, but was defeated in 1980.

Senator Gigantès: I am happy; it got me to the Senate. It was wonderful.

Senator Stewart: He was summoned to the Senate in 1984. He was Special Assistant to the Right Honourable Pierre Trudeau.

An Hon. Senator: Hear, hear!

Senator Stewart: He was a journalist with the *London Observer*, the *Globe and Mail*, *LaPresse* and the *Gazette*, senior executive of the Canadian Public Service, university dean and professor. In 1970-72, he was writer and host of CBC's "The Public Eye". Were you also the Greek Minister of Culture?

Senator Gigantès: I was the Greek Minister of Culture, yes.

Senator Stewart: Look at the outstanding biography he has. In 1964 to 1965, he was Director of the UN Office, Washington, D.C. He was also Secretary General to King Constantine of Greece in 1964. He also served as an officer in Great Britain's Royal Navy.

The Hon. the Acting Speaker: Pursuant to rule 12, it is now 6 o'clock.

Senator Bosa: Two minutes to 6 o'clock.

The Hon. the Acting Speaker: Time flies when you're having fun! I now leave the Chair and will resume at 8 o'clock.

The Senate resumed at 8 p.m.

Hon. Peter Bosa: Honourable senators, when we broke I was in the midst of completing reading Senator Gigantès biography, and I wonder if I may be permitted to complete it.

Hon. Senators: Carry on.

Senator Bosa: In his private life, Senator Gigantès was a journalist with the *London Observer*, *The Globe and Mail*, *La Presse* and *The Gazette*. He was special assistant to Prime Minister Trudeau, Senior Executive with the Canadian Public Service, university dean and professor of Classics from 1970 to 1972, writer and host of CBC's TV show *The Public Eye*, 1965-66. He was Greek Minister of Culture, 1964-65, director of the United Nations Office in Washington, D.C., Secretary-General to King Constantine of Greece, 1964. Senator Gigantès served as an officer in Britain's Royal Navy. He was author of nine books, winner of the Bowater Award for a series on the Canadian identity, 1960.

Your Honour, you will find this reference in his biography very interesting. His party politics are Liberal, his religion is Anglican, and his address is given. That is the complete biography of Senator Gigantès.

Senator Stewart: In view of the important posts that the honourable senator has held, and in view of his distinguished record as a defender of freedom, would you regard him as a suitable person to present petitions to this honourable house?

Senator Bosa: Most certainly.

Hon. Richard J. Stanbury: Honourable senators, I have the honour to present a petition signed by 27 persons who are deeply opposed to the passage and implementation of the goods and services tax.

The first name on the petition is from Goderich. Goderich is the county town of Huron County, which is the county where I was born. I was born in the Town of Exeter, which is one of many towns in that community. It is a farming community and many of the towns are made up of retired farmers. If there is anyone who will be affected by the GST, it has to be those people.

(*Names of signatories read.*)

There are also some names from Bayfield, Ontario. From Bayfield to Grand Bend is a tourist area. I noticed that Senator Grafstein had some petitions from the Grand Bend area this morning and at the time he also had one from St. Thomas. He mentioned that St. Thomas was the home base of Mitch Hepburn. I remember that when Mitch Hepburn was in office he stayed at our place in Exeter. I was a youngster and we went with him to a meeting at Grand Bend where he had difficulty in finding a platform to stand on. Someone pulled up a manure spreader, and he stated that it was the first time he had ever spoken from a Tory platform. I was in the crowd when that happened.

The tourist area of Grand Bend, Bayfield and Kettle Beach, all of that area from Sarnia, will be terribly badly hit by the goods and services tax. Tourism will perhaps be one of the industries worst hit if the tax ever goes into effect.

Brussels is another major town in Huron County. There are names on this petition from Brussels, Brucefield, Kippen and Hensall. As a matter of fact, my father had a law office in Hensall and practiced in Exeter from 1899 to 1936. He also had an office in London, Ontario.

I was born and brought up in this area and I know it very well.

(*Names of signatories read.*)

I am happy and honoured to present that petition.

I also have a petition containing 11 names from the London area. I have a series of petitions from the London area which may be of particular interest. I went to the university in London and became very friendly with many of the families there. My sister and her husband and two of my nieces lived there, so I know the London area very well.

(*Names of signatories read.*)

Hon. Jean-Maurice Simard: Could the senator please tell us how that petition was collected and how it got into his hands? Under whose sponsorship, at which mall or Liberal association meeting? Could he give the details of the collection of that petition?

Senator Stanbury: I would be happy to answer that question. One of the difficulties of answering it directly is that we have something like 5 million petitions and it will be difficult to identify where each one came from. These petitions have been entrusted to me.

Senator Simard: Was it sent to you or Senator Hébert? You say it was entrusted to you. How was it entrusted to you? Was it entrusted to you through Senator Hébert, the official spokesman and mailman?

Senator Stanbury: It was delegated to me in the same manner as all other petitions. It is such a large group of petitions that no one person can handle it. I assure you they are addressed to the Senate.

Senator Simard: You do not know how this petition got to you? Do you know if it is a good petition and legally acceptable?

Senator Hastings: It is an excellent petition.

Senator Simard: Maybe you just picked it up on the sidewalk.

Senator Hastings: No, it is an excellent petition.

Senator Simard: When was it received, by whom, and at what time?

Senator Hastings: Senator Stanbury does not have to answer that.

Senator Simard: No, he does not have to answer that, but in the name of good sportsmanship perhaps he would volunteer the information.

[Senator Stanbury.]

Hon. Eymard G. Corbin: I think Senator Simard is insulting to the petitioners. It does not matter how their peitions arrived here. They are signed in the original handwriting, and to reflect on the manner in which the petitions came to the Senate is insulting to the petitioners.

Senator Simard: Was it signed under duress? As Senator Hébert would say, were the people bribed like the Queen was supposed to have been bribed? My question applies to each individual petition. If you are going to inform the public, do it completely. In the meantime, have a good evening and relax.

Hon. Jerahmiel S. Grafstein: Senator Simard, it is incumbent upon any senator, if he makes a charge of a serious nature towards a named petitioner, which you have done—

Senator Simard: I did not make a charge.

Senator Grafstein: Yes, you did.

Senator Simard: No, no. I did not make a charge. I asked a question. The record will show that I asked a question as to whether these people were bribed, and that is quite different from what Senator Hébert said on television last week, that the Queen had been bribed. That was a charge, and if he were man enough he would withdraw and do more than say it was a live program. After the show he could have apologized.

I did not make a charge, senator. Why do you not go after Senator Hébert and ask him to apologize to the Queen?

Senator Grafstein: Senator Simard, since you have withdrawn any implication, any innuendo or any suggestion that these petitions have come here by any means that are improper, I am delighted that you could acknowledge that. It is inappropriate for any senator to raise an allegation or imply an allegation unless that senator is prepared forthwith to present the proof, the evidence, in order that all of us can sit and weigh such proof, such evidence.

Senator Simard: I did not imply that these people have presented petitions improperly. That is why my question still stands. I urge senators opposite to tell us how these petitions were collected.

Senator Hastings: How can we do that?

Senator Simard: They have been entrusted to you. Before you accepted this trust you should know how these petitions were handled. If it is too much trouble, perhaps when Senator Robichaud's time comes to read petitions he will tell us how he has come in contact with the petitioners. Perhaps Senator Fairbairn will tell us how she got the petitions.

Senator Grafstein: I would like to make a comment. Senator Fairbairn is most capable of speaking for herself. She has spoken so eloquently for her province and for all of Canada on many matters, including the great, pressing issue of illiteracy.

Last night Senator Cogger and others followed the appropriate procedure and examined certain petitions and if they had had a serious question or had some evidence that was extraneous to the petition they would have presented it. Other than that, I believe that if the petition, on its face, is in the proper form, it cannot be questioned unless honourable senators

intend to bring additional evidence that all senators can then weigh and then determine whether or not that petition should be presented, withdrawn, or questioned.

In the absence of any evidence that an honourable senator can bring to respond to a heartfelt petition from not one but many petitioners on an important matter, it is incumbent on all of us to either accept the petition on its face, or, in fairness to those petitioners—not to the senators presenting the petitions—to bring the evidence so that we can decide on both sides whether or not those petitions should be withdrawn. Other than that, it is unfair to thousands of Canadians who welcome the opportunity to have their views and their voices heard in what we all believe and have been told is the highest court in the land, the court of Parliament.

Senator Simard: I do not know why, senator, you are so thin-skinned.

Hon. Joyce Fairbairn: In answer to Senator Simard, I did table a few petitions a week ago and I have some more. My petitions are coming from the bookstore at the University of Lethbridge where students have been signing them because of their concern about the tax on books.

Senator Stanbury: Honourable senators, my only comment to Senator Simard is that I would appreciate if he did not suggest that I picked them off the street, especially when I have my bride of 46 years sitting in the gallery.

Some Hon. Senators: Hear, hear.

Senator Stanbury: We are going to celebrate our 46th anniversary in the middle of this melee, and I think that is going to be a very interesting thing to attempt to do.

I wish to continue presenting petitions.

This particular petition is from the London area. I began to tell you about the London area and my association with that area which goes back a long way and has continued right through my university career at the University of Western Ontario.

London was always a great Tory area until more recently when some of the ridings became very clearly Liberal, with people such as our friend Senator Turner who became a very popular Liberal member there. However, generally speaking, London is thought of as the home of John Robarts and of the Tory Party in southern Ontario. These people all signed a petition stating that the goods and services tax will be anathema to them if it is passed.

(*Names of signatories read.*)

These 27 petitioners have signed this petition asking the Senate of Canada to stop the introduction of the proposed goods and services tax. I have the honour to present that petition.

The next petition is largely from the southern Ontario area. I see names from Simcoe, Princeton, Hamilton, London, Dunnville, Courtland, Burford and a number of rural route numbers in that general area. This is the agricultural heartland of southern and southwestern Ontario.

(*Names of signatories read.*)

There are 27 signatories to this particular petition and I have the honour of presenting that to the Senate.

The next petition I present also asks us to stop the introduction of the proposed goods and services tax. This petition is signed by 27 individuals from a little further east, such as St. Catharines, Jarvis, Thorold, as well as Simcoe. St. Catharines is where I lived when we left Exeter, Ontario during my teen years. I know the areas of Thorold, Merritton, Beamsville, and Grimsby extremely well. The people who have signed this petition from those areas are the following.

(*Names of signatories read.*)

• (2030)

Honourable senators, I have some petitions which come from the cottage area. People in the cottage area, as long as they are in tourism, are most seriously affected by the proposed tax. They also have signed this petition asking us to stop the introduction of the proposed goods and services tax.

Senator Lucier: Would Senator Stanbury permit a question at this time?

Senator Stanbury: Certainly.

Senator Lucier: During the course of the Thanksgiving weekend I was told that a Conservative member of Parliament from southern Ontario conducted a poll in his riding. It was certainly not a very extensive poll, but it was a poll of the people in his riding conducted to find out what the support was for the GST. His figures showed that 92% of the people contacted by his office are opposed to the passage of the GST. I wonder how that fits in with what Senator Stanbury has found in the area about which he speaks. I know he spends a lot of time in southern Ontario. Does that fit in with what he has found in southern Ontario?

Senator Stanbury: Thank you for the question, honourable senator. This particular petition comes from the cottage area. The first person on the list is from Coboconk. I was in Coboconk over the Thanksgiving weekend. I was almost grateful to the Speaker for making it so difficult for us here that we didn't get away until Saturday morning since that allowed us to drive across the country through Bancroft to see the gorgeous colours en route to Coboconk.

During the weekend I had the opportunity to discuss the tax on the street and in the stores with the people of Coboconk, Fenelon Falls and Kirkfield. I did not take a formal poll, but I did not find one single person among those with whom I spoke, including the store owners, the people on the street, and the people who have known me for some time, who did not say, "Hold on. Get rid of that tax. Don't allow it to pass".

I think your source is correct, senator, in terms of the results that he received.

(*Names of signatories read.*)

I appreciate that this is perhaps boring to those who are listening. But it is not boring to me because I see the real people of this country who are signing these petitions in huge numbers. I have never seen anything like this in my life.

Senator Stewart: Senator Stanbury, may I ask a question? You suggest that possibly the reading of these petitions may be boring; but, of course, you have it wrong. Certainly we on this side do not find it boring to hear from these Canadians. When Senator Simard presents petitions from people in New Brunswick, for example, in favour of the GST, we shall be delighted to hear the views of those people from his province. I think you should proceed without any hesitation whatsoever.

Senator Stanbury: Thank you very much, Senator Stewart. I tried to make it clear that this is not boring to me. I find them the most important part of our proceedings, because the real problem with what has been happening is that the government has not listened to these people. That is why people all over the country find it necessary to sign these petitions, and send them in to us.

If honourable senators opposite have petitions of a similar nature in favour of the tax, then please bring them forward, we would love to see them. We have not had any submitted to us, nor have you submitted any that we have seen.

The next petition has 27 names on it. It is from the same area, although it contains names from various parts of southern Ontario.

(*Names of signatories read.*)

The next petition is generally from the same area of Fenelon Falls, Norland, Coboconk, Four Mile Lake, et cetera. It is a petition containing 27 names. It asks us to stop the introduction of the proposed goods and services tax.

(*Names of signatories read.*)

On the next petition there are 28 signatures. In the same way, the petitioners ask us to stop the introduction of the proposed goods and services tax. They are also from the same general area, except that there are a few other towns involved, such as Kirkfield, Norland, Oshawa, Jarvis and others.

(*Names of signatories read.*)

The next petition which I present to honourable senators is one with 28 signatures on it. It also asks us to stop the introduction of the proposed goods and services tax. It comes generally from the Peterborough area, but it also has signatures from Kirkfield, Coboconk, Fenelon Falls, et cetera.

Honourable senators, when there are this many signatures from these little communities you know that you have almost the whole community in each case because there are not many people in these towns.

(*Names of signatories read.*)

I will read one more petition from the same general area. This is a petition with 20 signatures on it, and it asks us to stop the introduction of the proposed goods and services tax. It is also from Kirkfield, Fenelon Falls, Coboconk and Norland.

(*Names of signatories read.*)

Honourable senators, that is the last of the petitions I will present to you tonight. I want you to know the extent of the number of people from these small villages and towns all across Ontario who oppose the GST. Firstly, they are from the Huron County area where I was born. Secondly, they are from the London area, where I went to university. Thirdly, they are from St. Catharines, where I spent my teen years; and fourthly, they are from the Coboconk, Kirkfield and Fenelon Falls area, where we try to spend as much of our summers as we can.

I assure honourable senators that it is not only these petitions which tell me the feeling of those people. I have talked to them; I know their feeling. Their feeling about this particular piece of legislation is so intense that they have put a great deal of pressure on me, although they did not need to, since I am opposed to the legislation, in any event. However, because of this pressure, it is impossible for me to let up on my attempt to be sure that this piece of legislation does not pass.

Hon. Paul Lucier: Honourable senators, I have the honour to rise to present petitions from different areas of Canada, and, as usual, they contian objections to this despicable piece of legislation. The objections come from all parts of Canada, including northern British Columbia.

The first petition is from people in northern Alberta, from the Fort St. John area of British Columbia along the Alaska Highway. Fort St. John is mile 50 on the Alaska Highway. The petitioners come also from Grimshaw and Grand Prairie, Alberta. I was able to visit people in these areas this summer, and they were very disturbed by the fact that they will be faced with this unwanted, unfair and regressive tax, a tax which no one seems to want other than a few Conservatives on the other side of the house, who seem to be very willing to disregard what the rest of Canadians think. They do not give a damn what the rest of Canadians think. They never have, and they are not about to change. We understand that. That somewhat increases our resolve when we decide to fight them.

The Leader of the Opposition continues to say on TV, "Pretty soon, the people of Canada are going to be upset with what the Senate is doing and they are going to let those Liberal senators know that they don't like what they are doing." I wonder to whom he has been talking. I certainly have not received too many phone calls from people telling me they wish I would stop this fight. However, I do receive many phone calls and letters which say, "Keep up the good work and keep going. Keep doing these things on our behalf."

As a matter of fact, I received one letter today from a person in Alberta who supports the GST. He put together a piece of paper in support of the GST. It is notable because it is the only one I have received.

As I said earlier, when I was asking Senator Stanbury a question, a Conservative member of Parliament from southern Ontario, whom I will not name since I was not speaking to him directly, conducted a poll in his riding in southern Ontario over the Thanksgiving weekend. Some 92 per cent of the constituents in his riding who were polled oppose the GST. It seems strange that the other 8 per cent should be so intent on pushing for this legislation. I do not know where the resolve comes from to push it through.

As I said before, there is a small chance that Canadians are wrong, that they really should have this GST. There is a very

small chance that that is true. But there is a bigger chance that they have the right to be wrong. I have said that before, and I will continue to say it. That is the beauty of being Canadian. One can make dumb decisions if one wants to. However, one must live with them once they are made. I have made a number of such decisions. I have bought vehicles that were just terrible pieces of equipment. However, I bought them, and I lived with the decision I made. That is one of the great rights of being Canadian. One can make this type of decision.

As one travels through places such as Fort St. John, Grimshaw, Peace River and Grand Prairie, one will not find one person who wants the GST—not one. There are other things about which the people in those areas are worried. They want to know why the government is not dealing with high interest rates. Surely the function of the government is to put through some legislation that would deal with high interest rates, something which would do something for the people, which would deal with the bankruptcies that are now so out of hand. They are multiplying in great numbers in these areas in Alberta, particularly in northern Alberta.

If the government wants to do something for these people, then it should deal with the environment. People want to know about the environment. Are we going to continue to destroy ourselves the way we have been going thus far?

There are some very serious problems. They are not easy problems for the government, or for any government. However, they are problems which must be dealt with.

The Aboriginal people of northern Alberta, like Aboriginal people in other parts of Canada, need some attention. They need to have their problems dealt with. Their problems will not be easily solved. However, they want to think that someone is dealing with them. Why are we using all our energy and all our resources to stuff the GST down their throats? Instead, we should be using the energy to try to settle some of the land claims of Aboriginal peoples. That is not being done, contrary to what we keep hearing from the Minister of Indian Affairs and Northern Development. Surely, after the summer we have just gone through, we do not have to start asking if there are problems with the Aboriginal people of Canada. We know that there are.

Unemployment in these areas is rising. We are into a recession. There are only two people in Canada who do not know that we are yet into a recession, while 26 million people do know that. Unfortunately the two people who do not realize it are the Prime Minister and the Minister of Finance. The Economic Council of Canada knows it. Everyone else knows it. The business community knows it. Neither the Prime Minister nor the Minister of Finance know it. They think we are in some kind of a slowdown.

Senator LeBlanc: They call it a retrenchment.

Senator Lucier: I have heard that term before. I have been wondering, when you do not have a job, how it feels to be retrenched instead of being unemployed. I wonder if "trenched" people get paid more than unemployed people. I have not yet figured that one out.

Senator Austin: Is not the word "buried" another word for "retrenched"? Would you not say that the Canadian people are being "buried" by this government?

Senator Lucier: That certainly fits the bill. They will be buried by the GST. They will have to pay a 7 per cent tax on services, something which is being inflicted upon them in the midst of a recession. Who, in their lives, has ever heard of anything so stupid as to inflict a 7 per cent tax when we are in the throes of a recession and heading toward a depression? There are different opinions as to how far it will go and how long it will take to get out of it. Surely, the way to get out of a recession is not to impose a 7 per cent tax on Canadians. You do not have to be an economist to figure that one out.

It seems to me that the people of northern Alberta would like to have someone come up and try to solve some of the problems for the farmers who are sitting with nice crops. They had good grain this year. However, they cannot sell it. They cannot even get it into bins. They are piling it in farmyards. When they do sell it, they cannot sell it for as much as it costs them to grow it. We have a solution for that. We are going to stuff them with a 7 per cent tax on their goods and services. That will help them out! It always comes in handy, when you are broke and you are trying to figure out how you will survive the next month, if the government comes in and says, "We will help you. Here is a 7 per cent tax and a whole bunch of paperwork. We are going to create a whole new underground economy here. We are going to see how good you are. We are going to see how tough we can make it for you." What a wonderful way to run a country!

• (2100)

People in the forest industry are facing the same problems. They are trying to survive. They are just trying to keep their heads above water. Now we tell them they are into a recession. Quite frankly, I do not think that we had to tell them. They had a pretty good idea. They have had an idea for some time now that they were heading into a recession. I can tell you, honourable senators, that I spent some time in Alberta this summer. I spent some time in Calgary, in Edmonton, and in Red Deer. I was in Grand Prairie and Fort St. John. I was in some parts of northern Alberta, although not all of them, and not as many as I would like to visit some time. I have yet to run across one person in that part of the country—or any part of the country—who came up to me and said, "We really do not think you should be fighting this GST. We would like you to let it go. Let's get this GST in. We cannot wait to get it. We have a small business here and we cannot wait to do the extra paperwork and suffer the extra burden that this tax is going to inflict on us."

What are you people thinking of? What are you trying to do? There must be some rhyme or reason to this.

The people of New Brunswick do not want this tax. What makes you think you have a responsibility to come here and force it on them? The people of Nova Scotia do not want this

tax. Our job is not to see if we can give them something they do not want.

The governments of many of these provinces are now taking the federal government to court to try to prevent this. At what stage are you going to catch on?

It is a transfer of the tax burden from the rich to the poor. There is no question about that. Who are the only people in Canada supporting this tax? It is the manufacturing industry, the rich, and the people who have just been put in this Senate to pass the bill. I have no trouble believing that Senator Eyton will be voting for this tax. I do not even object to his voting for this tax. That is what he was put here to do. He was put here to protect himself and the people he represents: the multimillionaires of the country. They want this tax because they will be paying less tax. There is nothing wrong with his voting for this tax. It is to his advantage.

POINT OF ORDER

Hon. C. William Doody (Deputy Leader of the Government): On a point of order, Your Honour, is the honourable senator reading a petition, or referring to something, or answering a question? There is something in the rules about speeches.

Senator Lucier: I am reading the petition, honourable senator. I have great respect for Senator Doody, but I think he knows how I feel when I think the people of Canada are being unfairly treated.

Senator Doody: I appreciate that fully. I just have some concern for the rules.

Senator Lucier: Yes, I understand that, sir.

Senator Austin: This is a newly-discovered inspiration!

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Paul Lucier: This tax just seems wrong to me when I look at the names on the petition. How can you listen to these petitions and then sit there and ignore what people are going through and what this tax will be doing to them?

Senator Simard likes to make fun of the people who sign these petitions. I guess that if most people were sitting here making $70,000 per year and, like Senator Simard, receiving pensions from some other jobs, they too could have a little laugh at people who sign petitions. I suppose they could find some of this funny.

I tell you, honourable senators, most of these people do not find this funny at all. They are not finding much humour in what is going on in this country right now. These people from Grimshaw, Peace River and Grand Prairie really do not find it very amusing that a prime minister who has nine per cent of the support of the people in their province should be insisting that a tax, that is opposed by 85 or 90 per cent of Canadians, be imposed on them.

(*Names of signatories read.*)

[Senator Lucier.]

Senator Grafstein: Honourable senator, that petition is from Alberta. Could Senator Lucier give us any insight, for those of us from other provinces, into how the province of Alberta feels about this particular tax?

Senator Lucier: Yes, Senator, I could. The people of Alberta have revolted to the point where the Reform Party has made unheard-of advances in that province. Because of this tax, which is the straw that has broken the camel's back, as far as the people of Alberta are concerned, you could not find a Conservative in that province right now to save your life.

Senator Grafstein: Where does the independent senator, the elected senator, from Alberta stand on this issue? Is he remonstrating on this point or has he suspended his judgment?

Senator Lucier: No, he is a very strong opponent of the GST. He has been a very strong opponent, and his party has been strongly opposed to the GST from day one. It is interesting that at least one senator from Alberta, who was put in this Senate on condition that he vote for this tax—and I do not think that is much of a secret—is doing it against the wishes of a minimum of 90 per cent of the people, and the Government of Alberta. Is it not interesting that the Government of Alberta, the Conservative Government of Alberta, is taking the Conservative Government of Canada to court on this very tax?

Senator Austin: We thought they were friends.

Senator Lucier: Yes, we thought they were friends. This GST has proven that they are not very friendly with one another.

(*Names of signatories read.*)

Honourable senators, I would make you a bet that if you were to take this list back to Grimshaw, Alberta and ask every person on this list hose they voted six years ago, they would tell you that they voted Conservative. I would then make you another bet that if you asked those same people how they would vote if there were an election tomorrow, not one of them would vote Conservative. It would be a 100 per cent turnaround.

Politics is a weird game. Politicians usually like to pay attention to what the people think. Somehow, this government has got it into its head that once you are elected you have a five-year dictatorship, and if people do not like what you did in those five years, then they kick you out. Well, that is not the way politics works; it never has been. In the old days, it used to be that the House of Commons prevented that kind of behaviour from happening. Since the change of rules after the 1984 take-over, the House of Commons is totally useless as an opposition. There is no more opposition there. If the opposition is not here in the Senate, it is non existent.

Senator Austin: Absolutely right, Senator Lucier!

Senator Lucier: If you do not have an Opposition in the Senate of Canada, you do not have an Opposition.

Senator Fairbairn: Hear, hear!

Senator Lucier: This is a new phenomenon. It is not a coincidence that we have gone 126 years without ever trying to kill a bill. We have never had to before. The opposition was provided by the House of Commons. There is no more opposition in the House of Commons. The province of Alberta is the proof of that. Although 100 per cent of Albertans are against this tax, which is close to the right number, and the government is at nine per cent in the polls, which is pretty close to the right number, there were only two members of the House of Commons from Alberta who had the guts to stand up and object to the actions of the Conservative government.

Senator Grafstein: What happened to those two Conservative members?

Senator Lucier: They were both kicked out of their caucus. The two members were Mr. Kindy and Mr. Kilgour.

Senator Doody: Is that in the petition?

Senator Lucier: I have not seen their names in the petition yet, but I will continue to look.

Senator Grafstein: We expect them to be there.

Senator Doody: We have some rules here.

Senator Grafstein: Did they not petition with their seats? They put their seats on the line.

Senator Lucier: Yes; I give them full marks. They have a lot of courage. However, they, I think, have shown us what we had to find out. They were the two people who have shown the rest of Canada that the House of Commons no longer works. We all talk about Senate reform, but anyone who suggests that the problems will be solved with Senate reform is wrong. The problems will not be solved with Senate reform. It is the other House that needs to be reformed.

Senator Austin: Hear, hear.

Senator Grafstein: How should it be reformed?

Senator Lucier: It needs to be reformed and put back into a position where it can represent the people of Canada.

Senator Doody: Hear, hear.

Senator Lucier: The House of Commons no longer represents the people of Canada.

Senator Doody: Good stuff!

Senator Lucier: The only ones who represent the people of Canada are in the Senate of Canada, and I am glad to see Senator Doody agrees with me.

Senator Doody: Hear, hear.

Senator Lucier: He is one of the most respected members here.

Some Hon. Senators: Hear, hear.

Senator Lucier: We will be very pleased after an election because we know that he will be doing the same thing to us as we are doing to him right now—and he will be right when he does it, as we are right when we are doing it now.

Some Hon. Senators: Hear, hear!

Senator Doody: Petitions!

Senator Lucier: We are going to save these petitions. We will just change the names on them, Senator Doody, so that you will have something to attack us with.

Senator Molgat: Doody for Prime Minister!

Senator Grafstein: What a campaign we could put together!

Senator Lucier: I have more names:

(*Names of signatories read.*)

Honourable senators, it would be nice if we could break off for a couple of weeks. I know that is not going to happen, but it would be nice if we could have an opportunity to go out and listen to these people, as we did this summer with the committee. It would certainly be nice if we could take the time to listen to these people who took the time to sign these petitions and the time and effort to write the letters and to register the objections to this GST. We do not seem to want to listen to each other very much, but if we took time to listen to the people whom we are supposedly representing here, I think we would have to be pretty heartless not to sit back at some time and say, "What the hell are we doing? Why are we doing this? We are not doing it for us. We are supposedly doing it for them. They do not want it. Why are we doing it?"

I have another petition, honourable senators, from the other end of the country. This one is from the beautiful province of Nova Scotia. We have some Conservative members in this house from Nova Scotia who are going to vote in favour of this bill to inflict this tax on the people who are signing all these petitions and saying, "Please don't do this to us." They are people from your areas and they are saying, "Don't do this to us." There is noone from your area coming to you and saying, "Do it." There is a guy from Baie-Comeau coming to you and saying, "Hey, I'd like you to do this because Michael Wilson from Toronto would like you to do it." But there is noone from Nova Scotia coming to you and saying, "Do it." You are not here representing the guy from Baie-Comeau. He lost the stick the day he put you in here. Do yourselves a favour. Do him a favour. Do yourselves a favour for the rest of your lives. Represent your people. That is what you are here for.

(*Names of signatories read.*)

Can anyone explain to me how these people are possibly going to benefit from this tax—this tax which, according to the government's literature, is going to be revenue neutral? The government says it is going to raise the deficit, according to their figures, and is going to lower the deficit, according to their figures; that it will be visible, according to their statements, and will be invisible, according to their statements. We have found out we cannot believe anything they say. We have also found out that there is something that we can believe: that the ordinary citizen of Nova Scotia will be paying more tax after the GST than he paid before the GST. If that is not true, then this is a useless exercise. You shake your head, Senator? I am saying that if that is not true, then this is a useless exercise. If you are not going to take more tax from them, then this is a useless exercise.

Senator Murray: Don't offend Senator Lucier by shaking your head.

Senator Doody: Be patient, Paul, be tolerant.

Senator Murray: I don't want any head shaking on this side.

Senator Comeau: Yes, sir.

Senator Murray: Get on with it, Senator!

Senator Lucier: I am. You have to remember that I am on a time clock here, and I cannot go too fast. I burn out quickly.

Senator Grafstein: Slow but sure!

Senator Doody: What's your deadline? Midnight?

Senator Grafstein: Watch your health.

Senator Lucier: Yes, my health.

Senator Grafstein: Your message is more powerful than the time you take.

Senator Lucier: I am only on until midnight, and it is already 9:43.

I know that the people of Nova Scotia are going to pay more tax with this. Everybody knows that.

Senator Poitras: No, no!

Senator Lucier: We also know that anyone who is running a small business is going to have many more problems. They are going to have a lot more paperwork. It is going to cost them a lot more to do business. I also know that that does not seem to make much difference to some people. This is going to create an underground economy.

Senator Poitras: No, sir, on the contrary.

Senator Lucier: You say, "On the contrary," Senator, but even though your 3,000-man police force will help a little bit, I think it is not going to be quite as efficient as you think. You are going to find that there will be an underground economy. We have been told that. You were on the committee. You were there when the people who are going to be creating that underground economy were telling you that they were going to do it. You were listening to them, sir. You had the advantage that some of your colleagues did not have.

Senator Poitras: We tried to inform them properly.

Senator Lucier: Yes. I know that. General Bullmoose said it would be good for the people, so you tried to tell them, "This is good for you." You saw the reception you got, Senator. You saw how much they believed you. You saw how much the people of Nova Scotia and the people in all parts of the country believed you. The truth is that they did not believe you at all. I guess it starts with not believing your leader; so they are not going to believe what you say either.

(*Names of signatories read.*)

Honourable senators, it seems to me that when we go through all these names on the petitions, it always brings us back to the same thing: You are inflicting something on people who do not want it. They do not need it. It is replacing a tax that needs to be changed. It needs to be improved. You have to do something; noone has ever quarrelled about that. However, you are replacing a bad tax with a worse tax. We were told that in Vancouver. We were told that by people who were experts in dealing with the manufacturers' sales tax, people who have dealt with it all their lives. All they do is deal with the manufacturers' sales tax, and they said there were some flaws in it and that we should fix the flaws. You can even replace that tax, but, for goodness' sake, do not replace it with one that is worse and which has more flaws in it than the one you are replacing. That is what you are doing.

I have another petition from Halifax, Nova Scotia:

(*Names of signatories read.*)

Senator Grafstein: Where are these from, senator?

Senator Lucier: They are from Nova Scotia. These are people from Halifax and Dartmouth, people who really wonder why they should have to be subjected to this; why they cannot have their government deal with the problems that they think are important to them; why they should be subjected to a tax that is a further transfer of the tax burden from the well-off to those who are not as well-off; and why the government had to bring into the Senate a bunch of people who are well-off, to make sure that this was done. I think that is unfortunate. I do not know what the reasons are for bringing anyone into the Senate, but once we are here, our reason for being here should be to make sure that we represent the people of our area in the best way we know how. One should never have to wonder, when one has voted on something, whether it was the best way to serve the people one is supposedly representing.

Senator Teed: Absolutely!

Senator Lucier: Not one of you over there who, after having voted on this legislation, will be able to avoid saying, "I wonder if I did the right thing." I do not even know how you will be able to ask the question, because the answer will be so obvious since you will have been told so often by so many people whom you represent.

Senator Murray: It must be great to be born more virtuous than everyone else. You have a monopoly on virtue, have you?

Senator Lucier: If I have, I learned it from you. I watched you on TV over the last few days. I have watched you standing in front of the cameras and telling the people of Canada not to worry, that the people are turning against the Liberals and that pretty soon they are going to weaken and they are going to pass this thing because the people of Canada, who want this GST, are going to turn on them. I keep wondering about that, because you do not say things that are not true, Senator Murray. I am sure that at least one person besides Brian Mulroney or Michael Wilson has said that to you. I would really like to know who it was who phoned you and said, "I sure hope you get that thing through."

Senator Murray: As a matter of fact, perhaps it was Senators Buckwold, Kirby, MacEachen or Perrault, who, in 1987, signed a report of the Banking, Trade and Commerce committee recommending that:

as soon as practicable the Government introduce legislation to implement a broad-based multi-stage sales tax to replace the existing federal sales tax system.

Some Hon. Senators: Hear, hear!

Senator Lucier: Absolutely!

Senator Murray: I am sure you disassociate yourself from those comments.

Senator Lucier: I support that. That is not the issue.

Senator Stanbury: That is not what we got.

Senator Grafstein: Honourable Senator, could you give us the reference to that, so that we could take advantage of the whole text?

Senator Murray: I am sorry that Senator Grafstein was otherwise engaged on Tuesday, December 1, 1987, when the Standing Senate Committee on Banking, Trade and Commerce, chaired by the Honourable Ian Sinclair, of happy memory, brought in its report containing the recommendation I have just read. Let me give you a sentence or two:

> While the Committee would have preferred that the Government had moved tax reform forward in one complete package, thus obviating the necessity of interim sales tax measures, it understands the present requirement for some transitional changes to the system.

They were obviously dealing with some legislation.

> However, it is clear to the Committee that some of the measures proposed to patch up the current sales tax system are inadequate and will only result in the introduction of further inequities into the system.

And then in bold-face type:

> We recommend that as soon as practicable the Government introduce legislation to implement a broad-based multi-stage sales tax to replace the existing federal sales tax system.

● (2130)

Senators from the other side who are still alive and well and who served on that committee include Senator Buckwold, Senator Kirby, Senator MacEachen, Senator Frith and Senator Perrault. A number of other senators took part or served on the committee at various times in the preparation of this report and its recommendations. To mention a few, they include Senator Haidasz, Senator Olson, and Senator Stewart from Antigonish-Guysborough. At least Senator Steuart of Duck Lake did not have the misfortune to have lent his name to that clear recommendation which his party is now reputing by this filibuster.

Senator Grafstein: Was Senator Lucier a member of the committee?

Senator Murray: Senator Lucier was not, but a lot of his friends were, and if he wishes to repudiate the committee now, he has that opportunity. That is why I made the intervention.

Senator Grafstein: We appreciate your intervention.

Senator LeBlanc: Honourable senators, this is the second time today that members opposite have raised this sort of quotation, being very careful that none of the people named are present in the house. Senator Barootes raised a similar point of order this morning about Senator Stewart's article in the *Toronto Star*.

Senator Murray: You can send for them.

Senator LeBlanc: I listened to you politely, so would you listen to me for a while?

Senator Barootes neglected to add that this was an issue dealing with the House of Commons. In fact, Senator Stewart had explained the very important distinction between the Speaker of the House of Commons and of the Speaker of this place, who is a creature appointed by the Prime Minister. In the House of Commons, through consultation among party leaders, they eventually came to an even better formula, the election of the Speaker. I have not heard anyone from the other side supporting the idea of electing our Speaker. However, that is another issue.

Senator Murray has pulled this neat little trick of quoting from a report and naming members on this side who are associated with it without any of them being present in this place. I must say that Senator Murray reminds me of the former British Cabinet Minister Ian MacLeod, a member of Harold Macmillan's cabinet, whose political career met some difficulty when a labour frontbencher once labelled him as "Iain MacLeod, too clever by half". I find this technique of raising points without the people involved present to explain things, to say the least, not very good parliamentary practice.

Senator Murray: I shall certainly raise the matter when they are all back here. I will make a note to do so.

Senator Lucier: I hope that Senator Murray will raise that matter again. I really do not understand the problem with what he has raised. The suggestion is that we need some form of tax reform. That has never been argued.

Senator Murray: Good.

Senator Lucier: We have always known that there were problems. The same thing was said before the committee this summer. Everywhere we went people said that there were problems with the MST and that it needed to be changed.

Senator Simard: But your people never had the courage to proceed.

Senator Lucier: We did not have the courage to do a lot of other things you have done.

Senator Simard: Unfortunately you never had the courage to make the tough decisions.

Senator Lucier: No, we did not. Certainly if we had spent more time around you, we might have picked up a lot more courage.

Senator Simard: No, you chose to renovate church basements to gather a few more votes, but that time is over now.

Senator Grafstein: Senator Simard, what happens if the tax measure that we are talking about is tough and wrong?

Senator Carney: Order.

Senator Grafstein: I am entitled to address the senator. He has interjected.

Let me ask the question again. What happens if after Senator Simard has listened to all the evidence this policy turns out to be wrong? Then what?

Senator Simard: Allow me to answer. There have been many studies. Even Senator MacEachen came very close, in his day, to recommending a GST system. In fact, I suspect he did recommend it but decided to say, "No, it would be too difficult. We have an election coming and that is more important that doing what is right for the country." So there have been many royal studies and commissions. Yes, it may turn out to be difficult. The government is not ignoring the fact that some sectors will suffer, but it will be good for the overall economy, for Canadians, because it will put people to work and it will adjust our fiscal taxation system to allow us to compete internationally and eventually, because more jobs will be created, it will bring down the deficit. The tax will be revenue neutral the first year, but in the second, third and fourth years it will have a positive impact on reduction of the deficit. So, to answer the question, will it turn out to be difficult, devastating or as bad as you people paint it? No. Eventually, when we get down to debating the report and the bill at third reading, we will explain everything.

Of course, the unions are against the GST. They say it will be bad for the little people. Yet those same unions protected their rear ends by demanding COLA clauses in their contracts. They used their muscle and their membership to protect themselves, but they are still against it. So maybe they do not want it. However, there are people such as academics and other non-partisan bodies who like the GST.

Honourable Senators opposite like to quote the Conference Board of Canada when it suits their purposes. Well the Conference Board says that it is good for Canada and there are many provinces saying the same thing. Nothing is foolproof. It may turn out that the GST will cause difficulty for some sectors, but you have to have faith because there is no alternative. The governments of Québec and Newfoundland think it is good. Surely if it was so bad they would not try to harmonize their taxes with the GST. There are two or three other provinces who are coming to the same view.

You have to put partisan politics aside for a while and give it a chance.

Senator Grafstein: I appreciate the Honourable senator's candid comments, and we will obviously have to put forward a persuasive and cogent argument to persuade the honourable senator opposite to the contrary. The honourable senator has raised a new point that I had not heard raised before. Is he now suggesting that this tax measure is in aid of deficit reduction as opposed to being tax neutral, as was promised by Michael Wilson in the last election?

[Senator Simard.]

Senator Simard: I am glad that the Honourable senator has pointed that out. Several witnesses raised the same point during the hearings.

Senator Grafstein: Was that point made during the last election? My understanding is that Mr. Wilson and the Prime Minister proposed a consumption tax that would be tax neutral. In other words there would be no new money. The tax would be an equitable one. That is my understanding of the social contract that the Prime Minister and Mr. Wilson made with the Canadian people in the last election. Am I correct in that? Senator Simard appears to be saying that the GST is not tax neutral but is in aid of deficit reduction.

Senator Simard: I know that Senator Grafstein is trying hard and that he is an honest politician, but he does not always listen, or, at least, he chooses to forget some things. I know that you mean well.

Senator Thériault: The voice of a great listener.

Senator Simard: I said just moments ago that the tax would be revenue neutral for the first year. I am supported in that view by many professionals and other people who have studied the tax. So can we agree that it is revenue neutral? My second point was that the tax will be a deficit reduction measure. In years two, three and four, the GST legislation will put people to work because the costs to our manufacturing industry will come down. With those costs coming down they will be able to manufacture more and sell their products nationally and internationally. There will be more production and more people will be put to work, and they will pay more taxes. It is expected that $9 billion of new Canadian production will be contributed in the fourth year.

Is the Honourable senator suggesting that because more people are paying taxes the tax should come down from 7 percent to 6 percent in order to keep it revenue neutral? If he is, that would be short sighted because we must get hold of the beast that the deficit is. So, shortly after the first year the tax will produce more funds as more people go to work and thereby the deficit will be reduced.

The Honourable Senator also asked whether this matter was discussed during the last election campaign. I will sit down after I answer that question, unless the Honourable senator has another question. I could talk for hours on the GST and I hope to have an opportunity to discuss it when we get to Order No. 5. It is a good measure, and we are proud that this government has had the courage to take the punishment at the polls. We are confident that the people, despite the Liberal demagoguery, will see that.

This matter was not discussed during the last election campaign mainly because John Turner decided to fight 90 percent of the election on free trade. The concept of the GST was announced in the budget in 1987. White, yellow and blue papers were produced all over the place. It was part of our platform in 1988. If members opposite thought at the time that it was such a bad idea—maybe Senator Davey followed the wrong strategy or gave the wrong advice—they should have had Mr. Turner fight the election on the GST not on free

trade. That is my answer. I look forward to many more hours of debate with you.

Senator Grafstein: Senator Simard has raised an important issue. Rather than take up Senator Lucier's time, I shall allocate a portion of my comments to points that he has raised. Senator Simard has been fair to us and joined issues, and I think it is important that we have an exchange on those views.

Senator Lucier: Honourable senators, I ask that we do everything that we can to get today's *Hansard* out so that I can send Senator Simard's words to the people of Canada to inform them of how well off they will be. Eighty-five percent of Canadians think that they will be harmed by the tax and that it will be detrimental. They think that it is a regressive tax. I know a whole bunch of people in northern Canada who think that they will pay more tax on food items than people in southern Canada. They think that it is unfair. I cannot wait to get Senator Simard's words to point out to them how wrong they are.

Senator Simard: Honourable senators, the Honourable senator cannot wait. Well I cannot wait either. Why do you not agree to jump to Order No. 5 and let us get on with the debate on the GST?

Senator Lucier: I want the people of Hall Beach to know how fortunate they are to be able to pay $3.86 for a litre of milk that costs $1.00 in Calgary. They will be so happy to hear what you have to say. I am sure that they can hardly wait to hear how lucky they are to be able to pay $3.86 for a litre of milk that costs $1.00 in Calgary. Of course, they are paying GST on $2.86 which is the cost of the freight. They will be really happy to find out that this will be to their advantage.

Senator Simard: Put your filibustering aside, and let's go.

Senator Lucier: All the unions and people who appeared before our committee and said, "Kill this stupid tax" meant what they said. How is it that you never understood anything that they said?

Senator Simard: Are your prepared to move the motion?

Senator Lucier: I cannot understand it. Five million people have signed these petitions, and none of them realized how lucky they were. Now they are going to find out how well off they are. I suppose now they will think that they are even luckier because you can introduce this tax just as the country is going into a recession.

Senator Simard: That is the old Liberal way—the time is never right to do what is right.

Senator Lucier: Absolutely.

Senator Simard: That is your problem.

Senator Lucier: So old "Bull Moose" Simard says that the people of Canada should have this tax, and they are going to get it. If they do not want it, they are going to get it anyhow. Any people in his province who are against the GST will get it anyway. That is really smart thinking. That is the way to run a country.

Senator Simard: Let us discuss that.

[*Translation*]

Hon. Normand Grimard: I would have preferred a more favourable atmosphere for my first statement in this chamber, but I clearly do not have any choice in the matter.

I would just like to add something to what the Hon. Senator Murray mentioned to you earlier about the deliberations of the Standing Senate Committee on Banking, Trade and Commerce.

The Hon. Senator Murrray read you recommendation number 24, which, in English, reads as follows. This is what he read you earlier.

[*English*]

> We recommend that as soon as practicable the Government introduce legislation to implement a broad-based multi-stage sales tax to replace the existing federal sales tax system.

[*Translation*]

But, further on, there is another recommendation which is much more explicit. I refer to recommendation 26. There is, of cours, recommendation 24, which Senator Murray already read you. For my part, I intend to read you recommendation 26. Now, as you know, this committee was chaired by a Liberal senator, Senator Sinclair, and had a majority of Liberal members. Listen carefully to recommendation 26: "We recommend that the government proceed with legislation to propose a tax on telecommunications services, but that such legislation specify that the 10 per cent tax be withdrawn upon implementation of a multi-stage sales tax levied on a broad range of goods and services, including telecommunications services.

[*English*]

> We recommend that the Government proceed with legislation to impose a tax on telecommunications services but that such legislation specify that the ten per cent tax be withdrawn upon implementation of a multi-stage sales tax levied on a broad range of goods and services including telecommunication services.

[*Translation*]

So, that was the recommendation.

[*English*]

Be withdrawn upon the implementation!

[*Translation*]

What I want to know is this: three years ago, in 1987, a committee having a majority of Liberal members was in favour of a recommendation to implement a tax on goods and services. And yet, we have been wasting time for weeks now because you are using every means at your disposal to block a measure that you recommended in 1987.

[*English*]

Senator Lucier: I would be only too happy to answer that question. I do not care who recommended what, whether it be a Liberal, the Liberal Party or anyone else. When something is put before the people of Canada and 85 percent of them say the answer is "no" it is no and it is no more complicated than

that. If it is wrong it is wrong and if the people of Canada say to you that they do not want it, then you must listen to the people of Canada. That is what I have said before and that is what I continue to say. It has nothing to do with the Liberal Party, the Conservative party, the Banking Trade and Commerce Committee or anyone else.

[*Translation*]

Senator Grimard: Honourable sénator, you did not in fact answer my question, which was this: How is it that three years ago you were in favour of legislation that you are now attempting to kill? Forget about the people of Canada. My question is addressed to you.

Senator Lucier: I was not in favour of it three years ago, and I am not in favour of it now. But the people of Canada are now in a position to say whether they are in favour or not. They have said no. Can you not understand that?

Senator Grimard: But the Government of Canada was duly elected.

Senator Lucier: The people of Canada have said no. You cannot understand anything.

[*English*]

The people of Alberta, Nova Scotia and the Yukon are saying no.

Senator Murray: Are you controlled by public opinion polls.

Senator Lucier: Absolutely. I am always controlled by the public. Show me a government that is not controlled by the public and I will show you a party that is at 15 percent in the polls. If you do not have the brains to listen to the voters, you watch where you are in the polls. Perhaps the honourable senator should be controlled a little bit by what people think.

Senator Grafstein: If we are paying for the polls, why do you not table them? The honourable senator opposite talks about polls. If he has evidence to suggest that the intelligent public, the conservative public—

Senator Cogger: Are you suggesting that there is a difference between the intelligent public and the conservative public?

Senator Grafstein: No. I am suggesting that some of the intelligent public are Conservatives, NDP, and Liberals. My point is that if the question of polls is irrelevant, as some members opposite suggest, and the Government of Canada pays—weekly, monthly, quarterly and annually—for polls, then let us have the polls on the table and let us see what the Government of Canada has learned from those polls as to what the public thinks. I agree that we should not be bound by polls alone. However, that is not the purport of my question. Polls show some evidence of a public opinion and attitude. So let us have the polls on the table.

Senator Murray: As a matter of fact, one of the major differences between the Mulroney administration and the Trudeau government is that, under the present administration, polls taken by the government have become available under the access to information procedure. We tried to obtain polls taken by the Honourable Jean Chrétien when he was Minister of Justice and we were stonewalled in this very place and told that the release of the polls would be prejudicial to Federal-Provincial relations.

Senator Grafstein: Once again I agree with Senator Murray.

Senator Murray: I knew you would.

Senator Grafstein: If the taxpayer of Canada pays for polls, they should be tabled. Perhaps the honourable senator could save us some time as the Leader of the Government and make those polls available to us. Perhaps we could look at the polls of the last three-month period.

Senator Stanbury: And all of the petitions as well.

Senator Grafstein: The petitions are another question. They can bring them forward if they want. So, as opposed to proceeding under the access to information process, would the Leader of the Government in the Senate make the polls available to all Senators so that we can determine what weight to apply to them?

My point yesterday was that we should not listen just to mass public opinion but to informed opinion as well. Public opinion as represented by the polls certainly has some relevance, otherwise why should the government spend the taxpayers' money? I am confident that Senator Murray and his colleagues in the cabinet would not needlessly spend the taxpayers money unless they thought it was important to have those polls.

Senator Murray: A far more direct route is to go through the process that is in place. The people at the Access to Information offices have a whole computer system that can obtain all the polls taken on a particular subject.

Senator Grafstein: Will we be able to get them in sufficient time for the debate on the GST?

Senator Murray: Not if it starts tonight.

Senator Thériault: I want to bring some great news to this house. I just returned from New Brunswick. In fact, I watched Senator Murray on ATV this morning. I was impressed and so were the people with me. Some recent polls were taken in New Brunswick. They show the Tories at 11 percent. The people of New Brunswick, especially those of Beauséjour, appreciate the kindness of Mr. Mulroney in his decision not to put up a candidate there.

• (2200)

The Tories are at 4 per cent in Beauséjour, so it is quite magnanimous of the Prime Minister not to field a Tory candidate. They are at 11 per cent in New Brunswick, but at 4 per cent in Beauséjour. Take those polls into consideration.

Senator Lucier: To continue with my petitions. These petitions are public opinion polls. Public opinion is quite well reflected in these petitions. Polls are to find out what people are thinking. It does not make a lot of sense if senators are not going to listen to what they are thinking. It has become quite obvious, not only on this issue but on many issues, that this

government and this Prime Minister have chosen to bulldoze their way through. It is his way or the highway, and it has always been that way. He is going to find out that the highway runs in both directions. Those who are suggesting, especially the new senators, that we should not pay attention to what the people are saying, are going to find that that is a pretty dangerous stand to take in politics. Well, it is not, so far as you are concerned, because your seat is safe until you are 75 years old, as is mine, but I think you are going to find that the Prime Minister is receiving a pretty good indication of what the people of Canada think of him right now and that will continue for some time.

Senator Carney: Would the senator permit a question?

Senator Lucier: Yes, senator.

Senator Carney: In a discussion of polls, is the senator aware of the remarks made by Professor Robert Clark from my own university of UBC who appeared before the committee and stated something we should be aware of? In his remarks he stated, "I realize that all of the members of your committee are under intense pressure to base your recommendations preponderantly on short-term political considerations. My earnest hope is that you will steadfastly give prime emphasis upon what is in Canada's long-term interest."

Is Senator Lucier aware of that plea by Professor Clark, who is a recognized expert in this field, as I think you would agree?

Senator Lucier: Yes, he is.

I know Senator Carney was not a senator at that time.

Senator Grafstein: Could we put on the record who the witness was and what his qualifications are? If you do not have it available, then it can be given to us later.

Senator Carney: I am prepared to do that. Professor Clark, as you should know, is probably one of Canada's foremost experts on public finance. He is Professor Emeritus in the Department of Economics at the University of British Columbia. He appeared before the Senate committee on August 1, 1990. The quotation I provided came from his supplementary additional comments on six questions about the goods and services tax, where he states his support for the principle of a goods and services tax and acknowledges some very real problems, which we hope to deal with should you permit us to debate this issue, and concludes that despite short-term polls the long-term implications of this tax are good for Canada.

Senator Lucier: In reply, Senator Carney, I was at the hearings when Professor Clark appeared. We enjoyed his presentation. He is a very knowledgable person, as you have said. He was also asked if the GST should be passed as it is, and he said "No". He said it should be amended.

Senator Carney: Senator, could I ask you for the very same reference for your comments that I was asked to provide in this house?

Senator Lucier: Just get the *Hansard*.

Senator Carney: I was asked to provide the reference for the information I gave to the house. I am asking you to give the same information about precisely what he stated and when he stated it to the committee.

Senator Lucier: It will be in the transcripts and I will bring it to your attention at a later date. I am sure you can do that as easily as I can. I was there when he was asked the question.

Senator Carney: I am asking you to give us the same courtesy that I was asked to give you.

Senator Lucier: I am telling you I am not going to give you the same courtesy. Don't you understand English?

Senator Molgat: He was not quoting from a document; you were, but he has told you where you will find it.

Senator Lucier: I have told you I am not quoting from a document. I was there and I heard him, and I was there when he was being questioned.

Senator Carney: You cannot substantiate that.

Senator Lucier: I said that I would provide you with the documents, but you can get them as easily as I can. Professor Clark suggested that there should be amendments to the GST.

Senator Carney: Why do you not allow us to get to debate on the GST so we can examine some of these suggestions?

Some Hon. Senators: Hear, hear.

Senator Lucier: There is a little honesty required here. Are you suggesting, for five seconds, that this government is prepared, between now and December 31, to deal with amendments to the GST? Give me a break! You would not agree to amendments before.

Senator Carney: Honourable senators, I can only refer you to the remarks made by Harvie Andre, the Leader of the Government—

Senator Lucier: I am going to jump right out of my chair if you are referring me to Harvie Andre.

Senator Carney: Our job is to study and debate the bill and to make suggestions. You are preventing us from doing that.

Senator Lucier: I wonder if Senator Carney could tell me what direction Harvie is in. I would like to bow in that direction. He is one of the great intelligent Canadians of all time, and a real top democrat.

You mean the member of the government, Harvie Andre, is representing the people of Alberta on the GST? Go and ask the people of Alberta what they think of Harvie Andre right now.

Senator Carney: You asked me a specific question and I gave you a specific answer. Why do you not confine your remarks to the issue before you.

Senator Lucier: That is exactly what I am doing. If you will stay seated, it will be a lot easier for me to do it.

Senator LeBlanc: Must be she was a school teacher.

Senator Lucier: No wonder she got kicked out of the other place.

Senator Carney: Senator Lucier, did you suggest that I got kicked out of the other place? What is the basis for that suggestion?

Senator Lucier: Why are you not still in the cabinet?

Senator Carney: I retired because of arthritis before the election. I was not kicked out and that is a dishonourable and disgusting thing for you to say.

Senator Lucier: If you were not well enough to be there, why are you here?

Senator Carney: You should permit me to answer the question you have raised, because I think it is a dishonourable attack of yours to suggest I was kicked out.

I gratefully accepted the honour of being appointed to this place by the Prime Minister because I was assured that it was an honourable institution that would deal with the work before it in an orderly way. I am disgusted, as many of us are, with the methods that you are using to turn this place into a chamber of turmoil.

Senator Grafstein: Honourable senator, did the Prime Minister say those words to you as part of your appointing process?

Senator Carney: Yes.

Senator Cogger: That is a privileged conversation.

Senator Austin: She referred to it.

Senator Cogger: Honourable senators, I know Senator Carney is too discreet to reveal the contents of a personal conversation.

Senator Grafstein: We are always interested in what the other side has to say about this place. We did not ask her to divulge confidential information. She divulged it. I would like to know the nature of that conversation. I would like to know how the Prime Minister feels about this place. It might be very instructive for us. Senator Carney told us some things about the other place that seem to be inconsistent with what she has just said.

Senator Murray: Not about the institution.

Senator Austin: How about the Minister of National Revenue?

Senator Carney: Honourable senators, would you permit me to answer the question.

Senator Lucier: Absolutely.

Senator Carney: Let me assure this house that at the time I was asked to come to this chamber the Prime Minister really believed that it was an honour for me to be asked, that he was doing something that was honourable, and that I would enjoy and be able to contribute to the quality of debate in the chamber. I am sure every single one of the new senators felt that way. The issue is whether we still feel the same way after enduring what Liberal senators have done to this institution in the last two weeks.

Senator Grafstein: I am somewhat curious about the Prime Minister's comments, because they are helpful. They seem to be, honourable senator, very inconsistent with what the Prime Minister has said about this place from time to time in the past few years. Prior to Senator Carney's entry to this place, and prior to the question of the GST, the Prime Minister seems to have been saying one thing to his supporters and to those he chooses to elevate here. He has the prerogative to choose the best and the brightest to come to this place from his side, and I do not quarrel with that. On the other hand, from listening to his comments in the scrums and reading *Hansard*, he seems to say something somewhat different to the Canadian people than he said to the honourable senator in private during the process of her more important appointment.

Senator Carney: Let me reply to that by saying that the Prime Minister's remarks are totally consistent with the performance of this chamber. I think all of us could agree that the performance in this chamber is less honourable now than it was before because—

Senator Stanbury: Because you broke the rules.

Senator Carney: —because of the activities and actions of the Liberal senators in this chamber.

Senator Lucier: I hope the record will show that Senator Carney said this place was more honourable before she came than it is now.

Senator Carney: I would agree with that. That is my point.

Senator Lucier: So do I. I have no problem with that at all.

Senator Carney: Are you apologizing for your remarks?

Senator Lucier: If you want to believe that the place was more honourable before you came, and I am agreeing with you, then there is no problem.

Senator Cogger: Your Honour, on a point of order I would like to draw your attention to Rule 38, which states:

> All personal, sharp or taxing speeches are forbidden.

I am not suggesting Senator Lucier's speech is anywhere near sharp, but personal and taxing it is.

Senator Grafstein: Senators on this side and that side have diverted Senator Lucier from the most important task he is confronting us with and that is the presentation of these important petitions. I would like to hear more of those petitions.

Senator Carney: I am waiting for an apology.

Senator Lucier: The answer to the point of order is that I was not making a speech, so it could not have been very taxing. I was reading petitions.

I will continue on with the petitions.

(*Names of signatories read.*)

Honourable senators, I have many more petitions. I will be returning to them at some time. I know it is going to break

your hearts to see me sit down, but I will sit down since I know Senator LeBlanc has a few petitions he would like to present.

Hon. Roméo LeBlanc: Honourable senators, I have the honour to present a petition signed by some 596 residents of Saint John, New Brunswick, who ask the Senate to reject the goods and services tax bill.

Before I proceed to naming those who have signed this petition, I may say that I find it quite interesting how much importance we attach to the result of polls. National polls are generally a consultation of some 2000 or perhaps 2500 people. If one looks at the number of people who would normally be questioned on a national poll in a city the size of Saint John, I suspect it would be possibly 25 or 30 and that seems very high; perhaps it would be 10. I have a petition here signed by 596 people who were signing their names under a statement that the following people want this member of Parliament and the federal government to know that they strongly oppose the proposed 7 per cent goods and services tax. I have to give some importance to this petition at least in terms of numbers.

I regret Senator Simard is not sitting in his seat. I found his comments on the last election very interesting. Perhaps he will return, so I will save my comments on that for a little later in my remarks.

The petitioners listed on this impressive list would want us to honour the commitment that they made to sign their names to a petition, and I will read a good number of the names that are here.

(*Names of signatories read.*)

DISTINGUISHED VISITORS IN GALLERY

Hon. Jerahmiel S. Grafstein: Honourable senators, might I interrupt for a moment. A few moments ago we had a very interesting and potent exchange about the impact of public opinion on public policies. A legitimate viewpoint, a legitimate question, was expressed by members opposite about what emphasis should be given to public opinion. This evening in the gallery we are graced by the presence of organizers and key officials for the Pro-Canada Network, and also some very distinguished Canadians who are members of the Council of Canadians who are having meetings in Ottawa today.

Hon. Senators: Hear, hear.

Senator Grafstein: One reason the Pro-Canada Network is present is that they have requested a meeting with Liberal senators to deal with their concerns respecting the GST.

I know senators opposite would say we should not give weight to polls, but the Pro-Canada Network is not made up of polls. It is made up of people, over 10 million Canadians. This group is made up of more than 40 national groups and more than 10 provincial coalitions. They include representatives of labour—

Hon. Jean-Maurice Simard: Did you say 10 million?

Senator Grafstein: Over 10 million Canadians.

Senator Simard: Sheer nonsense. You don't believe that, do you, senator?

Senator Grafstein: I have no reason to disbelieve what the organizers have just told me a few moments ago. If senators opposite wish to question their representations, they are here and, although they are not able to speak in this chamber, they will be able to make their voices heard a little later on.

Senator Simard: They did the same thing on free trade. You know what happened to that.

Senator Grafstein: They represent labour groups across the country, which in turn represent important working Canadians. They represent women's groups, church groups from coast to coast, farm groups and small business people. They are an important and vital part of Canadian industry. Not only do they reflect public opinion, but they represent a substantive number of Canadians who work and pay taxes. I would like to welcome them this evening on behalf of all senators and we certainly welcome their efforts on behalf of public policy.

● (2230)

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Roméo LeBlanc: The number of people they represent echo their sentiments in these petitions which, as I said earlier, require of people that they make a commitment when they sign their names to a statement, something which they have done. I will continue reading their names since I believe that they are entitled to have their names read.

(*Names of signatories read.*)

Hon. Mario Beaulieu: Why not read the phone book?

Hon. Jerahmiel S. Grafstein: Perhaps the Honourable Senator LeBlanc did not hear the honourable senator opposite say that he might as well read the phone book. In fact, he intimates that you are reading from a phone book.

I think it is important, honourable senators, that we listen to these petitions. We talked about this yesterday and this morning. If honourable senators opposite have a question, or want to question the validity of petitions from Canadians who are trying to exercise one of their rights through their senator—

Senator Beaulieu: You know that it was an association that put that list together.

Senator Grafstein: I am listening to the names of Canadians.

Senator Stanbury: These are the real Canadians.

Senator Grafstein: All I am suggesting, honourable senators, is that if you have a suggestion to make to indicate that these petitions do not represent Canadians, and that they are somehow fictional, then the proper procedure is to address that.

Hon. Michel Cogger: I personally saw Senator Frith deliver this list to the desk of Senator LeBlanc. We do not question that.

Hon. Gildas L. Molgat: The honourable senator across the way is objecting to Senator LeBlanc's putting these names on the record. What we have been trying to tell senators opposite consistently is that these are the names of Canadians. You are saying that he is reading from a telephone book. That shows the regard you have for the Canadians who took the trouble to sign these petitions. They have signed these petitions themselves. Obviously, you do not like that because they do not agree with you. It just so happens that it is about time you listened to Canadians.

Senator Cogger: Senator Molgat, our worry on this side was that Senator LeBlanc was reading a list of names from New Brunswick, and each and every one of them is anglophone. I turned to my colleague and I said, "What is it?" He said, "It's simple. All the francophones in New Brunswick have deserted the Liberal party". I said, "I think you're going too far. We'll wait and see. Maybe he will get to the other end of it".

Senator Grafstein: I think that is an appropriate response. Certainly in the course of the next few hours, or the next few days, we will be able to satisfy the honourable senator opposite that there are francophones in New Brunswick who also feel as strongly as anglophones about the GST. I appreciate the senator's interjection because we will make those names available to him in the course of the next few hours, days or weeks.

Senator LeBlanc: I happen to have represented all of New Brunswick. Frankly, I did not make distinctions between francophones and anglophones. Whenever they wrote to me, phoned me or asked me to go see them, I did that. I resent this sort of attack, which, frankly, I find despicable. In fact, I have other petitions here, which I may or may not read this evening, which are from francophone areas. Again, there are some anglophones who live in those villages and towns, exactly as there are francophones and anglophones living in harmony together. Frankly, I do not think we need to bring up this subject on the floor of the house.

[*Translation*]

Senator Simard: Would you allow me a question, Senator LeBlanc?

Senator LeBlanc (Beauséjour): Senator Simard, I would be very pleased to answer your questions. You have always had the courtesy to rise and ask your questions. I will certainly attempt to give you an answer.

Senator Simard: Honourable Senators, I knew my request would not go unheeded. Your generosity is well known in New Brunswick. Thank you for giving me this opportunity to say a few words on the subject.

I would like to make the following suggestion to Senator LeBlanc. Of course, Canadians do have the right to see their name listed on a petition and mentioned in this Chamber. That is consistent with democracy, with our laws. It is the petition process. And I am happy that there are people in New Brunswick that want to participate in the democratic process. Senator LeBlanc has done more than his share over the years, through all these good years, and throughout his career in federal politics. He was one of our best Canadian ministers and an ally of the Hatfield government of which I was a member at the time. He has done a great deal for New Brunswickers.

Having said that, I would like to ask Senator LeBlanc if he does not believe that our time could be put to better use now debating the GST—our opposition to it, or support of it, and possible amendments to Bill C-62. I am just wondering whether all these hours spent here are really being well spent. We have already spent more than 80 hours on questions of privilege and petitions. I am wondering whether we shouldn't—we do have visitors in our gallery, people who represent Canadians—perhaps not ten million Canadians, but, say, two or three million—and I wonder whether those people really believed in what they were doing or whether they didn't just sign those petitions because they did not want to be pestered or pressured further.

So, considering that these people are here, perhaps we should begin to debate the GST and give the government a chance to respond to some of the concerns you seem to have. Some of your concerns may be perfectly legitimate.

We know that Mr. Wilson promised to improve the legislation either in a future budget, or through regulations or other administrative measures. It seems to me we would better serve the interest of Canadians at this point if we were to table Bill C-62.

I have a hard time understanding how one could possibly consider reading names off—names that will not even appear in the proceedings of the Debates—to be productive work; Senator Thériault, I had some kind words—and certainly entirely justified—for Senator LeBlanc. If you allow me the time to do so, I may have some kind words to say about you later on. But if you cause me to lose my train of thought, we could have trouble; so please be patient. Soon it will be your turn; I'll get to you. If not today, perhaps next week.

Senator Simard: Indeed, since we are taking about productivity, I think it would be worthwhile noting that this filibustering operation costs money, and since Senator LeBlanc—although I would not want to abuse his generosity—is the Chairman of the Internal Economy, Budgets and Administration Committee, I think at this point I should not only alert public opinion, but read out for the record a letter I sent to Senator LeBlanc today making a specific request—indeed, this letter followed a commitment he made in the Chamber yesterday in this regard.

So, with your permission, I would like to read this very short letter. I realize that Senator LeBlanc is already aware of it, but please allow me to do so for my colleagues' information. This is the letter in question, and it is dated today:

> Senator Leblanc, Chairman
>
> Ottawa
>
> Senator,
>
> I made mention in the Senate Chamber yesterday of my concern with respect to the additional cost associated with our sitting on a 24-hour basis, as well as my intention to forward to you, as Chairman of the Internal Economy,

Budgets and Administration Committee, a request for assessment of these additional costs. I would therefore be grateful if you could provide us, as quickly as possible, with a detailed list of the additional costs, either direct or indirect, occasioned by this situation.

Moreover, I have provided a brief list of certain types of expenditures that could affect this 24-hour operation, including salaries and related expenses, like Senate security, furniture and other services, food, messenger services and transportation, Senate personnel, as well as other expenses.

Thank you for your attention to this matter.

Yours sincerely,

Jean Maurice Simard

The senator from Edmonston.

Some people have been saying that this 24-hour operation that has been going on since Tuesday may be costing us as much as $50,000 or $60,000 more per day. In any case, I am still waiting for an answer. I know Senator LeBlanc will want to move as quickly as possible to provide me with one, as is his wont. But I will not further abuse his trust.

I will just close on that point, and invite Senator LeBlanc and others, like Senator Thériault, to give some thought not only to this letter, but to the appropriateness of discussing something else, given that Senator Stanbury and Senator Grafstein have just said they cannot wait anymore, that it is very difficult for them to wait, probably because Senator Frith has said to them: "Listen, you are going to stay here; you can read the telephone book, you can petitions, you can read all sorts of other things before we get to the GST." But I would hope that Senator LeBlanc, who has always been fairly independent-minded, will want to put an end to this folly being so masterfully directed by Senator Frith and Senator MacEachen.

If you wish to continue in the meantime, Senator LeBlanc, you are perfectly free to do so, but it seems to me you are so much more effective—and you have demonstrated this many times—when you are acting positively, by proposing improvements to things, rather than simply reading off the names of people who will never actually see their name in Hansard. Thank you.

Senator LeBlanc: I would like to thank Senator Simard for allowing me to rest for a few moments. With respect to his letter, I want him to know that I found it waiting for me when I went back to my office at 6 p.m. this evening. I will attend to it as soon as the Financial Services staff are back, and I do hope to be able to provide Senator Simard and other interested senators with this information then.

As to whether it is appropriate to register the opinion of Canadians who have signed petitions in the context of this debate, it is my feeling that one could easily justify spending a bit of time and money to allow people whose voice is rarely heard to make their views known and to register their opinion. In no way do I consider that to be undemocratic. Indeed, I think it is less undemocratic than simply ignoring the people's opinion, particularly when they take the trouble of signing petitions. It is less undemocratic than the process we were forced to suffer through when the senators opposite mounted a filibuster against their own legislation in our initial sittings after our return.

In any case, I am prepared to give the kind of serious consideration to Senator Simard's suggestions that they deserve. There is usually a very genuine feeling behind them. I hope that one day we will be able to come back into this Chamber and resume our discussions and debates in a serene atmosphere. But, having said that, I do reget that I was prevented from intervening on a question of substance, in other words, deprived of my right to vote when I appeared at 5:28 to do so. I admit I find that much more offensive to this institution than the operation we have mounted here, which involves paying some attention to public opinion, without necessarily using polls, the way the big agencies do, at a very considerable profit.

So that is why I will not attempt to paralyse the work of this Chamber, but I did feel it was important to convey the opinion of the people of my province, New Brunswick.

In fact, I would be prepared to share my time with Mrs. McCarver, if she wished to continue reading the list, or any other list; I am selfish, and I certainly do not claim to own it.

On the other hand, Senator Cogger, whom I like very much, said something I regret to say is downright silly when he stated that it was Senator Frith who had brought me the petition. That is completely wrong. I, myself, went to the pile of petitions and said: I would like to present petitions for my province. I then verified their authenticity. I was satisfied that they seemed to be acceptable petitions. That is why I rose to begin reading the names on those petitions.

So, I will continue to do so, with your permission, honourable senators.

[*English*]

I will continue to read the names on the petition.

(*Names of signatories read.*)

● (2300)

And that is the end of that petition, which I would like to present to the house. It mainly represents residents of the City and the area of St. John, New Brunswick.

Honourable Senators, I said earlier that I would make a comment when Senator Simard was present. I listened with great interest to what he had to say about the GST, especially his explanation that, in the first year, it will be revenue neutral, and then, afterwards, will increase. I do not wish to push the agricultural analogy too far, but, to me, this is a little like a rather innocent, neutral steer in the pasture, which, by some great miracle of nature, becomes converted into a milk cow, because if I understand correctly, in the second year of the existence of this very neutral species, that neutral tax would, at one point, transform itself into quite a large revenue producer.

Senator Austin: Six billion more!

Senator Simard: As more people go to work!

Senator LeBlanc: I hope Senator Simard's optimism is correct. I am a little worried because of the timetable of the introduction. I am not talking about the substance. I will not even pretend to be knowledgeable enough since I did not follow that file as carefully as I followed the Free Trade file owing to the fact that I was a member of the Foreign Affairs committee. I was not a member of the Banking Committee.

However, that being as it is, Senator Simard then did a remarkable thing. He is very resourceful, very imaginative. He blames John Turner for the fact that the GST was not fully discussed during the election campaign. I have heard the present administration blame us for everything that has happened. For example, if the carrots did not grow last year, or if the tomatoes froze, it was the fault of the Trudeau Government before 1984. We have had six years of passing the buck to those that the people of Canada replaced with a new administration, I assume hoping for better days, which they did not always get. Perhaps John Turner did not discuss sufficiently the GST, but if my memory is correct—and I stand here on thin ice because I have not had time to check the file and to look at the clippings—when that one very loose cannon, the Chairman of the House of Commons Finance Committee, Mr. Blenkarn, raised the issue of the GST, he was immediately silenced by the Minister of Finance. In fact, if I remember correctly, he said, "If Canadians knew what was coming, I don't think they would vote for us."

Senator Stanbury: That's right! He said that.

Senator LeBlanc: I do not know if that quote is exactly accurate and I do not want to be unfair to my friend across the way.

Senator Stanbury: Never!

Senator LeBlanc: However, I can say, frankly, that if I accept a lot of the blame for mistakes of successive leaders of my party, I do not accept that the reason the GST was not discussed in the last election was the fault of the Leader of the Opposition. I find that one a little bit hard to swallow.

Senator Oliver: Is this on your petition?

Senator LeBlanc: However, Senator Simard, I thought I would make that point in your presence.

Senator Simard: It is a good point, Senator.

Senator Austin: Hear, hear!

[*Translation*]

Hon. L. Norbert Thériault: Honourable senators, I have some petitions from New Brunswick, Ontario and elsewhere . . .

[*English*]

But, colleagues, I would like to relate to you, if you grant me a few minutes, my amusement when I hear my friend, Senator Simard, worrying about expenditures and deficits. I would like to relate to you that he and I sat facing one another in another legislature. He occupied the important posts of Minister of Finance and Chairman of the Treasury Board, and I do not know what others, but what he seems to have forgotten is that, when he took over with his leader, Premier Hatfield—and that government did a lot of good things, the debt in New Brunswick was $300 million. The total debt of my province when we were kicked out of office in 1970 was $300 million.

As a matter of fact, in 1969, which was the last year of our administration, we had, for the first time since, I think, 1907, if I remember correctly—and it was such a long time ago—we had actually reduced the debt of New Brunswick, and that is something that has not been done in many places in Canada. We had reduced the debt of New Brunswick by $2 million. They took over in 1970, and guess what? I repeat that they have done a lot of good things in New Brunswick, but one thing they were not known for was their frugality, because, 17 years later, when the people of New Brunswick woke up, we had a debt of over $3 billion. Senator Simard and his colleagues—I wish his premier were here right now—

Senator LeBlanc: His whole Cabinet is here.

Senator Thériault: They were not known for their frugality. As a matter of fact, part of that time, Senator Lowell Murray was Deputy Minister in the Premier's office. I repeat, I am amused when my good friend talks of the cost of running the Senate these extra hours.

Senator Stanbury: Especially with eight more senators!

Senator Thériault: Yes. I am amused, because, I repeat, he was not known for his frugality when he was a minister in the Province of New Brunswick. His expense account was never the lowest.

Senator Simard: Would you allow me a question or comment at this time?

Senator Thériault: Yes, sure, I've got time.

Senator Simard: I would just like to remind Senator Thériault that, yes, when we took over in 1970—and we are going to be celebrating the 20th anniversary of that take-over in a few weeks—the budget of the province was around $325 million. The Liberals had prepared for an election in the Fall of 1970 and projected a surplus of about $5 million or $6 million for the year.

Senator Thériault: More than that!

Senator Simard: We took over and had the books examined by a firm of chartered accountants, and those figures were confirmed by the Auditor General of New Brunswick, and they found that, in a budget of $325 million with a projected 1970-71 deficit of $5 million, the actual figure turned out to be a deficit of over $10 million.

You say I was irresponsible, but to this day I remain the only Finance Minister in the history of New Brunswick, presiding over the financial administration and operation and budget, to have had four consecutive annual surpluses.

Some Hon. Senators: Hear, hear!

Senator Simard: Mr. Maher came very close in the last little while to match this record, but he had to admit last week that, unfortunately, he was not going to be able to make it three surplus years in a row. Our record will speak for itself. Yes, the debt of New Brunswick increased, as it increased throughout Canada, but I just want to remind you, Senator Thériault, that we made commitments in the 1970 election campaign to remove the sales tax on clothing, footwear and building materials among other things, which we did at the first opportunity in March of 1971.

Senator Cogger: Hear, hear!

Senator Simard: We took the tax off many items other than the ones I mentioned.

Senator Austin: Why don't you do that again?

Senator Simard: As a matter of fact, the Liberals, in the golden years under our colleague, Senator Robichaud, taxed just about everything that either moved or did not move. Over the first four years we kept removing taxes and reducing taxes, but that does not matter. Perhaps you and I wish to relive those years, but the fact of the matter is that the electors of New Brunswick re-elected the Conservative government in four consecutive elections. So there is no second guessing here. It does not matter what you and I say about those years. In 1987, they chose to elect Premier McKenna, and you should not be saying things that reflect badly on the judgment of New Brunswick citizens. That does not really pay big dividends. Let us let history be history. Let us perhaps draw some lessons from our mistakes and your mistakes, and let us hope that, once the GST is implemented, perhaps two or three years from now people will see who was right. We were not always popular during those 17 years in office. As a matter of fact, we started every election, 1970, 1974, 1978 and 1982, as Senator Murray will testify—

Senator Murray: But not tonight.

Senator Simard: —at least 12 or 15 or more points behind, but the good judgment of the people of New Brunswick prevailed and they realized that we had shown courage and had fought for what we believed, and when they looked at all the alternatives, they decided that, while perhaps we were not perfect, we were the best choice. They said no to Joe Daigle; they said no to Doug Young; they said no to Bob Higgins as they had said no to our friend and beloved colleague, Senator Robichaud, in 1970. Our electoral record speaks for itself. Let the future be and we will see. Do not try to second guess what happened from 1970 to 1987, Senator Thériault; just get on with the GST.

Senator Thériault: You may have noticed, honourable senators, that it is very easy to get under the skin of Senator Simard. He forgot a few things, though. It is true that they started at least two of those elections behind in the poles, but they spent hundreds of millions of dollars of government money to buy their way into office, throwing away money right and left. He talked about four consecutive surpluses. Still, in 17 years, they took a debt of $300 million—$300 million since Confederation—and in 17 years they made that debt into over $3 billion.

I heard Senator Murray, I think this morning, on "Canada A.M." discussing the mountain of debt that the Trudeau government had left to the Government of Canada. Can you imagine? He was Deputy Minister in Premier Hatfield's office when they were piling debt upon debt upon debt on to the poor province of New Brunswick—$3 billion on to 700,000 people.

Senator Murray: You left holes in the ground where there should have been hospitals! You had terrible hospitals. You had not even joined Medicare, for goodness' sake.

Senator Simard: That is right. We had paid for Medicare for three years but we were not getting it. The public libraries were in terrible shape. They had been opened without books and we put books into them.

Senator Thériault: Senator Simard talks about taking the sales tax off shoes or clothing, and that is true. However, for the first time in New Brunswick, his government imposed a labour tax. We had never heard of, or dreamt of, taxing labour. They imposed a ten per cent tax on labour and drove the economy underground in a way that had never been seen before in New Brunswick. A ten per cent tax on labour!

Senator Murray: That is not going to be so easy for Premier McKenna to harmonize with the GST.

Senator Thériault: Honourable senators, we listened throughout the summer to Senator Simard on the Committee. I did not say very much, but I have watched how he spent government money for 17 years.

Senator Cogger: Senator Thériault, I do not want to raise a point of order because I have not had too much success with those this afternoon, but—

Senator Simard: Try again!

Senator Cogger: —I might just point out to you that it seems to me that you are on the wrong tax in the wrong years!

Senator Oliver: You are on petitions!

Senator Cogger: The last I looked, we were trying very hard to get to the debate on the GST. The year, Senator, is 1990! We are not discussing labour taxes.

Senator Austin: That is so good of you, Senator Cogger. You have so many things to say about the Trudeau past at any time you wish to speak, but the Hatfield past is suddenly not appropriate.

Senator Murray: He is not here!

Senator Cogger: I am sorry, but I was not even in grade school when that came about.

Senator Thériault: As a matter of fact, I sometimes believe that you should still be in grade school, but that is another thing.

Some Hon. Senators: Oh, oh!

Senator Nurgitz: That was funny!

Senator Thériault: I knew I would get a reaction. I did want to say again that I heard Senator Murray this morning with a group of people, and I have never seen a parliamentary leader with a majority bungle so badly as the Leader of the Government did today.

Somebody said some time ago—and I have heard this more than once—that the Liberals don't know what to do in opposition and the Tories don't know what to do in government. We have the proof of that. You people don't know how to run a government! You do not know how to run a parliament! I thought you would learn after you forgot to count when Joe Clark was defeated, but you have not heard.

Senator Simard: Are you telling us?

Senator Cogger: We are listening.

Senator Thériault: As far as I am concerned, I could not care less.

Senator Cogger: Jerry, you could give us a lesson about that using the Liberals in Ontario.

Senator Grafstein: The most glorious interlude in the history of Canada!

Senator Thériault: I heard Senator Murray telling us what senators said in the Banking Trade and Commerce Committee Report of three years ago. I was part of a government that imposed taxes, and people did not like that. Senator Simard was part of a government that imposed taxes, and people did not like that. What bothers me about the present situation in 1990 and going in to 1991 is that the GST is just so unpopular. We never had a tax revolt during the years that I was in the provincial government and I do not remember receiving thousands or even hundreds of names on petitions against any tax that we increased. We increased the sales tax and we increased income tax, like every other government, but I do not remember—and I am sure Senator Simard does not remember from when he was in government—receiving thousands of petitions and phone calls and letters from people and organizations and municipalities and provinces and church groups. This is almost a tax revolt. How do you expect to govern a country when 80 per cent of the population has lost confidence in the government?

Senator Stanbury: Eighty-five!

Senator Austin: Almost 90!

Senator Thériault: You have lost the trust of the people. I would like anyone here to tell me if they have ever seen thousands or hundreds of thousands of signed petitions against any government measure. It has never happened in the history of Canada.

Senator Cogger: Senator Thériault, might I remind you of something? I heard the same story back in 1987 when you went around the country and then came in to this Chamber scaring us and scaring everybody, saying, "I've got petitions. Do you think this government is going to impose Bill C-22 on the country? Look at what the people of Canada say. I've got petitions." It is the same horror story.

[Senator Nurgitz.]

Senator Austin: Here you go with the same old red herring.

Senator Cogger: Senator, how do you expect us to take you seriously? You sound like an old record. I had a similar discussion with Senator Grafstein last night. You missed a good exchange.

Senator Thériault: I've got time.

Senator Cogger: Stick around. Maybe we will do it again. Around 3:30 in the morning, we redid the debate on Bill C-22. Your side of the House keeps repeating the same story. Remember what you did in 1987 over Bill C-22? You said, "If this government has any sense, they will drop this bill because the people are against it." What did the government do? It took its responsibility and put C-22 through. What happened to the price of drugs? Contrary to the scare tactics and the horror stories—

Senator Thériault: They went up 50 per cent!

Senator Cogger: Look at the first annual report of the Drug Prices Review Board. The prices of drugs actually went down.

Senator Austin: That is nonsense!

Senator Cogger: I know you do not like to hear it.

Senator Stanbury: The report did not say that.

Senator Austin: The report says they increased 18 per cent.

Senator Simard: You said the same thing about free trade!

Senator Grafstein: Senator Cogger, perhaps I will come back to the drug question, but to be fair, the government itself has said, in its projections, that the GST is not going to reduce prices.

Senator Simard: Oh, yes, it will.

Senator Beaulieu: It will on some items.

Senator Grafstein: In fact, in the neutral period, in the first year, it will have an inflationary impact of 1.25 per cent. I listened carefully to Senator Cogger's arguments on the drug question and I think it has narrower application than a wide consumption tax, but surely the impact of this particular tax is inflationary, and that is the concern of Canadians who are already concerned with the high interest rates. The government itself has indicated this. To be fair, and to respond to Senator Thériault's patriotic plea to listen to the voices of many Canadians who are concerned about this issue, I think that they are concerned at least about the interim period, the first year. We will talk about the longer period later, but clearly, in the interim period it will have an inflationary impact, and that will cause interest rates to be maintained at a higher level than Canadians—all Canadians, this side and that side of the house—can either afford or deal with. So if we are going to have a more cogent exchange, let us try to deal with the issue and see if we can have an agreement or disagreement on the more narrow point, but let us make comparable analyses that are helpful to this house and to the public.

I will not get to my petitions until sometime after 1:00 o'clock, but let me just say now that, in the gallery this evening, we are graced by the presence of Mr. Morton Smith,

and his wife, Carol Smith, who have come from Toronto. They live in the northern part of Metropolitan Toronto, the region I so proudly represent. I welcome them here. I went up to greet them and I asked them what their view was on the GST. I had not had a previous discussion with them. Mr. Smith is a very distinguished barrister and solicitor in the City of Toronto and comes from a great family of professional people who have been in the accounting business and the law business for several generations. He said to me, and I am not quoting him out of context, "Look, this is a terrible tax." And he gave me the reasons for his opinion, such as the cost of dealing with the tax and the impact it will have on professional services and ordinary citizens. Now, this is a raw petition, unsolicited, spontaneous, from somebody I do not think is a partisan politician, and who comes from my fair city.

I welcome Mr. and Mrs. Smith, who have made these poignant and pertinent comments on the debate at hand.

Some Hon. Senators: Hear, hear!

Senator Carney: May I ask a question? Have I missed something or have we moved to the debate on the GST? I ask that in light of the remarks you have been making for some time.

Senator Teed: We are ready.

Senator Grafstein: As I understand the rules, a senator presents the petition, and if other senators wish to question the senator about the petitions, they are entitled to do so. Senator Cogger was responding to Senator Thériault, who has been labouring under some duress in order to deal with these petitions.

Senator Thériault: Yes, I am very upset.

Senator Grafstein: We were responding, I believe, within the context of the rules, where one senator questions another senator. Senator Cogger then directed a comment to me, and I was responding to his comment.

Senator Carney: Honourable senator, you know that an analysis of the bill is really subject for debate. We are very ready on this side to move to debate. Clearly you are giving us the benefit of your views. I think we should move to the debate.

● (2330)

Senator Grafstein: Honourable senators, Senator Thériault has a number of petitions to present. I understand that Senator Watt, who represents a very important constituency of the country, the far north, has a number of petitions to present. It is important that we hear from him and about the petitions that he would like to address. I have a number of petitions from Metropolitan Toronto, and I would like to deal with them. So I think that we should continue with the petitions.

[*Translation*]

Senator Simard: Honourable senators, Senator Thériault, you were saying that you and I, and perhaps others in this Chamber, had served in governments that had implemented taxes or increased taxation rates. That's quite true. You were very successful for quite a number of years, just as we were.

Senator Thériault: I never lost.

Senator Simard: No, that's right. I was beaten before people got a chance to know me, but once they knew me, they supported me. I was beaten in 1968, when Trudeaumania was sweeping the country. That was a difficult experience, but nonetheless beneficial in subsequent years.

The advice that I gave Senator Thériault earlier was that we should spend less time talking about the past and more time looking to the future with confidence, including passing the GST, which will help us prepare a better future for this country.

Senator Thériault, you and I were both part of a government that increased taxes. I think that Canadians understand that taxes have to be paid by someone. We would obviously prefer that our taxes be paid by our neighbours; that's right, and it's perfectly normal.

As I recall, Senator Thériault, back in 1971, after your government's defeat in the New Brunswick Legislative Assembly, in the course of an evening of debate like the one taking place this evening, you made a confession. I just wanted to remind you of this and say that there was some truth in it. I believe you were serious at the time and that you still are. I understand that you sometimes get too wrapped up in partisan considerations and for too long time a time—but that is something else altogether. But you, Senator Thériault, you admitted that the reason you lost power back in 1970 was not because your government was a bad government or for any specific reason; according to you, Senator Thériault, the main reason for your defeat was that you or your government had completely lost touch with the people. And I believe there is a lesson to be drawn from all of that. A government may become unpopular at various times during its mandate, but it is a fatal error to lose touch with the people.

And I'd like to tie this in with the GST. The current government has not lost touch with the people. The problem is not that the government won't listen to the people; it has listened to them; Mr. Wilson listened, even during the election campaign. We were criticized for this earlier, but in fact, we should have been congratulated for having said: yes, the GST will be a cash cow. The government was so concerned with what the people had to say that the rate was lowered from 9 to 7%. The government also agreed to other amendments even before the legislation was tabled in the Senate. So, the government has not lost touch with the people.

Now, that doesn't mean that a government should necessarily be managing the country's affairs on the basis of polls. The government is listening, and even though, unfortunately, 80% of Canadians are opposed to the tax, for various reasons, we know how many of those who make up this 80%—and we said this in Committee and heard it said in Committee—who are against the GST are opposed to it only because they want their particular sector to be exempt. They want their neighbours to be taxed more and pick up the slack, as they say.

I would just like to remind Senator Thériault of his public confession at a time when he was in a good frame of mind, and I would not want you to conclude that, because the government seems to be somewhat inflexible at this time, it has completely lost touch with the people. Absolutely not!

In due course, this legislation will be passed despite all opposition. We have no choice. And the sooner, the better, in order to ensure that Canadians are ready when the new GST comes into effect. So, Senator Thériault, you, too, should stay in touch with the people. Try to find out why there is such strong opposition to the GST. It's not cash in the bank for you. These are not all votes for you. Don't go thinking that, because you have taken their concerns to heart, when the time comes, they will rush to embrace you, saying: you Liberals defended us, and now we're going to vote for you. The fact is, these same people will eventually remember that the Liberals used them to justify the disgraceful scenes we all witnessed last week. Eventually these people are going to say to themselves: we prefer a government that has the courage of its convictions; although it made it unpopular, the government did something beneficial for the country.

So, Senator Thériault, I'll just end on that point and say that I hope you will find the courage to admit that you have really been a bit too irresponsible, a bit too demagogic, over the past few months, and to eventually say to yourselves: we made a mistake, and now we are going to discuss just how we can make this legislation better. Then I believe your role would be a useful and justifiable one.

Senator Thériault: Honourable senators, I have here a petition, because today marks thirty years that I have been in public life, be it at the municipal, provincial or federal level.

I was stopped by hundreds of people on the streets of Moncton who told me that when I went back to the Senate, I was to try and get their message across to my colleagues here who don't want to hear it. I saw some 1500 people stand up as a group and beg me to try and block the GST. I just say to my colleague, Senator Simard, that polls are one thing, but petitions are quite another. There is going to be a by-election in New Brunswick on December 10, and your government doesn't even have the courage to field a candidate because you're only at 4% in the polls. That's the reality. You're going the see the real polls in New Brunswick, because there'll be people voting for the NDP, the Liberals, and the COR party. And in Ontario, there'll be people voting Liberal, a few voting Conservative maybe, and, of course, NDP. And then you'll see the results of polls on the tax, and everything you've been doing.

Senator Simard: I would just like to stop you for a moment to tell you that I believe you have introduced a new topic into the debate; whenever you're supposed to be talking about something in particular, you're always going off topic.

Senator Thériault: Which is the reason why you're here now.

[Senator Simard.]

Senator Simard: That says it all. I thought I dealt with this subject earlier to my satisfaction. But then he went and introduced something else.

As to what's going to happen in Beauséjour, I must say I've always preferred to leave the polling to the professionals. But even the experts make mistakes sometimes. A perfect example is the provincial election results in Ontario, where Mr. Peterson was leading with 52% when the election was called. But that's another story altogether.

As to what's going to happen in Beauséjour, Senator Thériault, whatever happens, happens. I think I'll just stop for a moment, because I seem to have lost the attention of Senator Thériault. Perhaps silence will have a beneficial effect on him.

If you would be so kind as to listen to my remarks, Senator Thériault, I will attempt to deal with your problem. You seem to want to predict the results in the Beauséjour by-election. But I, for one, am unaware of what the results will be.

Senator Thériault: It's on December 10.

Senator Simard: Yes, that's right; on December 10. And Prime Minister Mulroney didn't hesitate. He decided it would be on December 10, and that we would not field a candidate. He asked—listen, you mentioned this once, and now I would just like you to wait for the answer.

Senator Thériault, you talked about 4%. Well, Prime Minister Mulroney didn't wait too long to announce the by-election, after having put Mr. Chrétien to shame for refusing to seek a seat. That's when Mr. Chrétien decided to run in Beauséjour. Certainly, we can discuss why he decided to run there, rather than in Quebec, another day in greater detail, but that, again, is another matter.

So, he is running in Beauséjour. I really don't know what's going to happen. Now, you're sayin that we're only at 4% in the polls, but the fact is we've never been much higher than that in Beauséjour in the past hundred years, in either the good years or the bad years. So, it really doesn't matter. There is nothing new in that.

But what I would like to remind you of is that Mr. Mulroney, after all, was very nice to do this; your leader, Mr. Chrétien, said himself that Mulroney had been kind and gracious, had behaved like a gentleman because he'd wanted to follow in the footsteps of a former great Prime Minister, Mr. Pearson.

I hope you're not going to get upset this evening, Senator Thériault, about not being allowed your own interpretation of the process that led the Prime Minister to make this decision. So, we can take it, and I don't think there's really much point in saying that we're at 4%, or that Jacquie Vautour is at 6% — you know what I'm talking about. I mentioned Jacquie Vautour, and I wasn't wrong.

But I do hope that Senator Thériault will make a visit to Beauséjour; it isn't far from your riding. Perhaps you could tell them, Senator Thériault, just what you said during the convention in Calgary, when you were being interviewed by Mario Montpetit on the French network of the CBC—just exactly what you said about your own leader who is now running in

Beauséjour. I hope that you are prepared to tell them that you yourself, Sénator Thériault, said of your current leader, Jean Chrétien, that he had neither the intelligence nor the stature to be leader of the Liberal Party. And even less so to be Prime Minister of Canada. What's more, we have recordings of that. You yourself said that.

So, if the people of Beauséjour want to vote for Chrétien, after everything you've said, well, too bad for them; we're just going to let them make up their own minds. Don't try to short-circuit the decision-making process, Senator Thériault; tell me you're going to find the courage to repeat the accusations you made in Calgary when you visit Beauséjour. Copies of them are in our possession. Then you may really provide a useful service to the people of Beauséjour, by making them aware of what you said and warning against voting for someone who has neither the stature nor the intelligence to be the leader of the Liberal Party.

That's right, Senator Murray, in case you missed the beginning of my statement. That's exactly what Senator Thériault said on the eve of the convention in Calgary where his leader, Mr. Chrétien, was elected—that he had neither the intelligence nor the stature to be leader of the Liberal Party of Canada—still less Prime Minister of Canada.

So, if the people of Beauséjour want to vote for him, fine; I have no objection.

Senator Thériault: Honourable senators, I have no recollection of the comments that I am alleged to have made. It's perfectly true that I was not a Jean Chrétien supporter. I supported Paul Martin, and I have never believed in doing things behind people's backs. But the people of Beauséjour are probably more intelligent than I, and they're going to vote for Chrétien. I am perfectly prepared to let the people in that riding make their own informed decision. So, I have no problem with that, and really, I appreciate it so much; we have lots of time, and when I rose to begin presenting my petitions, I managed to kill a couple of hours without even starting to read my petitions. I even got senators Simard, Cogger and probably a few others as well—yes, I believe even the senator from Vancouver got up once or twice. That's right.

I would like to read part of a petition that was sent to me by a group of people in the province of New Brunswick. This time they're francophones. So, they say, and I quote:

> "We are confident that you and your colleagues will put a stop to the implementation of the Goods and Services Tax, and that you will take whatever steps are necessary to ensure that we have a fair and equitable taxation system.
>
> Yours sincerely,"

(*Names of signatories read.*)

Here we have a group of women very much involved in their community who are begging the Senate to try to put a stop to the most inequitable and unfair tax that has ever been proposed in this country.

Thousands and thousands of people have been signing petitions, imploring the Government to listen to what they have to say. They are demanding alternatives. Dozens of alternatives were proposed to the Banking Committee this summer. But the main alternative is a fair and equitable tax. One has only to think of the low-income people living in apartments in Toronto, Vancouver, Montréal and other large cities, who, as we heard in the Banking Committee, will be facing higher costs when they want to use the washing machines in the basement of their apartment buildings. The increase in the cost of doing their washing will be greater for these low-income families than what they will be getting back from the Government.

Do you really think this makes sense—and I put this question to my colleagues opposite; do you really think it makes sense to tax these people just because the big corporations want this tax? It's for these reasons that we're getting hundreds of petitions. I have some here. I have more over here. There are so many of them that we don't know where to begin—and I'm just talking about petitions from New Brunswick.

(*Names of signatories read.*)

Hundreds of people stopped me on the street today to implore me to come to Ottawa and try to get you people opposite to come to your senses. Have you decided that, just because you have a majority in the House of Commons, millions of people are going to let you get away with this? You'll see; you're absolutely right about what I said in 1970. We found this out when we called an election in New Brunswick. Sometimes you do lose an election, and when you do, it's because you've lost touch with the people, because you've forgotten to consult them, and because you haven't been willing to listen to what they've been saying. And as for you people, I don't know; I'm a little afraid for you; I think what you're going to do is destroy your own political party. We need a Conservative Party in Canada. But you are going to wipe it right off the map, because you refuse to listen. That's the reality. But you can go carping at Jean Chrétien all you want.

The Federal Minister of Fisheries was in New Brunswick yesterday, at the University of Moncton. It's not a very big university; there are only about five or six thousand people on campus. He had been invited by a group of Young Progressive Conservatives. There were 38 people at the meeting. And when he began to attack Jean Chrétien—because they're the real demagogues, even though they accuse everyone else—almost half of the group walked out. So, come down to earth; just think about the people who elected you. Think of what the Conservative Party has done for this country since Confederation, and stop destroying both Canada and your own party. Wake up. People are writing you, phoning you, and sending you petitions. They don't want this tax.

Group after group, this summer, said to us that they were prepared to pay their share of taxation. We're prepared to pay our share, they said. But do you intend, for the rest of your mandate, to continue to take care of the big corporations that financed your election campaigns with their millions?

Have you forgotten that you got only 43% of the vote, and that 57% of the population was against you? Wake up! Wake up, my friends. Come back to the real world. You have two, or three, or perhaps ten or fifteen thousand major corporations providing you with millions of dollars for your election campaigns. But there are 25 million people out there in Canada who don't want this tax.

So, my friends, I will come back to this because I still have hundreds of petitions, and I know that my colleagues from other regions of the country also have petitions to present. I promise you more before December 31, 1992.

[*English*]

Senator Watt: Honourable Senators, I have some 580 petitions in front of me, and I would like to tell you of their significance.

[*Editor's Note: Senator Watt continued to speak in Inuktutuk.*]

● (0000)

October 13, 1990

Honourable senators, I understand that in order to have my statement registered in the record I have to re-read it. It arises out of the significant importance of these petitions. One day, senators, I hope there that facilities will be provided in this place whereby senators such as myself and Senator Adams will be able to address you in our mother tongue. I realize and respect that we do not have those facilities, but perhaps one day that might be possible.

Honourable senators, I wish to draw your attention to the potential impact of the GST in northern and other remote regions of Canada. The findings of the 13th Report of the Standing Senate Committee on Banking, Trade and Commerce makes it very clear that northerners will pay more tax than southern Canadians for the same goods and services.

This is incredible. It means that the GST is designed to take more away from northerners, who are struggling to make ends meet because they have to endure the high cost of living in the north.

Perhaps the government does not understand what it means to have to endure the extremely high cost of living that is found in the north. It means that the Inuit and other northerners are economically disadvantaged.

I come from northern Quebec and the situation there provides an excellent example of what I am talking about.

A 1984 study commissioned by the Inuit-owned Makivik Corporation paints an all too accurate picture of the economic conditions facing the Inuit. The report states:

> Inuit of Northern Quebec face the implications *of very high population growth*. Inuit children 14 or under represent almost half (43%) of our group, 57% of Inuit are under 19. We know that our population will double in 25 years. This expansion will place heavy pressure on education and local services. It will clog the job market.
>
> Our detailed report provides one illustration of this pressure. Inuit entering the job market between 1981 and 1988 will equal in numbers those Inuit employed today. Inuit unemployment could reach 70% if something is not done.
>
> *Income* statistics are disquieting. As of 1981, the per capita Inuit income ($4,000.) was less than half the provincial average. Per capita income figures for Iqaluit were roughly double those observed in Kuujjuaq.

Iqaluit is the new name for Frobisher Bay, and Kuujjuaq is the new name for Fort Chimo, the community I come from.

> The income picture is further clouded by very high costs and dim job prospects.
>
> Through a series of calculations, with reference to N.W.T. conditions and to cost of living allowance granted certain employees in our region, the Makivik report concludes $%costs$% are about 70% higher in Kuujjuaq than in Montreal, or about 80% higher in Salluit.

Salluit is in the Hudson Strait. That is almost right across from Cape Dorset which is a parallel from the north to the south in the tip of northern Quebec.

> *This means* residents have to earn almost $2 when a Montrealer earns one in order to buy similar commodities, if these are available.
>
> According to a Quebec Government publication, Inuit *unemployment* reached 45% in 1981, prior to the last recession. The figure is higher now, and probably in line with the N.W.T. (over 50% for the Inuit).
>
> Inadequate provisions and programmes for training in the region supply an explanation. There is no vocational training course as such in Northern Quebec. Furthermore, Inuit wonder why seven (7) different institutions formulate training policies for a regional population of 6,000.
>
> In sum, only half of Northern Quebec Inuit are employed in a region beset with a daunting environment. Their per capita purchasing power is about a quarter that of a southern Quebec citizen.
>
> Inuit do not want to join the ranks of the permanent welfare ghetto. They want jobs and better incomes in order to play their full part in the Canadian adventure. They want to see more monies earned in the region spent in Northern Quebec. They know that future growth will be related to private sector pursuits. These goals are in keeping with Canadian ethics.

But how far can Inuit get in developing their economy when we are faced with a cost of living which is crushing.

Honourable senators, I know that most food stuffs would not be subject to the GST. However, I will use the price of food to demonstrate the high cost of living in Northern Quebec.

● (0030)

I do so because the price of food was the subject of Makivik's most recent study on the region's high cost of living.

In the south milk costs $1.02. In the Innuit communities it will cost as much $2.22. In other words, 110 per cent more than in the south.

Flour costs $2.49 in the south, $5.79 in the north, which is a difference of 141 per cent.

Enfalac baby milk formula costs $1.52 in the south, while it cost $2.59 in the north. The cost is 60 per cent higher in the north.

The price of carrots can be 268 per cent higher. They are often priced at $0.69 in the south, but can cost up to $2.54 in the north.

Potatoes can be 300 per cent costlier in the north. A bag that costs $1.99 in the south will go for $8.00 in many Innuit communities.

That is very high. Honourable senators, you do not have to take only my word for the economic disparities that exist between the north and the south, or between aboriginal peoples and non-aboriginal peoples. Government publications often document these disparities with great accuracy. For example, the booklet describing the Canadian Aboriginal Economic Development Strategy states, and I quote:

> By all measures of socio-economic disparity, the 600,000 people who identify themselves as aboriginal continue to be the most disadvantaged group within Canadian society. Employment rates among the aboriginal working age population have been about 45 per cent compared with 63 per cent for the non-aboriginal population. Of aboriginal youth aged 15-24, and not attending school, 40 per cent are employed compared with 75 per cent for the non-aboriginal population. Employment rates for registered Indians in remote communities are 30 per cent.
>
> Aboriginal individuals are three times as likely as non-aboriginals to depend on government transfer payments as their major source of income. Of these employed, incomes are up to a third lower than levels for employed non-aboriginals.
>
> Almost 30 per cent of aboriginal individuals aged 15-24 have less than a grade 9 education, compared with 7 per cent of their non-aboriginal counterparts. More than 76 per cent have neither completed high school nor pursued post-secondary education, whereas the percentage for non-aboriginal individuals is 44.
>
> On reserves, in predominantly rural and remote areas, reside about 180,000 registered Indians of working age.

I wish my friend who was recently appointed by the Prime Minister were here to listen to this point. He will vote for the GST. However, perhaps it is possible that he will not. I have known the man for a long time. I hope he will come to his senses and realize that he will have to vote the GST down, because it is a killer.

> At any point during the year, 25 per cent are employed full time and a further 5 per cent are employed part time—often alternating between seasonal employment, Unemployment Insurance, training and Social Assistance throughout the year. Many Indians have worked only in traditional subsistence activities.

I was once asked by someone, "What does subsistence mean?" I will tell you what subsistence means. It means to keep yourself alive, to go out and get the food that you need to put on your table. At times you have to paddle and at times you have to walk. At times you do not have any equipment. You go and get the food and bring it to your table. Perhaps in the white man's language it is called a table; sometimes we do not even have tables. Some of us are a little more fortunate than others. I am one of those since I happen to be here.

> The off-reserve aboriginal population—about 55 per cent of the total—share the same disadvantages and similar prospects as Indians on reserves. Only 50 per cent of adults are employed. The employment rate among women and young adults 15 to 24 is 40 per cent.
>
> The social cost of so many unemployed adults is enormous. The high incidence of family breakup, alcoholism, vandalism and family violence finds roots in chronic unemployment and the dearth of meaningful activity. Of particular concern is the risk that recent improvements in the numbers of aboriginal students in secondary school will be undermined if children observe their graduating seniors moving on to Social Assistance dependence.

That is something which normally takes away whatever pride one might have. I would say that this happens more so with the people in the orphan communities. I am talking now about Indians. I happen to be an Inuk. I am a full taxpaying citizen just like every one of you here. All my fellow Inuit are taxpayers. We pay sales tax, provincial tax and federal tax, unlike our friends the Indians.

Why have we chosen to be taxpayers? It is something very new. I was one of the leaders back in the early 1970s when we entered into a so-called modern agreement. We entered into negotiations with Hydro Quebec, the federal government, the provincial government and the James Bay Development Corporation. We have come a long way in terms of improving ourselves and being able to be understood by the other side. It was in 1975 that the Inuit decided, unlike Indians, that we would be proud taxpayers in this country.

For some reason, in 1975 we had an opportunity to decide whether or not we wanted to be taxpayers. I do not know whether our legs were being pulled in trying to indicate to us that we had no choice. Anyway, we chose to be taxpayers. But we do not want to pay this GST. It is too much.

> A focus of youth is crucial to the future possibilities and challenges for Aboriginal economic development. For at least the next 15 years, the aboriginal share of the young labour force (15-34 years old) will be rising, reaching a level 50 per cent higher by 1996. Most of this growth will occur in non-urbanized areas. Aboriginal people will account for 57 per cent of the increase in the labour force in northern Canada and 12 per cent in each of Manitoba and Saskatchewan.

> For every year in the next five years, more than 5000 individuals will have to find and keep jobs to achieve a level of 50 per cent employment among young Indian adults living on reserves. Only a small fraction of this requirement—perhaps one-quarter—will be met by the Indian public administration sector and other government-supported jobs. Failure to provide additional employment will directly result in high social assistance costs to the federal government.

Let us begin to look at how we can improve living conditions, standards and the education of Aboriginal people. That is the first place that the government should be looking at. I see in this government a denial of recognition of what Aboriginal people might have in terms of rights. I am talking about land claims. I have been involved with land claims since the early 1970s. I was one of the first who came up with a new so-called modern agreement. It worked. However, let me tell honourable senators it is not easy to administer so-called modern agreements, because we have to fight for the little that we have every moment of the day. We understand that. That is democracy. We have chosen to accept and enter that democracy, to live with it like everyone else. All that we are asking for is respect, something which does not often happen. In return, we want to respect you as well.

I had a meeting with the minister of the Quebec government who is responsible for wildlife management. It was about the agreement—we lost out in the negotiations which prevents us from providing hospitality to people who come from the south to the north. When I talk about hospitality, I mean that today, according to the James Bay Northern Quebec Agreement, I cannot feed you Arctic char, salmon, caribou, or any kind of country food. I think that is ridiculous. I don't like that, because it takes away my rights. I am being regulated by the government, which is saying, "You cannot feed the white man." This is crazy. I have to have hospitality. I am a human being just like anyone else. If I can provide something to you, then I want to provide it to you. Do not take away my hospitality rights.

> The answer to this problem is obvious and known to the government. It involves nothing less than promoting economic development in the north and among aboriginal peoples in general.

That is a very broad statement. If honourable senators wish me to define how I see economic development could be promoted and achieved, I tell you that it is not that complicated. I deal with economic development opportunities. I also do a number of ventures in my own region. I do not want to be in a position where I have to go belly up. I do not want to see all kinds of bankruptcies.

I represent a corporation which administers slightly over $200 million. Under the mother corporation are subsidiaries which include airline companies, construction companies, construction management companies, travel agencies, and what have you. They are small corporations. When I set up a company I want only to inject so much capital into it. I then want to avoid putting any further capital into it because I want it to grow. These corporations are already facing a very difficult situation. Over the years various governments have made efforts to do exactly the same thing. Unfortunately, those efforts are often half-hearted and ineffective.

Why is that? I will tell you why. It is because the government introduces measures such as the GST which too often cripple us from the knees down whenever we begin to succeed. This is the way I see the goods and services tax.

> Today's government may have introduced a number of programs to foster economic growth in the north but it also wants to introduce a tax scheme whereby northerners will pay more taxes than southerners for the same goods and services.
>
> The potential effects of GST would only nullify the impact of whatever programs exist to develop the northern economies. The GST would further drain what little money exists for economic development out of the north. It would simply add that much more to the already high cost of living.
>
> I believe this is just one more reason why the government should abandon its efforts to push bill C-62 through the Senate.

Honourable senators, do your job with your heart and with your brain. Be careful, because this country is going to suffer along with everyone else.

Hon. Jack Austin: Honourable senators, I have the honour to present a petition signed by several residents of British Columbia who are asking that the Senate reject the goods and services tax.

Before I do that, may I seek the indulgence of honourable senators to make a few comments about the address we have just heard from Senator Watt. He represents a particular community in Canada, the Inuit of northern Quebec.

I met Senator Watt originally in 1965 when he was active in his home community of Fort Chimo, which is now called Kuujjuaq. He was a bright and distinguished person in the life of his community in 1965. At that time I was Executive Assistant to the Hon. Arthur Laing, Minister of Northern Affairs and Natural Resources. The issue that took Arthur Laing, myself and others to Fort Chimo was the issue of the demands by the Quebec government, in particular the Minister for Natural Resources, the Hon. René Levesque and his deputy, for the transfer by the federal government of all its responsibility and all of the funding attached thereto in connection with the aboriginal peoples of Nouveau Quebec.

Senator Watt, Charlie Watt as he was then known, was one of the leaders in the Inuit community in resisting that transfer without the Inuit and Cree communities playing a direct role in the proposed affairs of their community. Indeed, history will show that Senator Watt played a very substantial role in the arrangements that were arrived at between the Inuit community of Nouveau Quebec and the Province of Quebec in connection with the James Bay arrangement.

Over the years, he has become a very active business person. He leads the Makivik Corporation with seven subsidiaries, and

many millions of dollars of capital. He is president of that corporation. Of course, the corporation is owned by the Inuit people of northern Quebec. Its businesses include air transportation, shrimp fishing, construction management, travel agencies and other businesses. He also separately heads a company which is seeking to establish a hydro facility in northern Quebec for sale of hydro power to Quebec Hydro.

He is a very experienced and active man, a leader in his community. When he addresses us with respect to the concerns of his community and the highly negative and adverse impact which the proposed GST bill will bring onto his community, I think those words should be taken very seriously by honourable senators. It is certainly a defect in this legislation that northern residents, the residents of Yukon who are represented by Senator Lucier, the residents of northern Quebec who are represented by Senator Watt, and the residents of the Northwest Territories who are represented by Senator Adams are being so heavily burdened, so disproportionately burdened by this proposed legislation.

The fact, Senator Watt, that you addressed us in your own native language I believe is very much appreciated by your colleagues here in the Senate. Senator Adams has also addressed us in that language, but I might say not at such great length as did you. I am delighted that you also spoke in English so that we could share your thoughts with you. I concur with your wish that this chamber and Parliament could be equipped technically to have translation from your language and the many other languages that are used in Canada. That is an aspiration which I hope one day will be realized.

Senator LeBlanc: Would Senator Austin yield for a moment on that very question? I was going to consult with my colleagues, but since you raised it I should tell honourable senators and the house that the Internal Economy committee has addressed the question of dealing with other languages spoken, particularly by the original people of this country. We addressed it in terms of special secretarial assistance where required. I think that was resolved satisfactorily. The budgets do provide for that flexibility.

With respect to the question of spoken language, the matter was referred to officials to look at. I think it got lost in other problems such as those concerning the Journals. As very often happens, the urgent took over the important. I hope that we can raise this issue again, at least to take the first steps that are required, which is to have an interpreter available when there is a major speech to be delivered, as Senator Watt did tonight. That would not put him in the situation whereby he would have to repeat his speech in English or French. This would enable him and his colleagues to deliver their speeches in the language with which they are more comfortable and we could listen to the translation.

I thought I should put these matters on the record, because we have improved a number of services for senators. This is an area in which we have some way to go.

Senator Austin: Thank you, Senator LeBlanc. I am pleased to be interrupted to hear such information.

With respect to the petitions which I have the honour to present from residents from British Columbia, may I say that the concern of a very substantial number—in fact, a vast majority—of British Columbians is represented in these petitions. This concern is focused on the regressive character of the proposed goods and services tax and the disproportionate way in which the tax burden will be shared under the tax plan contained in Bill C-62.

As I have mentioned in this chamber, the tax is aggressively resisted by the province of British Columbia. Representing the voices of British Columbians, a unanimous resolution of the Legislature of British Columbia asks this Parliament not to proceed with the goods and services tax and asks honourable senators from British Columbia to resist the tax and to oppose it.

● (0100)

Honourable senators, the province of British Columbia has also taken steps in the courts of British Columbia to test the constitutionality of the goods and services tax, and it is associated in the courts with other provinces in Western Canada.

One of the problems that we are having with this particular tax is illustrated by an exchange between Premier Vander Zalm and the Minister of Justice, the Honourable Kim Campbell. The Minister of Justice is reported in the *Vancouver Sun* as having stated that there are many in the Social Credit government who privately support the goods and services tax. This has been sharply denied by Premier Vander Zalm, and he asked the Minister of Justice to name names, which she has not done. The Minister of Justice created a very great concern in the province by saying the following, which I quote from the *Vancouver Sun* of Monday, October 1. She said she:

> was surprised and frustrated the Socred government is not demanding the Senate pass the GST bill when it is seeking federal tax money for a $693-million research project at the University of B.C.
>
> "The government of B.C. knows perfectly well the GST is very important for the economy of B.C.," Campbell said.
>
> "It has become a political issue and they have jumped on that bandwagon. The premier is looking for an election issue and it is tragic, because B.C. has a lot to lose."

Honourable senators, I believe it is very regretful that a minister of the Crown, particular one holding the office of Minister of Justice, should threaten the people of the province of British Columbia with the denial of funds for projects of value to Canada because that province has taken a stand against federal legislation.

Senator Doody: Incredible!

Senator Austin: I do not want to use any pejorative words—

Senator Doody: Good.

Senator Austin: —but I will say that the relationship of the one to the other has raised a profound concern in my province. The kaon project at the University of British Columbia is one

of the most significant science projects being proposed to be put in place in Canada. It is big science. The university communities of Canada, and many countries in the world, have joined the province of British Columbia in undertaking to assist in financing this particular project. The federal government has been asked by the province of British Columbia for one-third of the financing, or approximately $200 million, and you have the Minister of Justice saying that, unless the province of British Columbia backs off its resistance to the GST, the province may well be damaged in its request for funding for this particular project.

Honourable senators, this is not the way in which the business of Canada should be conducted.

Honourable senators, I want to tell you that it is not an isolated example that we find. For example, to illustrate, in the same newspaper, the *Vancouver Sun* for Monday, October 1, there is a Canadian Press story that attributes a statement to Trade Minister John Crosbie:

> Senators are scaring off investors and risking a bigger federal deficit by stalling legislation on the proposed goods and services tax, Trade Minister John Crosbie said today.
>
> Their ploy also means there's no guarantee that legislation authorizing Ottawa's contribution of $2.7 billion to the giant Hibernia oil project will get passed, Crosbie told an open-line radio show.

Well, honourable senators, that, again, is an effort to create alarm about federal funding for a significant project on the Atlantic coast. At least, honourable senators, the government has a two-coast policy in respect of its threats.

This side is fully prepared to enter into an arrangement to give the bill related to Hibernia—I believe it is Bill C-44—expeditious attention.

Senator Meighen: What about the others?

Senator Austin: If house leaders wish to make an arrangement, they will have my blessing, and the blessing of many senators on this side. That does not mean that I am saying at this point in time that I endorse that legislation, but I simply wish to see it come forward quickly.

Senator Meighen: Do you feel the same way about the others, too?

Senator Carney: Let's pre-study them!

Senator Austin: Honourable senators, I am not going to hold your attention any longer, although I appreciate that honourable senators are interested in what I have to say.

Senator Carney: Would you accept a question?

Senator Austin: Certainly.

Senator Carney: When you mentioned that you would give quick attention to the bill on Hibernia, are you then indicating that you would agree to pre-study, which is a very helpful way to proceed on that kind of legislation?

Senator Meighen: As Senator Molson pointed out.

[Senator Austin.]

Senator Austin: Honourable senators, I was here during the time of the Hayden formula, as we called it, the pre-study formula, and it has its uses. In fact, the Standing Senate Committee on Energy and Natural Resources has had a briefing session of some three hours on this legislation, which was attended by senators on both sides, and there is a very interesting information booklet that was made available to the committee. I am willing to resume my seat and not hold your attention any further. I thank you for your indulgent hearing.

Hon. Jerahmiel S. Grafstein: Honourable senators, last evening I was proud to read a roll call of petitions from the small towns of Ontario, the backbone of the Province of Ontario. Tonight, honourable senators, I will be turning more closely to the city of Toronto, my home, and the great metropolitan region of Toronto. I should like to deal with petitions remonstrating against the national goods and services tax.

At the top of the list are two petitions given publicly that, I think, should have some weight in this chamber. Earlier this evening we heard some senators question the weight that should be given to these petitions. I would like to mention at the outset two public petitions that have been made, and I would draw them to the attention particularly of those senators here, such as Senator Atkins, who represent the same province as I do, and who, I know, represent their regions with equal, if not greater, ability than I bring to bear.

The Honourable Arthur Eggleton, the Mayor the city of Toronto, has now stated that the city of Toronto is vehemently opposed to the GST. Mayor Eggleton, who represents a base larger than most members of Parliament, the entire city of Toronto, has public support that, I think, transcends party lines. I helped assist Mr. Eggleton in several of his elections. In his campaign committee there was no partisanship because many groups were represented: Conservatives, NDPers, business people, working people, professionals, people from every walk of life. Art Eggleton was certainly elected on a broad base, representing every walk of life in the city of Toronto, and he has seen fit, on behalf of the city of Toronto, to present, I think, a rather potent petition against the GST.

That situation should, I think, help persuade those senators who come from the city of Toronto and the region of Toronto, as I do. If they are holding to one criterion of the composition of this assembly, which is to represent their region, not just their own dictates, not just their own party, this should be a potent petition to persuade them of the concerns that the citizens of Toronto have about the GST.

Now, I do not think that this petition alone is enough to persuade—nor should it be enough to persuade—honourable senators on this side or the opposite side. However, we also had the previous government in the province of Ontario, led by Mr. Peterson—who, in many respects, was a strong and staunch supporter of the federal government and many of its policies—taking a very strong stance against the GST. Yes, in Toronto and in the province of Ontario he was rejected by the electorate. However, during that campaign, although all parties, Conservative, NDP and Liberal, were unified on very few topics, they were all united against the GST. So when one

reads the last electoral results in the province of Ontario, we have all of the political parties against the GST. Ontario, until recently perhaps, was certainly the engine of growth in this country. If the city of Toronto and all parties in the last election, representing the sovereign voice of the people in the province of Ontario, have come out against the GST, then certainly, these petitions in aggregate, which I think are representative of the streets and neighborhoods and districts of Toronto, which I will turn to in a moment, should be quite persuasive. However, let me take it up one further step, one further order of magnitude.

Senator Simard: May I ask you for clarification. Did I hear you say that in the last provincial election people voted against the GST?

Senator Grafstein: No. All three parties came out against the GST.

Senator Simard: Yes, all right.

Senator Grafstein: There was consensus on very few issues, but there was total consensus on this issue. Since then, the new premier of the province, Mr. Rae, representing the first New Democratic Party government in the province of Ontario, has given us public notice that he is against the GST. To substantiate his position, in order to get the ear of the government—and again we are not talking about Gallup polls here; we are talking about a party that has been duly elected in the province of Ontario—one of his first public acts has been to represent the consensus—the great Gallup poll, if you will, the last election—by going even further than just bringing a petition. He has brought a law suit against the federal government—

Senator Doody: Incredible!

Senator Grafstein: —in order to catch the ear of the government, because obviously an election campaign by all three parties and statements by the mayor of the city of Toronto do not seem to make a dent, they are not persuasive; so he has taken the next step and is about to take the federal government to court on the GST.

Now, one can be partisan and say, "Well, we are still on a tough course, we are still on the correct course." Even if one were on a correct course, should one not pause, suspend one's conclusions for a moment, and listen to the voice of all of the parties in the province of Ontario, the largest province in the country, and listen to the mayor of the city of Toronto, supported by every segment of the population? Should one not stop and listen to these public petitions? They are supported in the city of Toronto by those who have signed this petition from every part of the city, from Main Street in the east end, Wildwood Crescent, Harrison Street, Walmer Road, Queen Street, Willow Avenue, Balsam Avenue, Queen Street East, Queen Street West, Park Wood, the heart of Toronto, from east to west, every district, every region, every neighborhood, every community! Toronto is not one city; it is made up of a number of small communities and small neighbourhoods. Senator Di Nino is not here, but he comes from a small community. Senator Atkins is here, and he comes from another small community. Toronto, if I can use this phrase, is a community of communities, and each community, every one, says the same thing, with one sovereign voice: No to the GST.

I was interested in these petitions primarily because one or two pages came from the east end of Toronto, the second place where I launched own my political career in the early 1960s. The east end of Toronto was not a very good place for Grits to knock on doors in those days because the east end of Toronto was populated by great Tories who had served the federal government, the provincial government and municipal government with such great distinction. Senator Atkins is here this evening and he will remember these names better than I. There was George Hees, who ran in the streets of these people who have signed this petition. George Hees: great soldier, great politician, extraordinary Minister of Trade, superb minister representing veterans in this country, a bon vivant, a colourful and magnificent figure. I ask honourable senators opposite: Would George Hees today not listen to the voice of the east end of Toronto? After all, George Hees was successfully elected because he kept his ear to the ground. He was not elected because he said, "I am going to bring about a policy over the dead bodies of the people of Broadview."

What about Bill Summerville, the late Mayor of Toronto, and Donny Summerville, his brother, who served the city of Toronto with great zest and ability? Great Tories! Those were the days when the east end of Toronto was the powerhouse of Toryism. Do honourable senators who remember Billy Summerville and his brother Don, think that they would not listen to the petitions of the people from Main Street or Lee Avenue or Queen Street or Balsam Avenue or Beech Avenue or the Beaches? Certainly not, certainly not!

And what about Leslie Saunders, who came from the same area and who was one of the great mayors of the city of Toronto and who represented a viewpoint that, to this day, underlines some of the value systems of the city of Toronto, the quieter, gentler, friendly, sport-directed values of the playground sandlots? Leslie Saunders would not have supported the GST. Why? Because he would have listened, and he would have said to himself, "Is this going to help? Is this the right measure at the right time?"

So, honourable senators, I go through these streets, Victoria Park, Logan Avenue, the heart of the great sandlot athletes of Toronto, such as Charlie Conacher, Lionel Conacher, Roy Worters, Doc Egan, Spike Bacon—athletes, great Canadians, many of them Tories because it was very difficult in those days to be anything but a Tory if you lived east of Yonge Street. Each one of those men, great Canadians, great politicians, great public figures, were successful because they kept their ear to the ground. They listened. They did not bring about tough policies over the objections of the working people. They did not bring in regressive measures. Quite the contrary. They started their careers from the bottom up, not from the top down.

So, when I go through these streets, I remember that I was a scavenger in these streets trying to organize for the Liberal Party, and found difficulty because we were confronted with

strong Toryism on the right and radical socialism on the left, and there was not much room for the Liberals to find a place to stand.

Dick Stanbury will remember. He was the President of the Party in Toronto at the time. He will remember how many times we had to go and organize in the east end, year after year, first to organize a Young Liberal Organization and then a Liberal constituency, and we could not get in the door. Why? Because the Tories and the socialists kept their ear to the ground. They listened to the people on Pape Avenue and Cowan and Holbrooke and Sandlewood and Danforth and Carlisle and Christina and Chester. These were the streets where Toryism was built from the ground up in the city of Toronto, and every one of those gentlemen were people to watch and admire. The one thing you learned, you learned from people like Nate Phillips, the mayor of all the people, who spent all his time listening to people. He never made great speeches in the city of Toronto when he was mayor of all the people. He was out listening in the neighborhood lubs and the sand lots of Toronto. He was out listening in the beer halls. He was out at dinners and lunches and suppers and clubs in the evenings and at playground fights and baseball games and hockey games.

I spent my early years in Toronto observing him and other great Tory politicians. My late father-in-law was a great Tory. He dragged me to these places. He said, "Come on and watch what's really going on." That is what they showed me. That is why Toryism in Toronto was so strong. Yet, I say to those honourable senators, who have much more experience than I, let me throw another great name at you, anther great name that I revere: Alex MacKenzie. He was the backbone of the great premiership of Leslie Frost. Alex MacKenzie, great name! Where was MacKenzie every night? Where did he sit every Monday night? He sat in the Royal York in a corner booth listening to the people, listening to what people had to say, and when Leslie Frost wanted to find out what was going on, he did not commission a Gallup poll, he listened to the MacKenzies of this world, and they told him what was going on. They told him how the grass roots were feeling. So these streets were Tory streets: Glen Manor, Winnona, Hubbard Boulevard. This was the Tory base.

Senator Doody: You are speaking to the petition now, are you?

Senator Grafstein: I am speaking to the petitions. These are all petitions.

Senator Doody: Good, as long as you are on track.

Senator Grafstein: So, honourable senators, earlier we talked about Gallup polls. Well, what is the basis of any Gallup poll? These are individual people's views. These are focus groups, if you want to use the modern jargon. These are a sample, if you will. They are not fictional. They are real. They say over and over again the same thing: No to the GST. Let us talk about more streets. Let us move up the streets. Let us talk about Markham. Senator Atkins represents Markham. There are a number of petitioners from Markham, on Adrian Crescent, on Sherwood Forest Drive, on Washington Street, on Robinson Street, on Allensdale Avenue, on Tomlinson, on Timber Circle, on Mayor's Circle, and some of the names are interesting because they represent the diversity of Greater Toronto. In Greater Toronto the police can now arrest people in 57 different languages!

Senator Steuart: That's delightful!

Senator Grafstein: Fifty-seven different languages! So Toronto is no longer the Toronto of old Toryism because there is no majority viewpoint in Toronto any more. Toronto is made up of minorities. Someone gave me this statistic, and I do not know if it is correct or not, but—

Senator Doody: Say it anyway!

Senator Grafstein: —something like 60 per cent of all households in Toronto speak a first language other than French or English.

Senator Doody: That's certainly true where I come from!

Senator Grafstein: They represent every part of the world. Fifty-seven languages; that's a lot! They come from every part of the world. The largest immigration office we have now is the Hong Kong office. Some of us have been to Hong Kong. Their desire to come to Toronto is amazing. But it is not just people from Hong Kong that come to Toronto. People are coming from all of the Asian countries, Koreans, Vietnamese, North and South, Malay, people from Singapore, people from mainland China—and not just from the south but from Shanghai and other places.

Senator Steuart: And from Saskatchewan.

Senator Grafstein: And from Saskatchewan. Every Asian region is represented in Toronto, and all their dialects are on the streets. Go take a ride along Danforth East. Danforth is mentioned in these petitions over and over again.

• (0130)

Start at the east and drive to the west and you will see, after an hour's ride across the face of the city, every ethnic group proudly represented in the small businesses along that street. It is a kaleidoscope of Canada. There are people from Ethiopia, Jamaica, Barbados, Poland, Czechoslovakia, Hungary, Russia, the Ukraine—name the country and you will find immigrant shops on that street. The names are here. There are Greeks, Italians, Portuguese, Vietnamese, and you name it. Senator Di Nino—and perhaps I should not address comments to him when he is not here, but I shall see him in the days ahead and I hope that we will have an opportunity to have an exchange—knows St. Clair Avenue. We have a number of petitioners from St. Clair Avenue who reside in that great, colourful Italian district of our community that has made such a magnificent contribution to the growth of Toronto and Canada. That is why we have Senator Bosa and Senator Di Nino here representing that magnificent community in Toronto. What are the people of that community saying? Polls were quickly dismissed by the other side earlier today. I hope that Senator Di Nino will go back to Toronto one of these days and walk along St. Clair Avenue and do his own Gallup poll. Let him

listen to the people of St. Clair Avenue. They come from all parts of Italy. They come from Friuli in the north to Sicily in the south and they are all represented on St. Clair Avenue, within 100 yards of Senator Di Nino's fine financial institution that he has created there. Let him talk to his depositors and neighbours. They will speak with one overwhelming voice and with one phrase: "No to the GST." They are small business people who work hard and they do not want it. They cannot afford the extra people to do their books; they cannot afford the regressive tax.

Senator Simard: Will the honourable senator allow a question? He has said that he meets with these people and they tell him this and that. Does he try to explain the tax? I am sure he can find some elements of the GST that are good. Even his leader has said that he likes the concept and that he would try to improve on the legislation. So there is a basis there. Is the honourable senator trying to explain to the people that maybe it is not as bad as they think? Is that not part of his work as a responsible parliamentarian?

Senator Grafstein: Senator Simard has raised an important point. I do not think that we can get away cheaply in this debate. I do not think that we can simply say no to the government of the day and that there are no other answers, no other reasonable alternatives.

Senator Simard: That is not what I am asking.

Senator Grafstein: I assume that the thrust of your question is: If you do not like this tax, are there alternatives or are there elements of the tax that you might find acceptable? Let me deal with the last part first by bringing to your attention another petition. It is a learned petition and it is not like the Gallup polls that were dismissed earlier this evening. This is a paper put out by the Canadian Tax Foundation, which was established in 1945 as an independent tax research organization. Its governors are nominated each year by the Canadian Bar Association and the Canadian Institute of Chartered Accountants. Its work is supported by more than 9,500 Canadian individuals and corporations. The purpose of the foundation is to provide both the tax-paying public and the governments of Canada with the benefit of expert, impartial research into current problems of taxation in government finance. This work is carried on by well-qualified permanent staff and by outside experts commissioned for special studies. This is Canadian Tax Paper number 88 "The Economics of the Goods and Services Tax" by John Whalley and Deborah Fretz, and it is dated September 1990. The foreword of this study could almost be addressed to us here in the Senate. It reads in part:

> After extensive public hearings in parliamentary debates, the legislation implementing the proposal—the goods and services tax—was enacted by the House of Commons in April 1990. As this volume goes to press, the tax is under consideration by the Senate.

It is a timely, learned petition. I would ask him to read it because it does two things: It questions the research upon which the GST was based, questions that are asked by an independent, impartial group of experts; questions from one of the most prestigious tax foundations in Canada, not the people from Gallup, but thoughtful experts. It is not a Liberal paper. Why do they bring it out now? They say that it is not obvious that these other options, these alternatives, received the attention they merited when the policy decision to proceed with the current GST was made. This paper then goes on to evaluate the alternatives that were not properly evaluated by the government. It talks about the United States. The Prime Minister is a strong supporter of the United States, as am I in many instances when American policy appears to me to be correct. Sometimes we should follow what the United States does. The United States has rejected the GST. It says in the report at page 145 the following:

> The third volume of this report was devoted exclusively to the VAT, which it rejected as part of the reform on the grounds that the tax was a "money machine" for government. The report argued that the VAT made raising revenues too easy and weakened political pressure on Congress to cut expenditures. Subsequently, President Reagan's adamant opposition to the introduction to any new taxes effectively blocked the VAT.

The United States decided in a three volume report prepared by the Office of Tax Analysis of the U.S. Treasury entitled "Tax Reform for Simplicity, Fairness and Economic Growth" to reject a similar tax. However, that should not be the end of it, because the Tax Foundation ranges through the alternatives.

So I say to Senator Simard that there are some elements of the tax that are not undesirable. One of the suggestions here is the reform of the existing sales tax régime. There are thoughtful, impartial, objective alternatives.

I would like to conclude by referring to something for the benefit of Senator Johnson, who has told me that she is persuaded sometimes when there are coherent statements, coherent arguments. This relates to some of the comments by Senator Johnson's colleagues about disregarding public opinion, about taking the tough course and disregarding the voice of the people. This honourable gentleman bent his mind to the problem at hand. These comments took place in a parliamentary forum, and the honourable member was explaining some of the more rudimentary elements of democracy. He said that democracy was not a caucus obtaining a fixed term of office by promises and doing what it likes with the people but that there ought to be a constant relationship between the rulers and the people, that a government of the people, by the people,

for the people still remains the sovereign definition of democracy. Democracy does not mean that because you have a majority, and because you will hold office for five years, you can do what you want. That is not democracy; it is a small party pattern which will not go down with the people of this country. We must convince the party opposite that the will of the people will prevail.

[Editor's Note: For continuation of proceedings see Issue No. 97G.]

THE SENATE

Tuesday, October 9, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 97F.*]

[October 13, 1990]

● (0200)

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62—POINT OF ORDER

Hon. C. William Doody: On a point of order, is the honourable senator speaking to the petition now? He has a textbook in his hand. This is an abuse of the rules.

Senator Grafstein: This is not a textbook.

Senator Doody: It is not a petition; it is a book.

Senator Grafstein: I will conclude in a moment. I quote this text because these are not my words. These are the words of a Conservative, a Conservative who may not be held in high esteem by Conservatives but certainly held in high esteem by me and, I hope, by my colleagues on this side. Who was the gentleman who said those words so eloquently and magnificently to remind Conservatives about listening to the voice of the people?

The reason I went to the Library to find this quote is because senators opposite have said, "Do you respect Conservatives?" I have said, "I do respect Conservatives." There are Conservatives whom I respect, and this Conservative I respect more than anyone— Winston Spencer Churchill. So, Senator Johnson, if you want a quote that might motivate your conscience, do not listen to this side, to us poor Liberals. Listen to the voice of the greatest Tory of them all—Winston Spencer Churchill.

Hon. Michael Kirby: Honourable senators, I am rising to present several petitions which have arrived in my office in the last few days from various parts of Nova Scotia. Although they are phrased differently in terms of their "Whereas" clauses, in one form or another they deal with the public opposition to the goods and services tax.

Before I give you illustrations of some of the names, I should like to make an observation. Some of you may be surprised to learn that there has been very good media coverage of the fact that we are presenting petitions in this chamber. There has been a very positive reaction, at least on the basis of the phone calls that have come to my office. This is a compliment to senators on the other side as well as those on this side. There has been a positive reaction to the concept of individual Canadians recognizing that when they go to the trouble of signing a petition, whether it deals with the GST or anything else, that petition is then tabled in this place and names are read out. People are starting to understand that the signing of a petition is not a totally futile gesture.

All of us in this chamber, whether on this side or the side opposite, ought to be pleased with what we are doing for the reputation of the chamber by giving people an opportunity to know that we take their petitions seriously and that the petitions ultimately do get tabled and recorded.

Since widespread news coverage began in Nova Scotia of the fact that petitions were being presented from various parts of the country, my office has had more than a dozen calls that dealt with the process of presenting petitions as opposed to necessarily talking about the GST, although the calls inevitably ended up criticizing the GST.

I would like to note that historically other petitions that have been presented in this place in the seven years I have been here have frequently had a very narrow geographic base within Nova Scotia in the sense that they might, for example, have dealt with a problem unique to the fishing industry. Other examples that come to mind are petitions from parts of Cape Breton that deal with the problems of the Cape Breton coal mines.

What is fairly unique about the petitions with respect to the GST is that they are not simply responses to localized situations; they do, in fact, cover the province as a whole.

I would like to give you three or four names from this petition I have in my hand. It is number 45 of the more than 100 I have received in the last three or four weeks. I have chosen it by way of interest. To give you an idea of what I mean when I say that this is not a localized issue, there are names from Brooklyn, Queen's County and Liverpool. Liverpool and Brooklyn are two communities that are quite close to one other on the south shore of Nova Scotia, although one is inland and one is on the ocean. The people are from that part of the province up to Chezzetcook, which is east of Halifax going towards Cape Breton. There are names from Wolfville. Wolfville, as many of you know, is home of another of Nova Scotia's great institutions of higher learning. It is the home of the Acadia University. For those of you who are truly interested in what goes on at Acadia University, the Acadia football game will be on TSN tomorrow at 12 noon.

There is a name from Tantallon, which, again, is a rural community outside Halifax. There are dozens and dozens of names from Halifax, Dartmouth and Sackville, and from the areas surrounding the metropolitan area of Halifax.

Some of us left this chamber at 2 p.m. this afternoon on what the press have come to call the shift change. A couple of people who phoned me today from Nova Scotia worked at occupations where shift work is a routine way of operating

businesses, as it is in coal mine and pulp mill businesses. They made the observation that they thought it was interesting that senators were finally understanding the consequence and the rigor involved in participating in shift work.

In the course of dealing with some of those phone calls this afternoon, after I left here at 2 p.m., I was not only struck by the geographic distribution of names, as indicated on these petitions, but I was struck particularly by what is fundamentally troubling people about the GST bill. You can understand what the problem is in simple terms when you read the "Whereas" clauses. In the "Whereas" clauses, you read about the manufacturing tax not necessarily disappearing; you read about whether or not the new GST will be visible, as had originally been promised by the government. It is clear from the hearings we held this summer that it will be invisible in many cases. People worry about its impact on the rate of inflation. They worry about the administrative burden it will place on small businesses.

The "Whereas" clauses cover the major points of criticism to the GST. More importantly, when you talk to people who have signed petitions—whether or not their names are on this particular petition 45 is not the issue—they tell you they have gone to shopping malls, church basements or legion halls to sign these petitions knowing they will be sent here. When you talk to them about what is truly troubling them, you find something which should be of concern to all of us on both sides of the house. You find a belief that the federal government—the national government of the country—no longer cares what the average Canadian thinks, no longer listens to the average Canadian, and is no longer in touch with the average Canadian.

After 20 years in government, and in politics of some form, I find it very troubling to listen to those conversations and realize that Canadians are losing respect for public institutions, for governments and for politicians at all levels and on both sides of this house. This is not a partisan comment, because from the phone calls we know that while people are opposed to the GST, they see a national government failing to listen to the cries of the average Canadian and this prompts people to sign petitions that talk about the impact on them as individuals, that talk about their being unable to afford the GST, that talk about the impact it will have on the retail sector. I have received several letters, which I will read to you in our next session. They are very moving letters, from Canadians who are not only opposed to the GST but are deeply troubled by the fact that the political process has now become irrelevant, from their point of view. We are all being tarred by the same brush.

Senator Simard: May I ask a question?

Senator Kirby: Absolutely.

Senator Simard: This question relates to the wishes of Canadians, and you will see the connection very quickly. The GST had been publicized by the government previous to the 1988 election. We hear from some of your colleagues that the government is taking Canadians by surprise and that this was not discussed at the last federal election.

I submit that it was announced before the 1988 election. Even Mr. Blenkarn talked about it during the election. We are now being accused of taking people by surprise. They say that this was not discussed at the last federal election.

It is common knowledge that you have been a precious and privileged advisor to Mr. Turner. Mr. Turner decided to fight the election on the free trade issue. Why is it that your party and your leader did not alert the Canadian public and discuss the GST at the last election?

Senator Kirby: Thank you for the question. I will gladly comment on it. I should like to take this opportunity to tell the senators on Senator Simard's side that they should be very pleased with the performance he put on during the committee meetings on behalf of his Conservative colleagues.

Senator Simard: I know what is coming.

Senator Kirby: I'll answer your question, but I mean this seriously. Senator Simard can only be described, from my point of view, as a very formidable opponent. He argued the Conservative party's case from one end of this country to the other, frequently in very trying circumstances, and deserves thanks and gratitude from senators on his own side. In politics, one may frequently disagree with someone and frequently debate an issue with them, but it is also important to recognize when someone has served his party and his cause well. I say that seriously, because he did a good job on your behalf throughout the summer as we travelled across the country.

With respect to the honourable senator's specific question, it is an important issue. Senator Simard made two statements which appear to be contradictory, but, in fact, are not. He made the statement that there had been discussion by the government of the goods and services tax before the last election. That is an absolutely true statement. I have never denied that. The other statement he made is that many people say that the current GST is a surprise to them. I also believe that that is a true statement, and I do not think those two statements are inconsistent.

Governments frequently make announcements which ultimately do not seep into public opinion, and when the government moves on the issue some time later it becomes a big surprise. However, as Senator Simard has said, there had been discussion by the government of a goods and services tax, or a value-added tax, or a sales tax, or a consumption tax of some kind, prior to the last election. That is an absolutely true statement.

The other thing that is true is that even for those people who knew about the GST, for the small percentage who understood that the government was contemplating this as a public policy measure, the economic circumstances which existed at the time this tax was originally proposed, which is back in the spring of 1987 when the economy was quite robust and when economic growth was quite strong, were quite different from the economic circumstances of today. All but two Canadians realize that the country is in a recession. The two who do not

understand it are the Minister of Finance and the Prime Minister. Everyone else seems to understand it. What is good economic policy, good fiscal policy, responsible tax policy, at a particular point in time is not necessarily the correct policy two or three years later.

Many of you know that Senator Simard was a successful Minister of Finance in New Brunswick for many years when Senator Hatfield was premier. I followed his budgets fairly closely in those days because, in the early days of the Hatfield government, I was in a senior position with the government in Nova Scotia and went through the budget development process. I believe Senator Simard would be the first to admit that what is good economic policy, or good tax policy, or correct budgetary policy, one year may not necessarily be correct budgetary policy three or four years later, because economic circumstances change. When I talk to business people, who were aware that the government was thinking of implementing this tax, they say, "We were supporters two or three years ago, but on the eve of a recession it is the worst possible time to be introducing it." Even if they want to support the tax, they say that it is simply the wrong time to be doing it. As Senator Simard will recall, we heard this at the committee hearings.

People are opposed to the tax for the reasons that a number of us have talked about, and because they think it is a surprise, even though I concede that there had been mention of it before the last election. Many people who had supported the tax before the last election have changed their minds because of economic circumstances.

I see Senator Simard wants to ask another question.

Senator Simard: Perhaps you could explain to your colleagues that the main reason the Liberal party—Mr. Turner in particular—did not make the GST a big issue in the last campaign was because Mr. Turner decided to fight the last election on the free trade issue. In your last comment you admit that you met businessmen and other people last year, or the year before, who thought that the GST would be acceptable and that there was something good about it. If I understood what you said, these people supported the GST, but because of the timing they are backing off. I agree with you when you said that good policies are not necessarily good all the time, especially in difficult situations. This is major surgery to our consumer tax legislation, and it has taken several years to prepare, after considering other alternatives. Are you saying that people may agree to the GST legislation if it had been implemented in 1987, for example, or 1988 or even 1992? Are you prepared to say that there are sufficient good elements to this tax that perhaps this legislation could be implemented a year or two years down the road—and I am not advocating that at all. If that is the case, then we have made some ground here tonight, thanks to Senator Kirby.

I am told that $1 billion has been spent by companies to prepare for this tax. As you say, the economic situation today is different than two or three years ago. Would it be fair to let all this money go to waste and try to live with the present system? Not only businessmen but municipalities and others have spent much money to prepare for this. We see the unemployment rate going up. Many stores are closing, not only because of interest rates but because they are no longer competitive with their neighbours. This GST legislation will be a further incentive and will have a positive impact on reducing the costs to our manufacturing companies. Is this not reason to go ahead and implement the GST for January 1? There have been projections that $9 billion more of Canadian production will result from this legislation. One may argue that it may be difficult because of the hard economic times, but the logic is that we want to put more people to work, and the sooner the better. The GST will help to do that.

● (0230)

I am sure that when Senator Frith and Senator MacEachen read the transcript of tonight's proceedings, they will perhaps be more inclined to get on with item 5 on the order paper.

Senator Kirby: Thank you, Senator Simard. I will try to reply seriously to your points, as I did to your earlier question, as opposed simply to dismissing them. You will recall that I began by making the observation that Senator Simard had done a good job of representing the views of his side of the house. The comments he has just made illustrate the quality of the way he argued your point of view.

Senator Simard: Don't overdo it now, Michael.

Senator Kirby: I realize that being blessed by me may not necessarily be an asset. I apologize for that. I just want to give compliments where they are due.

Let me deal with the four points the honourable senator raised in a somewhat different order. One of the points you raised, senator, was whether or not it would make sense to waste the several million dollars that have been spent thus far getting ready for the GST. During the course of your remarks that several million grew to a few billion. I am prepared to concede that a considerable amount of money has been spent getting ready for the GST. One of your concerns is that if the GST were not to proceed, that cost would be wasted. Frankly, if that happens, that happens. My reaction would be that your line of argument would lead to a situation in which any time any government wanted to introduce a new policy, it should immediately get representatives from business, labour and other special groups to spend money, and then return to parliament and say that you had talked all those people into spending all that money and now you had better go ahead and pass the legislation because otherwise the money would be wasted.

If money is wasted, we ought to be clear that the wasting of that money would be the responsibility of the government, which enticed people through ad programs and a variety of other means—ad programs, which, as you know, the Advertising Council has said were unethical and broke advertising rules. It is a good thing that many of the speeches made by the Prime Minister and the Minister of Finance are not subject to the same test. In any event, if people have spent money, they have spent that money because the government urged them to do so in advance of the bill being passed and in advance of the bill coming to this chamber. If that money is wasted because

the bill ultimately dies, it is clear that the responsibility for that wasted money rests with the government.

Secondly, you talked about the fact that the abolition of the manufacturers' sales tax, the MST, would create $9 billion worth of jobs two or three years down the road once the transition period had been completed. I have two or three comments to make on that, based on the evidence that you and I heard this summer. First, that $9 billion figure is based on an assumption that appears, from the evidence we heard from industry this summer, to be invalid. It is based on the assumption that companies that now pay the manufacturers' sales tax will pass those savings back to Canadians, and that the money, once in the hands of Canadians, will increase demand and generate jobs. I am simplifying the economic model, but that is essentially what the forecasting model says. That is where the $9 billion comes from.

The difficulty with reaching that conclusion is that many companies and organizations which made presentations to us in June and July—including the Canadian Manufacturers Association—pointed out that they would not necessarily be passing the full saving from the decline of the manufacturers' sales tax back to the consumers, because, as they correctly pointed out, other costs are increasing; and one cannot therefore say that on January 1—or on whatever date the GST came into effect, if it came into effect—prices would drop by 13.5 per cent on manufactured goods. That is not going to happen. Therefore, the economic forecast that leads to that $9 billion saving is exaggerated. No one has argued that there will not be some savings or job creation. It is clearly not nearly of the order of magnitude that the government has projected, simply because the assumption is not true when you talk to the companies.

Both Senator Simard and I are Maritimers, and when you look at all of the other studies—whether they were done by the government, the Economic Council, the Conference Board or the Canadian Manufacturers Association—it is clear that whatever are the economic benefits, they are geographically concentrated in the centre of Canada, in what Maritimers would call upper Canada, which includes Quebec and Ontario, and there would be relatively little economic benefit coming to the western or Atlantic provinces primarily because we do not have the manufacturing base that will benefit from the reduction in taxes.

One of the things that concerns me as a Maritimer is that not only do we not receive the benefit that arises, whatever the increase in manufacturing jobs happens to be, but we get stung even worse because all the goods we buy—and services to a lesser extent—contain a higher component of their cost as transportation cost. With the GST going on transportation, because it is a service, the Atlantic and western provinces will not get the large economic benefits that arise from the elimination of the manufacturers' sales tax, and we will get a significant amount of the downside because we will be stuck with the increased cost.

I find myself troubled by the geographic inequity, which is the net result of the GST policy. It is worth making the observation that I do not think this government set out, when it designed the GST, to produce a tax policy that was deliberately geographically biased against the Maritimes. I think that happens to be a consequence of the policy. But I think it is a reflection of a whole series of other policies that we have seen in this country since 1984, which essentially say that the national economic policy—whether it is fiscal policy of other economic policies of the government—inevitably has the consequence, when you rely on purely market forces as the means of driving the economy, of biasing policies against the Atlantic provinces and against western Canada.

The whole thrust of the economic policies of the governments of Canada since 1867, going back to the origins of the country, has been to recognize that market forces will lead to a significantly different type of country in a variety of ways, but particularly in terms of economic opportunities across the regions.

Historically governments, Conservative as well as Liberal, have attempted to fight the inevitable geographic liabilities of market forces imposed on the west and on the Atlantic provinces. We heard about these consequences in the north and in all of the Atlantic provinces, including the hearings we had in Moncton—in Senator Simard's own province—and Regina and Edmonton as we worked our way across the prairies. We heard that there is a strong geographic bias that clearly hurts certain regions of Canada as a result of the GST. So, with respect to your second point, about the jobs that will be created by the elimination of the manufacturers' sales tax, my short answer would be that all the evidence we heard is that the figure will not be $9 billion; it will be a lot less, and that virtually all of those jobs will be created in two provinces, Quebec and Ontario.

I had said that a number of business people had indicated in the hearings that they would be in favour of the GST at a time of economic boom, but currently they are not in favour of it. Your question was whether it followed from that that under different economic circumstances there might be greater support for the GST, and I think you asked if my views might be different under economic circumstances. My answer is no. I would be opposed to the inherent regressive nature of a consumption tax on low income people, seniors and on people with little discretionary income. I would prefer some form of an income tax solution, whether it be a flat tax or whatever.

With respect to the point you were raising, it is not true that under different economic circumstances support for the GST might grow from its current level of 12 to 15 per cent to 20 to 25 per cent. I have no doubt that under the best economic circumstances in the world a broadly-based consumption tax would still face opposition from approximately 25 per cent of Canadians. It is clear from the business organizations that appeared before the committee this summer that they have changed their minds, but in terms of counting heads across the country they are a small group of people.

Finally, I cannot resist the bait and respond to your first point, which was: Why was the GST not an issue in the last campaign? Since Senator Atkins is here, perhaps we can

engage in a three-way discussion on this subject. To make the point that the issue was not entirely ignored by the Liberal party or its leader in the last campaign, I make the observation that on the Sunday following the two televised debates on Monday and Tuesday nights, Mr. Turner was in the province of Quebec campaigning. In fact, he gave two or three speeches at the events we visited that day. In each case, those events, and also the events of the following day, which I believe were in Ontario, did not deal with free trade; they dealt with the GST. Other books that have been written about the campaign have recorded that. It is also true that by that stage in the game the campaign and the media—and, indeed, the parties—were focused on the free trade issue. I thought that I should set the record straight, that the issue was not entirely ignored by the Liberal Party and, for a variety of reasons, it did not become a central issue.

I circle back to your major point, which is whether or not the GST might be the right economic policy under other circumstances. One could make that case. It is a much harder case to make, and I have not heard anyone, including the Minister of Finance, seriously attempt to make the case that the GST is the right economic policy for the current economic circumstances. The case that the government seems to be making—and indeed which Senator Simard made repeatedly this summer—was that because the government had said it was going to do it, it ought to do it. Certainly all these serious economic commentators we heard this summer said, without a doubt, that a GST policy under current economic circumstances is clearly wrong, and even those people who supported the tax—there were a few of those, although it is not clear where members opposite managed to find them so that they could appear as witnesses—would argue, even if they agreed with a consumption tax in principal, that today there are not the right economic circumstance in which to be undertaking that. I think that has responded to your points, Senator Simard.

Senator Simard: Thank you very much. I appreciate this debate. Again, I hope this will encourage Senator Frith and the leadership on the other side to reconsider their filibustering so that we may continue exchanges like this one. You raised the question of regressivity, and there is much more we could say about that. Witnesses have said that because of the credit, and this and that, it is not as regressive as some people would have thought.

I thought you had come close to admitting, along with other people who were supportive of the GST until these recent economic times, that it has taken a lot of planning, time and money. It is not like another fiscal decision to raise income taxes by 2 or 3 per cent. Because of the nature of this piece of legislation and the money that was invested, it is still a good policy for the 1990s. Surely a piece of legislation of that nature should not be abandoned because there have been more bankruptcies in the last few months in Ontario. Obviously the economy has deteriorated. I am not prepared to say we are in a recession. We might be in a recession two or three months from now when marketing figures confirm that that is the trend.

You talk about regional impacts. We in Atlantic Canada know that we cannot wave a magic wand and hope to reverse the trend and that all future job creation will occur in Atlantic Canada. We realize that Ontario and Quebec—for a time anyway—will continue to be the centre of the manufacturing sector; but there is a chance that this GST will encourage people to look toward Atlantic Canada for future expansion. We have not given up on that idea.

So you are probably correct when you say that the job creation will take place in Ontario and Quebec. It is not fashionable for any parliamentarian to say that what is good for Quebec and Ontario is good for Canada but—I have said it before and I will say it again tonight—we are still a country and we want to live together. The equalization program and other programs that have benefitted Atlantic Canada were made possible because we had strong economies in Quebec and Ontario. We have benefitted from that.

[*Translation*]

It would hurt the whole country if we were to apply that popular notion, hardly acceptable and even demagogic, that Canada should be against the GST because it is Quebec and Ontario who will profit from it. Yes, it is absolutely true. I think that if we study our national programs and our wealth distribution system, Atlantic Canada will eventually benefit from it, as it will benefit, hopefully, from other measures like the Unemployment Insurance Reform.

Your speech has been most interesting. I hope we will have the opportunity to hear Senator Olson, Senator Davey and Senator Hays as soon as possible. When we get over this madness of futile and costly debates which in fact do not change anything to the economic or even the political situation, certainly not in the long run, we will be able to discuss the GST and to talk about Bills C-21 and C-28 and we can have interesting exchanges. Let us get over with this debate which lasts since 2:01 p.m. last Tuesday, October 9. Senator Olson should have a good contribution to make to this debate, because he has been a Minister and he has a long experience in government administration. I think he could contribute to an intelligent discussion, on Senator Buckwold's report and on the bill, in third reading.

I therefore invite all of you to phone Senator Frith, not right now but tomorrow morning, to tell him that we have had a productive and interesting discussion here and that we are anxious to continue in that way and that the filibustering should be put to an end. Thank you, Honourable Senator Kirby.

[*English*]

Senator Kirby: Thank you, Senator Simard. I would like to make two brief comments in reply to what you have said, including your remarks in French at the end. I do not deny your comment that job creation in Quebec and Ontario is good for Canada. When it has been unpopular to do it at home, I have argued exactly that case. On that issue you touched on

almost a philosophical ideological difference between your party and mine. To put the matter in context, I will tell you an anecdote that goes back to 1970 when we both entered the government. I should make the observation, for what it is worth, because we are now into Saturday, the 13th, that it was 20 years ago today that Gerald Regan won an election in Nova Scotia, and it was thirteen days after that when Premier Hatfield won an election to become the premier of New Brunswick. So Senator Simard and I both entered politics on the government side of the house at almost exactly the same time in adjacent provinces.

I remember the first time I came to Ottawa for a meeting with officials in the federal Department of Finance. The Deputy Minister in those days was someone familiar to members opposite. He was a young man in those days by the name of Simon Reisman. At that time, as a Nova Scotian and as secretary of the Cabinet, I held the view that the entire federal government, particularly the Department of Finance, because of its economic policies, was actively and openly biased against western Canada and the Atlantic provinces. That was the impression I had as someone who had been an academic and involved in opposition politics for a period of time. Through the late fall of 1970 and 1971 I came to the conclusion that my going-in assumption was false. In fact, the Department of Finance was not openly or deliberately biased or deliberately designing policies that would hurt Atlantic Canada and the west; that this was not an active policy stance of the bureaucracy. In those days the active policy stance was the philosophy that Senator Simard was talking about a minute ago when he spoke of creating jobs in Quebec and Ontario.

The philosophy was that if you maximized economic growth in some global, macro sense in the country, you would, in turn, maximize what the bureaucrats in the Department of Finance at that time called the "social dividend." I never did find out what that was, and when you asked them to define it, they could not. I see Senator Simard chuckling, so I am sure he has had the same lingo thrown back at him. It would maximize the "social dividend", which meant that the federal government had more money to parcel out to the regions to keep them relatively quiet.

The fundamental issue that Simon Reisman and I used to debate—and I must tell you that trying to debate with Simon Reisman is a real challenge, because he has a tendency not to let anyone else speak—was what role if any was there for the federal government to play in attempting to ameliorate the regional impact of a market driven economy, and to what extent should the federal government take action. Should it be DREE? I suppose DREE did not exist in those days. In fact, I can remember that the very first regional development program in Canada was the old ARDA program which began back in 1964-65. That was the first attempt by any national government to support the argument that market forces should not be the sole mechanism by which economic activity is distributed across the country. Since then, of course, there has been a series of programs with different agencies, under different theories and during different times. However, they were all based on the same principle, that there is a role for the national government to play in softening, cushioning or ameliorating the regional impact of market forces.

● (0300)

This government has gone through a variety of policies since 1984. There is not merely the free trade issue. One needs only to look at the GST and the whole set of policies that this administration has put forward to determine their underlying philosophical position. I understand that philosophical position although I do not agree with it. Fundamentally it is that the mechanism by which economic opportunity ought to be distributed across the country should be unconstrained and unadulterated market forces. I do not have to accept that philosophy.

Coming back to the petitions, one must ask, with regard to the regional impact of the GST, whether it is the correct economic policy or correct philosophical policy for a national government.

The second observation I would make again goes back to the early days when Senator Simard and I were both in government. It deals with the public reaction to sales taxes and consumption taxes in general. The sales tax was introduced in Nova Scotia as essentially a health services tax in 1967, and I believe that is also true of New Brunswick. The Prime Minister, the Minister of Finance and occasionally senators opposite, including Senator Simard, have put forward the argument that people are usually and unalterably opposed to consumption taxes or sales taxes, but it is not true. We cannot even use simple language anymore. We used to call this tax a sales tax, but now we call it a consumption tax. It is like the provincial governments of the 1970s; they ceased to have departments of welfare and changed them to departments of social services. The programs and the bureaucrats did not change. It was simply thought that the new name sounded more genteel. When the sales tax was introduced in Nova Scotia, and I believe also in New Brunswick, it was designed to collect the provincial share or to offset the cost of the national medicare program. As honourable senators know, medicare started in 1966. It came to Nova Scotia a year later.

Senator Simard: The honourable senator has referred to New Brunswick and Nova Scotia. The sales tax came to New Brunswick during the McNair administration or, if not, in the first few years of the Robichaud government. It was much before medicare, and I think it was around 1 or 2 per cent.

Senator Kirby: I admitted that I was not sure about New Brunswick, but there is no question that in Nova Scotia the first province-wide consumption tax was introduced in the year following the introduction of medicare. It was introduced to raise revenues to pay for medicare. At that time the public readily accepted the tax because they thought that they were getting something for it. All you have to do is read your mail. I assume that people phone Conservative senators to give their opinions, and I assume that they get mail just as we Liberals get mail. So the notion that the public is unalterably opposed to a consumption tax is not true. If the people felt that they were getting something useful for their money, or that it was

going for a good cause—and unfortunately they do not think giving the money to the Prime Minister is a good cause—they might be willing to pay the tax. So you must be careful when you dismiss the notion that everyone hates sales taxes and that therefore they will always hate sales taxes and fight them. That is not true. In fact, if you look at the statutes of Nova Scotia, you will see that we do not have a sales tax but a health services tax. Indeed, the money raised through the sales tax is largely used for health services.

Senator Bonnell: Senator Kirby, in the great province of Prince Edward Island we received the hospitalization and diagnostic services program in 1959. The medicare program came in 1966 or 1967. In 1960 the Shaw government came into power and it put in a sales tax to cover the hospitalization and diagnostic care service. So hospitalization and medicare were actually introduced at different times. In 1948, of course, we had health grants which gave us so much for hospital beds, and so on. Of course, the programs for diagnostic services, nursing services, dental care services, and so on, were brought in by Paul Martin of the Pearson Administration. I simply leave you with that information to help you straighten out your dates.

Senator Kirby: Thank you. Again, may I say that the exchange between Senator Simard and me on the terms and substance of many of the issues surrounding the GST has been useful. I should point out that nearly 50 per cent of the members opposite were not members of the Senate when the GST committee hearings took place. At some point you will probably have an opportunity to vote on at least the committee report, if not a third reading of the bill, and I hope that the kinds of exchanges that just went on between Senator Simard and me will help you to deal with the issue and to vote on it.

Senator Hays: Honourable senators, I would like to ask a question of Senator Kirby. It flows from the questions and the exchange you have had with Senator Simard and refers to the idea of not introducing major reforms in taxation such as the GST legislation without legislative approval beforehand. I appreciate that when a program is announced in the budgetary process it is inevitably followed by legislation. The GST was part of the tax reform policy discussed by this government as early as its first term in office. That being the case, the far reaching nature of this state of tax reform appears to me to be such that I must question whether it is wise to impose it on our present system without legislative approval. To some degree, that explains why we are here tonight. Senator Simard has talked about the honourable senator's experience as an advisor to premiers and prime ministers, and I am interested to hear his reaction.

Senator Kirby: Thank you. The implementation issue is an important one. One thing that surprised me during the course of the hearings this summer, because I had not appreciated the enormous complexity involved in the implementation which Senator Simard has characterized as "a very significant change in the entire tax structure of the country" is the simple practical problems of individual businesses, particularly small businesses, in implementing the tax. The details boggle the mind. One of the implementation difficulties of the GST, as we were repeatedly told, for most small and medium businesses was that they needed six months between the time of Royal Assent, if and when it occurs, and the actual implementation of the bill. Many of them said that the GST would impose significant changes in the way in which they do business—changes, for example, of computer systems, and so on. So Senator Hays is correct in raising the implementation issue. Many of us on this side of the house have said that one of the four options we considered when putting together our recommendations on this bill was that of putting a six to twelve month delay clause in the bill to enable businesses and people to get ready to pay the tax. Obviously we will discuss that point in some detail when we get to the committee report.

Let me give an example of the enormous complexity of implementation. It was referred to by the St. John's Board of Trade, in a number of western hearings, and in Whitehorse. The chambers of commerce, boards of trade and organizations of small retailers made an observation with regard to cash registers. These cash registers must be capable of calculating the GST plus the provincial tax or the territorial tax and determining which items are taxed and which are not. Many of the witnesses referred to the difficulty of getting hold of these cash registers because only a limited number of them are being manufactured. They were all being purchased by large organizations that needed anywhere from 5,000 to 10,000 cash registers. So that is a problem from a practical standpoint.

Let me finish with a comment on a petition.

By the way, since Senator Hatfield has just come into the chamber, we should inform him that in his absence senators present recognized that it was on October 26, 1970 when Senator Hatfield was first elected Premier of New Brunswick, and I think we should congratulate him.

Hon. Senators: Hear, Hear.

Senator Meighen: Senator Kirby, I realize that I may be abusing your patience somewhat; so I can wait, because I'm more accustomed to talking to you at about 7:15 in the morning, and it is now only 3 o'clock.

Senator Kirby: I am happy to continue the dialogue until 7:15.

Senator Meighen: I would like to pursue for a minute this theory of a relationship between merit and timing. I believe you said that the merits of the GST depend to a significant extent, if not to a determinant degree, on timing. In other words, the merits of the tax are affected by present economic conditions. Would you not agree that something as fundamental as the GST, removing as it does the existing manufacturers sales tax which has been so widely condemned, is greater than the economic situation of the moment and that it is really not appropriate to judge something as basic as this measure on those conditions, because by doing so you fall into the trap of what happened a few years ago when the government of the day condemned wage and price control policies out of hand and eighteen months later implemented them. Surely it is either right or wrong when it comes to something as important

and fundamental as that. Surely the merits of the GST do not depend on the latest Consumer Price Index or indeed the unemployment insurance index.

Senator Kirby: Honourable senators, of all the people I know in this chamber, I am startled that Senator Meighen would make such a comment. From our experiences together, I had thought that the honourable senator was what people on Bay Street call "street smart" in the sense that what might be correct theoretically may not be correct in the practical application. Indeed, I can recall a conversation between the honourable senator and me several years ago following a federal budget. One of the observations made by the honourable senator was that while the particular proposal may be theoretically sound, the current economic circumstances suggested that it was the wrong time to introduce it. As I recall, we were talking about the budget of 1982 or 1983, when it was being admitted by everyone, including the then Minister of Finance, that we were in a recession. I made that observation about the timing for two reasons. The first is my opposition to the timing issue and its redistributive effect which makes it a regressive form of taxation. My second point is that many of the business people who appeared before the committee made the argument that while they supported the principle of a consumption tax, they did not agree with the timing.

Mind you, the economic circumstances of today are significantly worse than they were when we held the hearings back in June and July. Many of the business people did comment on the timing, that it is important and that you cannot simply sell economic policy in a vacuum. Honourable senators must recognize that economic policy is not only a function of what is intellectually correct but of its practical application in the environment in which it is introduced. Of course, one of the great problems with economists is the phrase or disclaimer that they frequently use—they must have adopted it from lawyers, as it is in latin—and that is the phrase *caeteris paribus*, which says that you must ignore the practical realities that impinge upon the theory or, in other words, economists are incapable of building models that deal with the real world.

However, the issue of timing is important in the introduction of taxes, and the same can be said for economic policy in general. Indeed, the economic policy adopted by this government three or four years ago is quite different from the policy it has today. The Minister of Finance, I am sure, would make the argument that current economic circumstances warrant a different economic policy. So I do not think you can take the position that because the GST has whatever intellectual merit you think it has, it automatically is a good thing to do, independent of the circumstances of the economy. That is why the timing issue was raised repeatedly by members of the business community. While they may have felt that it was a good thing to do, in practical terms it was not right.

Senator Meighen: I would like to make one comment. I think you are underestimating the fundamental reform nature of the GST and its associated measures. If I am right in that, it transcends immediate timing and the immediate circumstances of the day. If you are cutting deep or doing radical surgery, there is never a good time. It may well be something that must be done.

Senator Kirby: I appreciate that point, and while this is not the place to debate it, let me make the observation that in no way do I underestimate the fundamental nature of the tax change encompassed in the GST. It is precisely because I understand the fundamental nature of that tax change that I am adamantly opposed to it. The timing question aside, there is a significant redistribution issue involved. That is why I have been very careful to say tonight that my opposition to the GST is essentially based on philosophical grounds. It is an ideological position, and I believe that it is a fundamental shift.

I have several petitions here that I had hoped to present, but because of the very instructive and helpful comments from other senators, I have dealt with only one of them. In tabling the petition, I would make the observation that I began with; namely, that it is remarkable to me that we are receiving petitions from all parts of Nova Scotia, from people in all walks of life and of all ages. When one looks at these petitions, takes the phone calls and reads the mail that comes from all parts of Nova Scotia on this subject, one begins to realize the depth of feeling and concern Canadians are experiencing over this issue. Therefore it is important that we table these petitions, because it indicates to the public that the petitions and the names on them matter. One of the good things we have accomplished in this chamber in the past several days is that we have made the average Canadian, and in my case the average Nova Scotian, understand that if he or she takes the trouble to sign a petition, regardless of the subject, and the time to send it to us, it will be presented in the chamber. So, to the extent that senators on both sides can send out a signal that says "your views matter, we are listening", and to the extent that we are prepared to express those views in the chamber and to speak on behalf of those people, it is a very important message to send to all Canadians. It is important that we be responsive to the concerns and the views of the average Canadian. It is with that attitude and view in mind that I would simply like to table the petition that I have been talking to for the last little while.

● (0330)

Hon. Dan Hays: Honourable senators, I have the honour to rise and present some petitions. As was the case the last time I rose on this notional Tuesday, they are of two kinds. The first I will deal with relate to a group of Canadians from my part of Canada, Calgary. I will go through their geographic location as part of my presentation of the petition.

They address the specific problem of the GST and the effect it will have of taxing printed materials and the departure from the long-standing tradition of not doing so. The petitions represent a large group of people who are unhappy with the goods and services tax and are saying, "Please change it to address our problem". The result of the government's listening to those people prior to drafting the legislation has been a narrowing of the tax base. There are a number of people who have successfully lobbied the government or convinced it that they should be excluded, that they should be zero-rated or

treated in some special way so that the tax will not apply to them. As I said, the result of that has been the narrowing of the base of the tax. Of course, that results in the very same problem existing or coming back into play that the goods and services tax as a tax reform was intended to address, and that is the very narrow base of the manufacturers' sales tax.

These petitions relate to the issue of the GST applying to printed materials. The first petition is signed by 25 Canadians who are representative of the community of Calgary. They are from the communities of Lake Bonavista, with addresses on Robson Circle, addresses on the MacLeod Trail, Parkdale, Oakridge, Cedar Brae and Midnapore, which is interesting in that it is one of the few Canadian place names which has its origin in India. There are addresses on Dover Court, Bonavista and Woodridge. I will set aside that petition containing 25 names to be picked up at the conclusion of my remarks.

The second petition I have contains 25 names, again representative of my community. It contains similiar addresses and as I look through this list I will draw special attention to Sunnyside, Hillhurst, Sunridge, a few of the communities I did not notice in the first petition.

The third petition contains 25 names. As I look through this petition, I see no place names of subdivisions that I have not already mentioned, except perhaps for Deerfoot. In this particular petition, there is a signature of a person who lives outside Calgary in the community of Canmore. That then is the third petition of 25 names.

Senator Steuart: I wonder if I could ask a question. Coming from the greatest gas and oil producing province in Canada, could you comment on the petitions coming from Calgary, which is the head office of the oil and gas industry. What effect will the latest apparent shortage of oil and the sharp increase in the price of oil have on costs such as transportation costs? What effect will the GST have on the people in Alberta? Will it make the cost higher or create bigger hardships for both the industry and the people?

Senator Hays: Thank you for the question, Senator Steuart. As a regressive tax, it will add to the costs the people in my community have to pay and will cause a hardship to them. That is one of the reasons so many of them have come forward and signed petitions in opposition to the tax.

The community that I come from is affected by layoffs, notwithstanding the higher price of crude oil as a result of the current crisis in the Middle East, one of three in very recent memory. There are many layoffs in our communities.

There is an Air Canada base in Calgary and, as a result of Air Canada's addressing higher crude oil prices, a number of my fellow Calgarians will be out of work. Imperial's head office is in Toronto, not Calgary I regret to say, but it does have a major office, Esso Resources, in Calgary and the downsizing which Imperial Oil is going through will also have an effect. In the face of higher energy prices, crude oil in particular, we still see this occurring because there is so much uncertainty about where the price of crude oil will end, notwithstanding its current high price. Those people who are laid off by Esso Resources will also suffer greatly because of higher costs.

I have mentioned two large Canadian companies. There are many smaller Canadian companies in the energy sector which have unsatisfactory debt-equity ratios and they are also in the process of laying off and downsizing, notwthstanding the current high price of crude oil. Those people who are laid off because of that phenomenon will also be unhappy with the GST and I assume that is one of the reasons that prompt them to sign petitions.

Senator Steuart: Is what is happening in the oil industry causing a tremendous increase in exploration and development of the tar sands to face the possible shortage in Canada and North America, and what effect will the GST have on that? First, is it happening, and secondly, what effect will the GST have on it?

Senator Hays: I would be happy to respond to that. Higher energy prices will assist energy companies by enhancing revenues during this period of higher energy prices. It is fortuitous that these high crude oil prices coincide with remarkably low prices for natural gas. Senator Carney is not present, but that is something we might have had an exchange on, if she were here. Deregulation has not served the natural gas industry very well, not to this point at least, because it has served to drive down the price of natural gas to the point where, in most cases, it is being sold for less than its replacement cost. As far as the GST relates to these matters, the costs of exploration and development will increase because the GST applies to many of the capital goods, and all of the services that that particular sector uses. Accordingly, that could be a reason for people signing petitions in my region, which is an energy-based region.

The support by the Government of Canada for OSLO was withdrawn in the last budget. The capital costs and services needed to construct the facility will be higher as a result of the GST and that will have a negative effect on Canadian security of supply because it will make it more expensive to put the facility in place. It is desperately needed to address a near-term problem we will have as a result of our declining crude reserves, a point that was made very effectively by Jim Grey, who, I believe, is well-known to most senators. He is a spokesman for the industry from Calgary and he appeared before the House of Commons Energy Committee earlier this week.

Senator Comeau: The way I see it, the capital costs will in effect be actually lower because, not only will they not be paying the manufacturers' sales tax on equipment, but with the rebate on the 7 per cent GST, the actual cost of capital equipment will go down thus making the cost of production and extraction of oil much cheaper.

Senator Hays: On the surface that would seem to be the case. However, we must remember that we are talking about a region of Canada. Much of the manufacturing of the goods from our heavy oil and our oil sands projects is done in eastern Canada and involves a high transportation component. Accordingly, because this is a capital project that will take

place in a region of Canada, your suggestion is not necessarily so. I would not say that it is absolutely not so.

I would refer honourable senators to a recent study by the Canadian Tax Foundation entitled *The Economics of the Goods and Services Tax*. This report highlights that fact, and I wish to quote one short excerpt from it which illustrates a model that Messrs. Jones and Whalley developed. In gross terms, it shows the effect of the tax on a model basis. Those have to be accepted with some grains of salt because they are based on assumptions. The model uses 1981 as a base year. Ontario gains $488 million from the change and Quebec gains $3 million, and all other regions lose. British Columbia loses $76 million and other regions lose over $100 million each. In the case of Alberta it is in excess of $100 million.

In response to your question, the point that I would like to make is that while on the surface it would seem that the elimination of the narrower based manufacturers' sales tax and its replacement with a slightly broader-based GST, which unfortunately is not broadly enough based to do what it is supposed to do, will not work that way for that region.

Senator Comeau: In the model that is used, did the economists calculate the reduced cost because of the removal of the GST on the transporation equipment which is being purchased from Quebec and Ontario, such as trucks and trains, and also the fuel that is used by the transportation companies to transport the equipment?

Senator Hays: There will be an opportunity to look at this document that has been released. I will not spend a lot of time on it, but, as I understand it, it is what is called a general equilibrium model and features six Canadian regions. In each of the regions it talks about 13 industries in particular. I cannot answer the question specifically as it relates to transportation, other than to indulge in what economists do so often and assume that transportation is one of the 13 sectors factored into the model.

I will move to the fourth petition which is related to the tax applying to printed materials. As I go through it, I see a few new communities represented from Calgary, such as Elbow Park. I do not see my own community here; however, hopefully before I have completed these petitions I will encounter that community and be able to say a few kind words about it. This fourth petition contains 25 names.

The fifth petition contains names from many of the communities I described earlier.

Having read those five petitions which are of a different nature, I will now turn to a different set of petitions. The first petition is signed by people from Alberta and it calls upon the Senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax. This petition contains the names of 27 people from rural areas, including Didsbury, Olds, Red Deer, Torrington and Trochu. This petition differs from the petitions I have dealt with so far in that it asks for an outright stopping of the goods and services tax. These people represent rural Albertans. In my explanatory remarks, I would like to draw upon personal encounters with rural Albertans, particularly in the farm machinery business and say why I would think that they would be people who would sign this petition. I do not recognize names of any farm machinery dealers.

As we all know, our agricultural industry is extremely stressed. We talk about slowdowns, recessions and depressions. There is absolutely no question in my mind that we are in about the sixth year of a depression in the agricultural sector in western Canada. This is particularly concentrated in the province of Saskatchewan, secondly in Manitoba, and thirdly in Alberta.

The people who serve that sector, such as the farm machinery dealers, are also stressed. We have seen consolidations in the farm machinery sector and essentially there are now only three lines of equipment whereas ten years ago there were six or seven lines of equipment. These dealers are extremely frustrated and angry about the implementation of the GST.

Although agriculture is zero-rated, the people in the farm machinery sector are obliged to collect the tax on many items. For instance, tractors under 100 horsepower, which is a fairly large tractor, and drills for seeding which are less than 12 feet. Those are two examples and perhaps they could be remedied, but as it stands those are items on which the GST must be collected by farm machinery dealers. That means they have to upgrade their computer systems, the memory and storage, and it is necessary for them to employ people to input the information and basically to look after the high cost of administering the tax. In many cases the cost of administering the tax will either add to the cost of that machinery dealership or put the machinery dealership into a loss. The crowning issue for the farm machinery dealers is that they know that this tax they have collected is paid by farmers who are zero-rated who will have to complete their administrative work and reclaim the tax. In some cases these costs are estimated to be up to $25,000 a year for the farm machinery dealer to process the information. The farm machinery dealer knows that the people he deals with are almost all exclusively zero-rated and will spend a lot of money to claim the tax back. They are also aware of the high administrative costs to Revenue Canada. We are all well aware of how much money has been spent there and how many employees have been hired and nothing has happened. The tax has been collected, the tax has been debated and it has churned the money and generated some activity but it is impossible to describe the frustration and anger that I have encountered from those people when they relate the tale of all of this work and the high costs to achieve absolutely nothing in terms of tax effect.

This petition relates to comments I made about petitions filed on behalf of that community which is concerned about its specific interest, namely, printed materials. This is also an illustration of the narrow base. Quite properly, agriculture should not be stressed with this additional tax, but the narrower base makes the tax almost as flawed in terms of who it draws upon as the manufacturers' sales tax, which I look forward to debating when we actually get to that item on the legislative agenda.

The second petition I wish to present is in a similar form and contains the names of 24 petitioners from Calgary. The difference between the first petitions I filed and this petition is that it asks the Senate of Canada to stop the goods and services tax. This petition represents people largely from the community of Calgary. I do see some names from Strathmore which is a community east of Calgary which services the agricultural sector, in particular a large number of feedlots.

The third petition I wish to present is in the same form. It asks the Senate of Canada to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax. The names on this petition are from a different part of Alberta. There are names from Valleyview, Crooked Creek, Winterbourne, Sunset House and Edison. These are all communities south of Edmonton but north of Red Deer. The petition also contains petitioners from the community of Delburne, which is east of Red Deer.

In this case, the petitioners may have signed this petition for a reason different from the one I explained with respect to the petition I have just filed, which was signed predominantly by people serving the agricultural community. These other communities are in areas where there is a great deal of activity in the oil and gas exploration and development which we hope will be revived as a result of higher crude prices, even though the crude prices are higher for the unfortunate reason of the terrible crisis in the Middle East. These people are not busy and have not been busy. Many of the drilling rigs or "iron", as they are called, have been broken up and sold, which has resulted in high unemployment in these regions. People are moving out of the region or people are unemployed. The goods and services tax will be regressive. It will increase their cost of living and will have a negative effect on those communities. Accordingly, I can only share with honourable senators these reasons that this particular set of 27 petitioners would oppose the goods and services tax.

Finally, I have a set of petitions which are of the type I presented earlier. They are from the same community that wished to have the tax not apply to printed materials. The petitioners are from Calgary. Many of the people in this petition have addresses which are box numbers at certain sites and people who have supermailboxes, another controversial item. I see one signatory from Claresholm who is probably a school teacher or someone who has a special interest in education and literacy.

I will add this petition to the five I have placed here for tabling.

The next petition contains 25 names from Calgary, with a couple of exceptions. I see a name here from Vauxhall and one from Taber, a community in southern Alberta.

I have three more similar petitions I wish to table. Again, these principally represent people from the City of Calgary, however, there is a name here from Priddis and the rest are from Calgary with the exception of one from Drumheller, a community in southeastern Alberta, the site of the famous Tyrrell Museum of Palaeontology.

• (0400)

The next petition that I wish to table is in similar form—people wishing to see the tax not applied to printed materials. It is signed by people from Calgary, although there are a few exceptions. One of them is from the community of High River, the birthplace and home of Mr. Joe Clark, a previous Prime Minister of Canada. The other signatures are all from communities in Calgary that I have named earlier.

The last petition is in similar form. It is signed by 25 citizens who are representatives of communities in the City of Calgary. Honourable Senators, I will table these petitions.

There are questions about compliance and about the complexity of the GST, questions about whether or not it will serve any end, being sold as a tax which will not raise much in the way of additional revenues, and fear that it may, in fact, be a tax put in place to raise additional revenues, in which case what will the rate of the tax be? I believe those questions have prompted all of the people to sign the petitions that I have tabled this morning—both those who wish the tax not to apply to printed materials because of their special interest and those who wish the Senate to do everything that it can to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax.

Senator Bonnell: Would the honourable senator permit a question?

Senator Hays: I would be pleased to deal with a question.

Senator Bonnell: Do the people of Alberta think that the GST is revenue neutral as compared to the manufacturers' sales tax, or do they feel it is a money grab for the government?

Senator Hays: I have had an opportunity to talk to many of the people who I feel would be typical of those who have signed these petitions. The answer to that question is mixed, and I would take it that they do not know.

I have asked those people who support the tax why they support it, and they have said, "Because we need the tax to address the deficit." They obviously have not heard the government's sale of the tax; that is, that it is not to address the deficit but, rather, to replace the MST and FST. So, they do not know and then they make assumptions. One of the great problems with this tax is that is not part of a known strategy of the Government of Canada on how to deal with its debt service and its requirements to generate operating revenues to carry out programs and so on. The people of Canada assume that this tax will do this or it will do that. That is one of the greatest faults of the tax, and it is one of the things that prompts these petitions that we are spending so much time bringing forward in the Senate. They do not know, so they assume. Some of them have to be wrong; they cannot all be right.

The great failure of the government in this case is not telling us their agenda. Some who oppose it say, "The moneys coming in are going to be increased, and those moneys are going to be used to introduce new programs or will be used in the lead-up to an election. We don't like that so we oppose that. That is a

bad strategy for Canada." Others say, "No, the government wouldn't do that. This money is going to be dedicated to debt reduction." The fact of the matter is that we do not know, and the government has not been forthcoming. The government, in its sale of the tax to Canadians, has failed to clarify those issues. That is the best answer I can give, Senator Bonnell.

Senator Bonnell: Is there any fear from the people who have signed those petitions that the federal government might do exactly the same thing with the GST as it did with the manufacturers' sales tax? The manufacturer's sales tax was only 9 per cent, and they have raised it to 13.5 per cent. In my province, people feel that the GST might start out at 7 per cent, but if the government wastes more money and gives more money, they will have to raise to 8 per cent, 9 per cent, 10 per cent or perhaps 25 per cent. If it starts at 7 per cent, where does it end?

Senator Hays: That is a major fear. If the experience in other countries is any indication of what will likely happen, it is a well-justified fear. I do not know that I can add much more, Senator Bonnell, other than to accept your lead on that question. I can certainly confirm that that is the feeling, as well, of many of the people in my community who I have been trying to serve here by bringing these petitions forward at this particular time in the Senate.

Senator Bonnell: In my province, many people are in the lower income bracket. We do not have any millionaires; we do not have any big banks; we do not have any big corporations. The people feel that the big corporations are off the hook, whereas the poor fisherman, the unemployed or the mother with 3 small children are being heavily taxed in order to let the big corporations off the hook because they supported this government in the last election. Is there any fear of that in your province?

Senator Hays: Yes, I encounter that from time to time. It seems that people sense there is potential mischief in relying on the people who will be paying the goods and services tax to the degree that the government apparently intends to generate revenues for the general revenue fund to serve our need for debt service and funding programs, including programs which attempt to assist in equalizing differences in various regions.

Again, there is no good strategy here that is apparent to Canadians on what the tax base is at the income tax level, the corporate tax level or the excise tax level in terms of how the burden of paying our debt service will be borne in a fair way by Canadians. This particular tax does not fit into a strategy which fairly allocates the burden of tax among Canadians. I am sure that that is one of the reasons many people are signing these petitions and forwarding them to us. They are saying that this is a bad tax and should not be implemented.

Hon. D.G. Steuart: Honourable senators, I am going to present petitions from various parts of the Province of Saskatchewan. As I go through them, I notice that some of the signatures are from places other than Saskatchewan. In fact, there is one here from Niagara Falls, New York. Why anybody from Niagara Falls, New York, would be against the Canadian government's goods and services tax is beyond me.

Senator Bonnell: They probably want to visit Canada.

Senator Steuart: They may. Most of the names on the first petition are from the Rosetown, Saskatchewan area. For those who do not know Saskatchewan, Rosetown is a good-sized town for Saskatchewan.

Senator Bonnell: What is the population?

Senator Steuart: I was going to get to that. You are being a big help. The population is approximately 4,000.

Senator Bonnell: When you give us the population, you give us a better idea of how big the town really is.

Senator Steuart: Thank you, and bless you; bless you many times. Rosetown is the heart of the farming community. In fact, it has some of the best farmland and farmers anywhere in Saskatchewan or Canada. Today I have been telephoning people whose names are on these petitions because I am interested in why they would sign them. I found out that there is a general concern about things that affect their community.

Agriculture, as I am sure all of you know, is still the backbone of Saskatchewan's economy. When agriculture is in trouble, as it is now, the whole province is in trouble. Agriculture is in extremely serious trouble.

One of the problems with agriculture in Saskatchewan from the viewpoint of the rest of Canada is that some of our farmers and farm organizations tend to cry wolf in good times and in bad times. I presume if you live in other parts of Canada you have a great deal of difficulty deciding when things are really bad in Saskatchewan. Many times when things were extremely good in Saskatchewan, organizations such as the Farmers Union would complain about the terrible situation in Saskatchewan. Sometimes even the Wheat Pool would petition Ottawa for more help. It seemed to be an endless thing. If it rained too much in the spring they were demanding relief because of flooding; if it was dry they were demanding relief because of drought; if the markets were low they were demanding relief because they could not sell their grain.

Sometimes those complaints were not serious and legitimate. However, in the last 3 years, they have been serious and legitimate. Anyone who pays any attention to what goes on in Canada and the rest of the world will recognize that the price war on grains in general between the United States and the European Common Market has almost destroyed the price of grain. The price of wheat right now, relative to what it was in the Thirties, is lower today in real terms than it was at the bottom of the depression. While they have had a bumper crop, many of the farmers are literally dumping it in the fields because it makes no economic sense to invest in granaries to store the grain to wait until the market picks up, if it ever does.

These people from the Rosetown area are not petitioning the Senate to do what it can to stop the GST because they do not like paying taxes. This may be the straw that breaks the camel's back. They are in real trouble. Our whole agricultural industry is in serious trouble.

If you chart the course of the economy in Canada, whenever there was a bumper crop in western Canada, with good prices and good markets, there was prosperity in Canada. The farmers spent their money. They bought machinery, almost all of it made in eastern Canada. It helped central Canada. There was nothing wrong with that.

Someone here said there is a feeling in some places in the extremities of Canada—western Canada or Atlantic Canada—of resentment towards Quebec and Ontario. There is some of that. Some of it is justified, much of it is not. No other nation in the world has been as generous as Canada in spreading money around in cost-shared agreements and equalization grants to the have-not provinces. Saskatchewan is a have-not province again. It has gone from a have province to a have-not province, back to a have province and then back again to a have-not province. The people who live in Alberta are beginning to understand that, because, for a long time, they have been a have province. They carry their share of equalization grants to the other provinces.

The people of Saskatchewan are petitioning us because they are extremely serious and are in a great deal on trouble. They do not need this tax at this time. Besides everything else that has been said about this tax, the timing of it is unbelievable. It is going to be a money maker. I have no doubt that this is going to be a cash cow. I have heard many federal officials say that we need this tax to help pay off the deficit. There is no question that the deficit has to be paid down, but surely there are other ways.

Finance Minister Wilson said the most amazing thing this morning: He will not call this a recession. But what difference does that make? We are in tough times. He said that this is a plan. He said, "I will admit I just missed by three-tenths of one per cent." That is like the captain of the Bismark saying, "I was doing really well, folks, just before we went down, but I steered one degree too far north," or the captain of the Exxon *Valdez*, saying, "I just missed by 2 or 3 per cent," and we ended up with the most terrible ecological disaster we have ever had in the north. Instead of backing off and saying, "Let's take a look at this; let's study the effects of this for a while," Finance Minister Wilson seems absolutely convinced, determined and stubborn that they are going to push on with this tremendous change in our whole taxation policy.

There are petitions coming into the House of Commons, as well as the Senate. I am sure senators on the other side have received some, but they are not bringing them forward. Again I say to you: Use what influence you have. You have influence and you can make a difference. If 3 or 4 Conservative senators decided they would not support the GST, they would strike a blow for ordinary people across Canada, not just Nova Scotia fishermen or people below the poverty line, they would strike a blow for businessmen. Most businessmen in Canada do not want this tax. Big business and manufacturers want it because it would be of benefit to them, but small businessmen across the country do not want this tax.

Yesterday, in the City of Regina, stores in the largest shopping mall took turns ringing bells. They were ringing bells in support of the Liberal senators' fight against the GST. That might not say much to you people, but Regina is not a Liberal city. It has not been a Liberal city for a long time. It voted very strongly Conservative and now it votes very strongly NDP. The merchants there have been politically stung too often to get involved. They may get involved quietly, but they do not show their colours too openly. Politics is taken seriously in Saskatchewan, and it hurts them. When they will ring bells in support of the Liberal senators' attempt to stop the GST, that is the strongest indication they can give that they are very concerned and dead against it. Right now they are suffering; business is down.

Regina is not too far from the American border. The people of Regina, Weyburn, and Moose Jaw are heading south by the hundreds. They buy all kinds of things, including food. They bring it back. They can save money, even if they have to pay duty. When the GST comes in, it will be worse.

Senator Hays talked about what is happening to agriculture. The people who have signed this petition—people from Rosetown and Swift Current—are pleading with us and petitioning us, which is their right. It is our responsibility to bring to the attention of the government that these people want the GST stopped. For the first few years when the Brian Mulroney government was in power, I believe they took a poll every three days before they decided what they would do. I suppose they think they will get re-elected if they can show courage and statesmanship, and their idea of statesmanship is to do things that are extremely unpopular. Of course governments have to do unpopular things, but this is not only unpopular; the timing of it is desperate and it is a terrible tax.

The government has admitted that they are going to hire 4,000 new civil servants; you and I know that it will be closer to 5,000 or 6,000. That indicates how complicated this tax is. Small businessmen have to collect tax in one area and put it on another area. I think the provincial government is going to meld the tax, which will be even worse. The last time I talked to people in the retail business, the cash register people had yet to come out with a cash register where they could collect the two taxes—the federal tax and the provincial sales—by only one operation on the cash register. They may now have developed that, but it will cost a lot of money. Many businesses are holding back to buy it because it is a big investment.

I have mentioned that agriculture will be hurt by this at a time when it cannot afford to be hurt. It is in serious trouble. Another extremely important part of our economy is tourism. Tourism in Saskatchewan, and I believe in most of Canada, is flowing the other way. The pull of lower prices is increasing the flow of tourism out of Saskatchewan. The gap between the Canadian and U.S. dollar has narrowed, so that advantage for Canadians has disappeared. Prices in the U.S. are far lower than in Canada. When this tax is implemented, there will be a tax on food, hotels, and all services. Our tourist industry will dry up. That will be another serious blow to the province I represent.

Let me deal with the lumber industry. Many people think we do not have a lumber industry, but we do. There is a very

large pulp mill in the City of Prince Albert. There is a pulp mill being built in the northwest part of Saskatchewan, near a place called Meadow Lake. There are several saw mills in the northern part of the province. It has always been a relatively large industry in Saskatchewan. It does not compare to the lumber industry in B.C. or Quebec or in some parts of the Maritimes, but it is very important to our economy. It is suffering, and it will continue to suffer. Again, the GST is going to hurt it.

There are names in these petitions from Prince Albert, Big River and Meadow Lake. If you talk to the people there, they are very worried. That pulp mill may not go ahead in Meadow Lake. The market is off. When they made their plans and projections for that pulp mill, they had no idea that the GST would go into effect. When it does come into effect, it may change the whole picture. That pulp mill may not go ahead. The people who are depending on those jobs tend to be Native people, and they need those jobs. Unemployment among the Native people in northern Saskatchewan is among the highest in Canada. It runs as high as 60 per cent. This will be a terrible blow to them. They are petitioning us not to go ahead with this.

I have many petitions regarding education, most of them come from the City of Regina and the City of Saskatoon. However, what is true in Regina and Saskatoon in this particular case is true all over the province. I will read what they have to say:

> To the Honourable Senate of Canada.
>
> A petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable house will therefore provide a remedy, humbly sheweth.
>
> Whereas, the Government of Canada has seen fit since Confederation and without hiatus to apply a zero-rated tax to magazines, books and newspapers and now proposes to include them in the GST and,
>
> Whereas, uninhibited dissemination for the printed word is a cornerstone of democracy, culture, education, and a literate and productive society will be negatively affected by the GST application,
>
> Wherefore, the undersigned petitioners humbly pray and call upon the Senate of Canada to reaffirm the historic principle embodied in the tax-free status for the printed word by proposing an amendment to Bill C-62 to include retention of the zero rate for these products.

The names of the people on this petition are from Regina, Saskatoon and some of the smaller centres.

The Government of Canada and the governments of almost every province have launched strong and expensive programs to increase the literacy in this country. There were studies showing the percentage of our population who could not read or write at a level high enough to apply for a job or to hold the most menial job. When those studies came to our attention, governments from all parts of the country and at all levels of government set out to do something about it. At the same time, the federal government proposes to put a tax on books and magazines and, in fact, raise the cost of trying to help people learn to read and write. I find that not only counterproductive, but unbelievable. These people are not asking, as are those on the rest of the petitions, that the GST be stopped; they are asking that it be amended. Our aim is to stop the tax. But when we asked officials of the government to make this amendment, our pleas fell on deaf ears. I hope that situation changes.

● (0430)

One of the other parts of the economy in Saskatchewan, which has played an increasingly important role in our economy in the last few years, is mining. This comes as a surprise to some people who do not live in Saskatchewan. In the northern half of Saskatchewan you find forests, and, when the forests run out, you are into the Precambrian Shield. There we have tremendous reserves of copper, gold and zinc. In the southern part of the province we have tremendous reserves of coal, and we have among the greatest reserves of uranium in Canada. Some of these industries are prospering and some are suffering. The application of the GST to this industry is going to be one more blow that we in Saskatchewan cannot stand—I do not think they can stand it anywhere in Canada.

I cannot believe that the government cannot see that this tax is counterproductive. We reach a level in taxation—and I think we have reached it in Canada—when there comes a point of diminishing returns. We have reached such a point with respect to the price of cigarettes and liquor, and I think we may have reached it in many other areas in which the incentive to earn, work harder, start and improve businesses will disappear. This is true of the mining industry. We, in Saskatchewan, have a difficult time convincing people to develop mines. If they can develop them in Ontario, they are closer to the market and closer to water transportation. If they can develop them in British Columbia, they are right on the ocean and much closer to the Pacific market, which is growing by leaps and bounds. But we are land-locked. We have to depend on trucks and rail to get our goods to market. So the slightest change in the economy and the costs to the mining and lumber industries is enough to tip the balance. They have marginal operations at best, and this will change the situation.

Saskatchewan used to have a population of over a million people. Our population is now down to 900,000 people. Over the years, the federal government has spent hundreds of millions of dollars attempting to encourage industries to locate in Atlantic Canada and in the prairie provinces to help us to diversify our economy. All that money now is going down the drain, partly because of circumstances beyond the control of the federal government or any other government. But, in this particular case, adding the complications and the tax increase of this tax is going to strike such a blow to Saskatchewan that, if something is not done, we will have gone from having over a million population to having an 800,000 thousand population in a few years. What is true of Saskatchewan is to a lesser extent true of Manitoba. But it is true of Saskatchewan

because we depend far more on agriculture than on the tenuous mining, tourist and lumber industries.

It has been said several times that people do not mind paying taxes, that this tax was brought up in the last election and people did not react, and that the Liberal Party did not raise it as an election issue. When I was the mayor of the city of Prince Albert, almost every year, like everyone else, we were forced to raise the mill rate. We would try not to, but if we did not raise the mill rate, the school boards would raise it, and the city had to collect the taxes on behalf of the school board. So we would have our meeting with the school board and do everything we could to keep the costs down, and then we would announce the increase in the mill rate. I waited for the reaction and there was none. After that first year I thought there was nothing to it. As a matter of fact, I wondered why we wasted all this time because there was no reaction. Then at the end of December all blazes would break loose. The phones would ring and people would accost you.

One thing about being in municipal government, if you do something in a council meeting on Monday night, you run into it on Tuesday morning walking down the street. In the provincial government you could get away from it for a while, and I like it much better in the federal government because most people think I have died and gone to heaven so they do not bother me any more. But in municipal government you got it as soon as you left the meeting. One day I asked the commissioner of the school board, if we raised the taxes in February or March, why were we catching hell about it in December? He said that was when most people paid their taxes. I never thought of that. Most people pay their taxes at the last possible moment because the amount they would receive for early payment did not amount to much.

That is why there was little or no reaction to the GST when it was first announced. Now we are getting a reaction because the implementation date is coming closer. If the government announced it was going to raise the manufacturers' tax by 2 per cent there would have been some editorials, the business community would have been in a state of shock, and it would have campaigned against it; but the ordinary people would not have thought about it until they found that prices had increased. The reason they are reacting to the tax now is because the Liberals in the Senate, the NDP and provincial premiers are talking about it and because businesses have had to gear up for it.

People are talking about the GST and they are angry. They are actually ringing bells in the largest shopping mall in Regina against this. Why? Because right now businesses are laying out the money to gear up for this. They are concerned, and some do not know if they are going to carry on because their margin of profit is so low. They are telling their customers about it and their customers are getting worked up. I hope we are going to show you the millions of letters—maybe close to 2 million since we returned from our cross-country hearing—from people who are reacting. That reaction is growing all the time.

This is another reason we keep going. We think this an unfair tax to the extremities of Canada and to the poor people. It is a bad tax at a bad time. The feeling against the tax is growing all the time, and I am hoping that the Prime Minister and Mr. Wilson will open their ears and hearts and realize what they are doing to themselves, but, more important, what they are doing to the people and to the economy of this country and back off.

I said this yesterday and I will say it to you again: People can make a difference and you new senators can make a difference. If five or six of you senators decide that you have had enough and you are not going to follow like sheep to the slaughter and back this tax without thinking, you would see the government back off so quickly that it would make your head spin because they know that as soon as it came to a vote, the tax would be defeated. I do not have much hope that you will do that, but we hope it will eventually sink in, through our reading of these petitions, that you new senators are allowing this to happen.

I have spoken about the petition with respect to magazines, newspapers, periodicals and books—what a terrible thing it is and how angry people in the education field are. We have petitions here from Rosetown, Prince Albert and Yorkton. These are basically farming communities.

I see petitions from a small city of about 12,000, Swift Current, which is close to the Alberta border. The city of Swift Current lives by the oil patch. It services the oil patch in western Saskatchewan. It is a shopping and communications centre, but its prosperity rises and falls with the gas and oil industry. The people of that city are extremely upset and fearful for the future of their community, and they should be.

Senator Hays talked about the fact that although the price of oil is going up, for some reason—fear that it will not last or uncertainty—the investment in exploration is not continuing as much as people expected it would. Usually as soon as the price of oil goes up, exploration goes up, and the pipeline and steel business goes up—we have a steel mill in Regina—but that is not happening. One of the reasons that is not happening is the uncertainty of the economy in Canada.

Here we are in a recession and it is going to get worse. In 1991, if the government gets its way, it is going to slap another tax grab—make no mistake it is a tax grab—on the people of Canada. I said this last night and I am going to say it again: If this bill passes, the provinces are going to come in on it. They cannot help it. The federal government was stunned when the provinces did not come on line. It thought the provinces would leap at this chance because it would lower the provinces's tax, which would look good to its people, the federal government will collect the money, and the provinces will get more money and have the joy of spending it.

The federal government thought all the provinces would agree, and, for some strange reason, they did not. The government did not expect Alberta to agree because Alberta does not have a sales tax. Saskatchewan is now weakening. Some of the Atlantic provinces are weakening. Quebec jumped in with both

feet. I have a feeling that before Brian Mulroney makes a move, he sits down with Bourassa and cooks up a scheme. I think it is an unholy alliance that is not helping the rest of Canada. However, they have come in on it for only one reason: They are going to make more money out of it. Everyone knows that Bourassa had to be getting something extra out of going in with the federal government, not just to help Brian Mulroney, and I do not blame him.

The government of Saskatchewan—which has spent money like a drunken sailor for seven or eight years they have been in power and run up deficits of $4,000 million—is going in on it for only one reason: This tax is not popular. It is not popular in Saskatchewan to be getting in bed with the federal Conservative government right now. Grant Devine has been trying to move away from it, and I do not blame him. Now he is beginning to make noises. Why? Because he is going to make more money, and if he is going to make more money, it will only come from one place, the taxpayers. Now we are going to see a double grab in this country: A grab by the federal government for billions and a grab by the provinces for billions. We cannot stand it. We are already one of the highest taxed nations in the western world.

I am not one of those who think that everything that happens shows that free trade was a bad agreement, but I do not think we were ready for it. I do not think enough studies had been done to find out if we were competitive enough or if, industry by industry, we could succeed and compete with the American industries. If this tax goes into effect, you ain't seen nothing yet. You are going to see factories moving out of Canada so they will not have to pay more taxes. Not long ago the *Globe and Mail* said that they are already moving out by the dozens. If you had a factory and could move it down into the United States and take advantage of that huge market, sell into Canada, and pay lower wages and lower taxes, of course you would go. There was a company that received millions from the Ontario government and is now moving down to the United States. It is going to happen over and over again. If we implement this tax, it will happen to a greater extent.

Senator Bonnell: Before you leave that proposition, I wonder if you would permit a question.

Senator Steuart: Certainly.

Senator Bonnell: You said you predicted that the provinces would jump on the bandwagon and collect the tax with the federal government. Consequently, things like postage stamps would be taxed by the provincial government. What is going to happen to poor Summerside on Prince Edward Island, which has been promised all these federal government offices, if the provincial governments are going to jump in and collect the taxes on their own? Are we going to lose all of the jobs that were promised to Summerside?

Senator Steuart: I am not sure.

Senator Bonnell: You predicted it.

Senator Steuart: No. I am predicting that the provinces are going to come in. I do not know. If the Province of Saskatchewan melds its tax with the federal government and the average citizen now has to pay a 7 per cent federal tax and, for example, a 5 per cent provincial tax, the theory is that the tax will go to the federal government, which will return Saskatchewan's 5 per cent and take its 7 per cent and put it in its own coffers. It may not not change anything.

The government is telling the provinces that their costs of collection will not be any higher. So if they are not any higher, they will not have to hire any more people. I do not think it will change your situation at all. It may, but I do not know, and I do not know if any one else knows. One of the promises the government gave to the provinces was that their collection costs will not increase. They can lower their rates of taxation, but, because the tax will apply to all kinds of new articles and services, the 5 per cent tax will produce far more money on a wider range of taxable articles and services than the 7 per cent tax. The provinces will then make more money. The federal government is going to take the blame for collecting the money. It will be known as "the tax".

Another thing that the federal government has said is that this will not be a hidden tax. The government always said that the manufacturers' sales tax was a bad tax because it was hidden. I always wondered why politicians did not like a hidden tax. What most politicians, finance ministers and treasurers would like to do is wait until you are sound asleep, walk into the house, pick your pocket, leave you with a dollar, take $50 out and when you wake up you will not even miss it and they will have the money. I have a great deal of difficulty believing that the government does not want this tax hidden.

I cannot answer your question. The government has been telling the people of Saskatchewan that their costs of collection will not increase. If they do not go up, someone's cost of collection will go up, and there will still have to be many civil service jobs created to make sure that the claims are filed correctly. So I suspect that you may get the new jobs that were promised.

Senator Bonnell: I have a supplementary question on the same subject. The Province of Quebec already has an agreement with the federal government, and it is going to hire Quebec employees to collect the tax, thereby keeping the money in the province for a month or so, and then it will submit the cheque at the end of the month, which will be interest-free. If the other provinces jump in, will the government not have to give the other provinces the same opportunities as it gave to the Province of Quebec or will it give them a special status?

Ordinarily they should get the same deal. If they do, the jobs will be provincial because Saskatchewan will want the jobs in Saskatchewan; it will want new big buildings in Saskatchewan; British Columbia will want these buildings in British Columbia; and even Newfoundland will want it in Newfoundland. Where is little old Prince Edward Island going to get these federal jobs to collect this tax if we are foolish enough to say that we want to support the bill, if we ever get ot it? I am getting to the point of thinking, after listening to you, that I should vote against the GST.

Senator Steuart: I hope I have convinced you. I am sure you have heard the old saying that Canada is like a big cow. The feet are in the west, the milk is in central Canada—

Senator Bonnell: And we get the other end?

Senator Steuart: That may not change, but I certainly hope that Prince Edward Island gets its fair share. The federal government has already rented thousands of square feet of top office space in Saskatchewan because there are going to be administrative needs in every province, whether or not the provinces meld. All the employment will not be concentrated in Prince Edward Island. I have a friend who is a real estate agent who said the federal government has already rented excellent, high-priced space in British Columbia. I know that space has been rented in Regina, but I do not know what has been done in Saskatoon. Unfortunately I think there are going to be new civil servants sprinkled right across Canada, and I hope Prince Edward Island gets its fair share.

Senator Bonnell: Are you talking about provincial civil servants or federal civil servants?

Senator Steuart: The federal government rented the space.

Senator Bonnell: So Grant Devine is going to create more positions for bureaucrats there as well.

Senator Steuart: I do not know. He may not even meld. He may back away.

Honourable senators, another thing that is annoying people is the money that has already been spent before this bill is passed. I will admit that the government has to make plans; it cannot pass it and then put it into effect on January 1 without preparing for it. It is interesting that the federal government is trying to seduce the people of Canada into believing what a wonderful thing this is. People from all over Canada are getting notices. I have a petition and a letter here from 666 River Street East, Prince Albert, Saskatchewan from Peter and Kitty Toews. In a letter to me she says:

> Sir:
>
> I think this letter—which I sent to Senator Lowell Murray today—is self-explanatory!

The letter she sent Lowell Murray reads as follows:

> Sir:
>
> You have forfeited the right to the use of the title "Honourable" by your actions in the Senate. The whole of your government has acted disgracefully over the past months—and you and your Conservative fellow-senators are leading this country into a complete breakdown of democracy.
>
> We in the West—who, as you ought to know, are more politically aware and astute than many in the rest of Canada—are appalled and disgraced by your unethical, self-seeking conduct.

I did not dictate this letter.

> Brian Mulroney is a shameful excuse as a leader! And you dare float the wishes of the people to follow his line!
>
> We do NOT want the GST—and now we do NOT want the Senate, in its present form—let us hope you don't finish ruining this country before we get rid of you all.

It is signed Peter and Kitty Toews. She then says:

> I think this letter—which I sent to Senator Lowell Murray today—is self-explanatory! Thank you and your fellow Liberal Senators for what you are trying to do. I can't understand why Canadians have not literally revolted against this dictatorship we have in Ottawa! They will not survive the next election, anyway.

It is signed K. Toews.

As well, she enclosed a form that she received from Revenue Canada, and I have seen them before. The title is "Notice of the Proposed Goods and Services Tax Credit". It was written to Kate Toews in Prince Albert. It goes on to say:

> The proposed GSTC legislation is currently being considered by Parliament.
>
> The application form for the GST Credit (T1 GSTC) submitted with your 1989 income tax return has now been processed.

She added her own note that this form was submitted without her knowledge by H & R Block on her behalf. It goes on to say:

> The calculation of your credit for the first half of 1991 is shown below.

Then there is a form from the taxation department and it says:

> If you move or change your name, please complete the notice on the back of the envelope and send it to your Taxation Centre as soon as possible.

Then it goes on to show the calculation of the GST Credit for the first half of 1991. For her basic credit they show an amount of $190. There is a credit for spouse or other supporting person with whom you resided with a figure of $190. There is an equivalent-to-married credit with a figure of zero. There is a credit for qualified children, which is $100 per child if not claimed at line 3, with a figure of zero. There is a calculation of additional credit on line 2, which is zero. She shows a net family income of $6,066. She is to subtract the base amount and "N/A" is shown there. Below it explains that N/A means "not applicable".

Then it says additional credits, 2 per cent of line 7 or $100, whichever is less, with a subtotal of $380. Then it shows a net family income of $32,768; then she is to subtract the base amount, which is $24,355. Then it shows net family income over base amount, line 10 minus line 11, with a figure of $8,413. Five per cent of line 12 is $420.65 subtotal, line 9 minus line 13 is zero, and the GST credit for the first half of 1991, which is half of line 14, is zero. The GST credit payment amount is also zero. Then there is an explanation of why she did not receive anything. It says:

> The calculation of your credit for the first half of 1991 is shown below. You are not entitled to receive GST

> Credit payments because the amount of your credit is less than $1.

She does not know why she received this document because she had no money coming and she did not expect to receive any money. She said they spent money on this useless piece of paper before the GST became law. She cannot believe the dictatorial nature of this government, and they have got to go.

I do not know how many people have run into this problem because this is the first form I have received. Some people are getting notices saying that they are going to receive $190, and I have a feeling that the government is hoping that those people who think they are going to get $190 will immediately write to the senators to ask them to support the GST.

● (0500)

So I will get my $190 shortly after the first year and later on I will get another $190. I think people are smarter than that. They will know that the government is going to spend all that money to process the tax and that they will have paid far more out in tax than the $190, plus in provinces where the province puts their tax on top, they will pay far more. So far I have not seen one province that intends to give back one red cent. This is another example of the waste, extravagance and attempt of the federal government to bribe other people with their own money.

First, they take away $300, skim off $110 and send them back $190. If the government thinks it is kidding anyone, it has another thought coming.

Senator Bonnell: Is it possible that some of these people will receive a $90 cheque just before the next election so that they think that they are getting a gift from the government and so that they will consider putting them back in power? For example, the government might consider giving a handout to people on welfare with four or five children. So the disabled, crippled, deformed and those unable to work will get their cheques just before the next election. It will seem like they are getting a gift from the government when, in actual fact, the government has already taken four times that out in tax. Do you think that there is a connection between the timing and the next election?

Senator Steuart: Of course there is. That is why they are sending it out now. They are trying to convince people like us to withdraw our objections and not fight them anymore. However, it will not work. If they have their way, they will send out their cheque with a little promotion in it. For example, it might be a musical cassette singing, "What a friend we have in Brian. Vote Conservative." I firmly agree with the honourable senator that this will be a political bribe. So far it is not working, but I do not know whether it will work when people start receiving their money. Of course they will pay far more than they receive. Sure, they will get a little back. I hope that the Canadian public is not fooled for one minute.

Senator Bonnell: Do you think that sending out these cheques a few days before the election contravenes the Election Act?

[Senator Steuart.]

Senator Hatfield: They only do that in P.E.I.

Senator Bonnell: Not since I left. Certainly, buying votes contravenes the Election Act.

Senator Steuart: No, but it will certainly contravene the hopes of you and me and the Liberal party. I do not think it will work.

Senator Hays: Yesterday there was a statement on television by a representative of the Institute of Research on Public Policy. He was talking about the difficulties in the Uruguay Round of the GATT negotiations and was saying that if they are not successful, the situation will be that we will have the last farmer in Saskatchewan turning out the lights before he leaves. There is an apparent willingness on the part of the government of Saskatchewan to join with the federal government, and Premier Devine has called for approximately $1 billion in special payments under the Canadian grains program. Do you think that there is some connection between the prices in agriculture and the great need of Saskatchewan for social assistance at this time? Let me tie one other thing into my question. When the federal government released information on the aggregate measures of support and calculated them into the GATT negotiations it was found that Canadian wheat is one of the highest subsidized commodities we produce, even more than the supply management commodities. Would you care to comment?

Senator Steuart: I would hate to think that the Premier of Saskatchewan is so crass that he would do that. All I can say is that, when the Meech Lake Accord started, Saskatchewan was one of the first, if not the first, of the provincial governments to pass and to agree with the accord. At the same time they were in heavy negotiations with the federal government and they succeeded in getting very large payments for farmers. The farmers were extremely happy. There was an election shortly after and the Conservative government got back in. So it looks like there was a connection. I suspect there is a connection here. "Brian giveth and Brian taketh away". So if the Saskatchewan government does not giveth a little, I am not sure that our farmers will get that much. I do not think that the federal government has that much to give.

Let me say in fairness that the federal Conservative government has given a great deal more money to western farmers than anyone else. I had thought that they got every farm vote, but they did not, and I do not think that they will this time. However, there may be some connection there, and it looks very suspicious. It is a "win win" situation for Saskatchewan, and they will lose with the voters.

Senator Lewis: Senator Steuart, you mentioned earlier the problems with the business community gearing up for this tax, and you mentioned the difficulties that the cash register companies would have, as they have not yet devised a machine to handle the tax system. Do you have any idea how long it will take to find a suitable cash register to deal with this problem? If they do not develop these cash registers, there will be chaos if the bill goes through quickly.

Senator Steuart: The last time I talked to someone in the retail business, the cash register people had thought that they would have a machine available late this fall, but they were not sure. The problem is a simple one. Cash registers have one button to punch for sales tax. There are some items in Saskatchewan that are exempt from the sales tax, such as children's clothing, food and so on. So when you have a general store selling taxable and non-taxable items they must have a cash register with a button that will calculate the tax on the taxable items. They do not have even one or two buttons that they can add to calculate the tax. I do not quite understand the problem, but the last I had heard was that they had hoped to develop something before the January 1 deadline.

The Chamber of Commerce said before our committee that they supported the tax. They then proceeded to list five characteristics that they thought a tax should contain if it wanted their support. They then proceeded to say that this tax did not have any of these characteristics, but yet they supported it. I asked them how many of their members supported this view, and they said that they had not done a survey. I went on to tell them that there were all kinds of retail merchants in Saskatchewan who were ringing bells in support of us. So I suspect that the Chamber of Commerce will be in real serious trouble around the country and will lose thousands of members, and so they should for the stand they have taken on the GST, a stand that is not supported by a majority of its members.

Senator Lewis: You said that they hoped to have these machines before the end of the year, but I believe you were referring to the development of it. How long will it take to make the actual adjustments? Will it require new cash registers, or will they modify existing ones? It is going to take some time to implement the new equipment. Where will they get the technicians necessary to go around to all the stores?

Senator Steuart: I cannot pretend to be an expert here. They may have to buy new cash registers or they may be able to adjust the present ones. I do not think it will take any great technician to run it. They are hoping that if the taxes are melded they will not have to go through these adjustments and that they will only have to push one tax charge. I cannot answer your question, but I do know that it will cost lots of money, and many businesses are worried as to whether they should spend the money, as, if we are able to defeat the tax, that money will be wasted. So things are in a state of flux right now.

Senator Bonnell: Most of the population of Canada is close to the forty-nineth parallel. Is there any fear among merchants that they will lose their businesses to businesses below the forty-nineth parallel, to the United States where there is no tax and people can buy goods tax free and come back to Canada? For example, the Province of Saskatchewan could lose millions of dollars in sales to the states on its border. Of course, this will have an effect on the country. It will influence our balance of trade.

Senator Steuart: Businesses in Saskatchewan are already losing hundreds of dollars, and I know that in B.C. they are losing hundreds of millions of dollars, in sales. If the GST goes on and prices go up, the lost business will double and triple. The people of Saskatchewan will drive as far as 150 miles south of the border and load up their cars. You can go to any border point in Canada and you will see a line-up of cars. The merchants have been raising so much cane that the customs people are now looking through everyone's trunks, because people are coming back loaded down with groceries and other goods. That is the situation now, and if this tax goes on it will get worse. It will seriously affect our balance of trade. The merchants of the little towns along the border are going broke. They are suffering and going out of business already, and things will be far worse when this tax comes in.

Hon. B. Alasdair Graham: Honourable senators, the first thing I should do at this hour of the morning, five past five, is thank everyone in the chamber for being here during this great exercise in democracy. I especially want to thank the people who serve the Senate, whether they are at the Table, or, indeed, recording the proceedings.

Hon. John Buchanan: Since it is five past five, I am wondering if it is time for the honourable senator and me to get on the telephone and call a certain individual and nan and ask his advice at this time of the morning as we have done from time to time in other years?

Senator Graham: The honourable senator is referring to Chance Harbour in Pictou County, I am sure.

Senator Frith: Who is it?

Senator Graham: It is a long story between Senator Buchanan and me.

Senator Frith: An inside story.

Senator Graham: However, I do want to extend, on behalf of all senators, the appreciation of, indeed, the Canadian public to the people who serve the Senate so well.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, may I present a corollary to those comments. It is something that perhaps we should put on record a couple of times or more. Senator Graham has just pointed out that we should frequently express our appreciation and empathy for the hours and hours that the staff is putting in in this endeavour. I arrived here about an hour ago, and I found a letter slipped under my door. The best way I can deal with it is to simply read it. It is addressed to me, and it says:

> Dear Senator Frith:
>
> It is now 3:40 a.m. on Saturday, October 13, 1990 or should I say 99:40 hours on Tuesday, October 9, 1990 seeing as how it is still Tuesday in the Chamber.
>
> Just like most other employees of The Senate I have not seen my wife or son for the better part of a week. Without sounding like I am blowing my own horn, and I am sure that you feel the same way, the employees deserve a lot of credit for putting in the hours that we are. However, I think that our spouses and our families deserve as much or even more credit for putting up with our schedules and keeping the home fires burning. Perhaps it would be

appropriate for you to mention in the Chamber the forgotten spouses and children who have had to cope with the marathon.

Yours sincerely,

Ed O'Meara
Senate Debates Office

Amen.

Senator Graham: I thank honourable Senator Frith for that intervention, and perhaps we could even extend it to include grandchildren, for those of us who have been blessed in that way.

My office was inundated today with telephone calls of support and appreciation for the efforts that were being put forward, not just by Liberal senators, but by those senators on the government benches who, indeed, have been represented here 24 hours a day. As I said earlier, I cannot think of a greater exercise in democracy where individual parliamentarians have the privilege to present petitions on behalf of individual Canadians and, most particularly, on behalf of the people I represent from my Province of Nova Scotia. Senator Sparrow correctly termed the signers of these petitions as extraordinary Canadians. I had called them, in the wee hours of the morning, "ordinary Canadians." They are extraordinary Canadians facing extraordinary times.

I come from a part of the country that can probably be categorized as one of the most disadvantaged regions of Canada. The level of cynicism in the Canadian population is miles wide and perhaps just as deep. When parliamentarians go through an exercise of this kind, I hope that in some small way we help to instill some measure of confidence in the people we have the privilege to represent.

I was struck by an article in the Halifax *Chronicle-Herald* dated October 10. The heading is "Demise of C.B. Agency Predicted". It reads in part:

> The federal government's plan to investigate Enterprise Cape Breton is further indication the money-losing development agency is on the way out, says the president of the Industrial Cape Breton Board of Trade.
>
> "The writing has been on the wall for the better part of 18 months to two years."

This is symptomatic of what is happening all over that part of eastern Nova Scotia, closures the like of which have never been experienced before, unemployment rates that are unconscionable under any circumstances.

One of the petitioners comes from Canso. As honourable senators know, Canso has been one of the hardest hit places in the whole of Atlantic Canada. When representatives of the fishermen came before the Banking Trade and Commerce Committee they said that the list of tax free items designated by the government was inadequate and would not in any way relieve their cash flow problems. They are not only concerned about compliance costs, but also about problems related to the complicated accounting system that will have to be put in place as a result of this tax. People from all over Canada have signed petitions.

Just before I got up, I looked around the chamber and I saw that every province of this country was represented at that particular time. Someone else may wish to do the calculation at this time. The people who signed the petition I have in my hand come from places like Sydney Mines.

(*Names of signatories read*)

One of the biggest problems when people write to us—and it is all tied in with the level of cynicism among people in these difficult times in our country—seems to be transport, and another one is regional disparity. The GST will impact disproportionately on regions, such as Atlantic Canada, that are located further from the major markets and sources of supply in central Canada, and will most assuredly worsen regional disparity. The trucking industry in our region is characterized by a large number of small firms, and they will face large front-end costs to establish the accounting and administrative procedures necessary to deal with the GST. Of course, those costs will have to be passed on to consumers.

(*Names of signatories read*)

The situation is further complicated by the fact that freight rail services are gradually disappearing in our region. One of the big fears that we have in my part of Nova Scotia is that the main-line route between Truro and Sydney will be eliminated. We have already suffered the loss of Via Rail, which was such a severe blow to the people living in Cape Breton who have no other means of travelling to the mainland or to other parts of the country and who relied so heavily on that service.

The Atlantic Provinces Transportation Commission in its submission to the Banking Trade and Commerce Committee said that the GST will create the perception that goods from the Atlantic region are more costly due to the application of the GST and create higher transportation costs than for those competitors located closer to the marketplace. They also said that there will be a negative impact on the price of goods from the Atlantic provinces in the central Canadian marketplace in those instances where the cost of the transportation is reflected in the final price of the goods to the consumer.

The Banking Trade and Commerce Committee held its hearings in every part of the country, and we heard from sincere, concerned Canadians who told us that they did not want the GST. Pollsters tell us that some 80 to 85 per cent of Canadians want us to stop the GST. I can only hope that the government will listen and that honourable senators on the government benches will use their influence over the next few days to help defeat this terrible piece of legislation.

Hon. H.A. Olson: Honourable senators, I want to present some petitions this morning that are somewhat different from the ones I dealt with the other day. We have had full explanations from various senators representing different provinces and regions of the country about the effect of the GST. I have in front of me this morning petitions from some of the smaller towns and villages in southern Alberta. That is where I come from. I remember that during second reading of Bill C-62 I

made a short speech about some of the problems that I could foresee for those who will be expected to do all the work, the bookkeeping, accounting and so on, to comply with the tax.

● (0530)

I remember saying at that time that it looked to me as if the government was about to make accounting slaves out of a very large part of the population of Canada.

I can tell you without exaggerating at all that as the committee travelled around the country, and particularly in southeastern Alberta, I stopped and talked to the various merchants—grocery, hardware, machinery, fuel dealers, and so on—about how they were preparing themselves to actually do the administrative work of complying with the provisions of Bill C-62. I can tell you, honourable senators, that it was even worse than I had previously imagined. These people, in fact, had done some work in attempting to prepare themselves, and get ready for complying with the tax on January 1, 1991. However, the deeper they got into it, and the more and more that they tried to understand what was expected of them in order to comply with the provisions of Bill C-62, the more resentful they became of a big government, the big federal government, doing this to them. Therefore, honourable senators, it is no wonder that so many people like that signed petitions.

I have several petitions here, and, by the way, I intend to write to all of these people because I think they have the right to hear from me, as they say, that I indeed presented their petition to the federal government.

We have heard some complaints about not wasting paper and doing damage to the ecology because trees are cut down in order to make newsprint and that sort of thing. However, honourable senators, these petitions are, in my opinion, vital to the ongoing health, effectiveness and efficiency of our modern democracy. I think people have the right to send petitions to us, and I have had occasion to defend that rather vigorously in the past. However, I also think they have the right to at least receive a small note, acknowledging that we received their petitions, and that we did, in fact, present them to the second chamber. So I intend to do that, and I make no apology for it.

In any event, I just wanted to say that to begin with. I must tell you that I have been to places such as Brooks, Alberta, Rolling Hills, Duchess, Bassano, and Manyberries. These communities are all in the southeast corner of Alberta, which is the area I represented as a member of the other House for most of the years between 1957, when I was first elected, and 1972—almost 15 years. Therefore, honourable senators, I know these people and I know what they are up against. I have been all over that area, to places such as Manyberries, Orion, Etzikom and Taber. All of these places are in southeastern Alberta.

Senator Comeau: You made that speech before.

Senator Olson: Let me explain to honourable senators that I made that speech before I had talked to a lot of the people there in those small towns, because I have some understanding of what a small town merchant is up against with respect to something like this. I was a small town merchant for something like nine years. I bought my father's store just at the end of the war. I think I was less than twenty years old at the time—in fact I am sure I was.

However, when I was a small town merchant, I, too, had to put up with these demands for information by both the provincial and federal governments, and the endless filling out of forms. Some of that was withdrawn shortly after the war ended. However, during that period until the war ended, the bureaucracy was a little more oppressive, and for good reason, since they needed to gather information.

I say to honourable senators in all sincerity that I feel deeply for those people in those small towns because it is not really very productive work to sit down and fill out demands for information about your business when it really did not make much money anyway. Of course, everyone knows that they have to keep a certain amount of books with respect to accounts receivable and accounts payable, and for income tax purposes relating to the deductions that you can take and that sort of thing. However, I used to get forms from the Workmen's Compensation Board. That board wanted to know everything about me, even though I did not have any employees that were covered by that board. That, by the way, was a provincial government agency. In any event, the point I am making is that such a merchant must sit for hours every week, just complying with demands on his time by the various levels of government.

Now, honourable senators, it will get worse. We are about to move into another phase and there is nothing, absolutely nothing now that comes anywhere close to the time required to comply with this tax under any government law that I know of that exists today. Merchants will have to keep track of all the sales of goods and services that they make, then remit seven per cent on those goods and services. I am not arguing the injustice of that at the moment. Next you have to search to see if someone else has paid tax on that particular good or service previously, and if they have then you have the right to make a claim for a rebate.

Everyone says: "Well, that sounds reasonable. If some tax has been paid before, then you should at least have a chance to apply for a rebate". But do you realize, honourable senators, how much work that makes for some of these small shopkeepers? The amount of dollars involved is large enough that it cannot be ignored, so you must apply for it. That is one of the problems.

Honourable senators, when travelling with the committee we went to some places where there was a particular situation that existed. For example, in the north with respect to the tourist industry, we heard from some of the outfitters and the guides who rely very heavily on U.S. clientele or customers. They pointed out to the committee that, as far as they could understand, under this bill and the regulations on which the bureaucrats are now working, there will be all kinds of cases where the customer will be a foreigner in most cases, an American national, who comes to Canada to partake of fishing trips, hunting trips or any of the package trips that these outfitters and guides sell. That customer may, in fact, be able

to claim back 100 per cent of the tax that he or she had paid in Canada.

What will then happen is that those outfitters will have to calculate the tax in all its forms, remit the 7 per cent to the federal government and then, if these foreign tourists do, in fact, make a claim to get back their 7 per cent tax, you then have both sides doing a great deal of work and, in the end, the government does not gain a cent or a dollar. What is the sense of that?

That is why, honourable senators, these people whose petitions I am presenting today are so annoyed. They are good citizens. In fact, many of the businesses of these country storekeepers are going down and down already, and the introduction of this new tax will wipe out a great many more of them.

Over the years, however, these country storekeepers have been stalwarts and, indeed, have provided a service to their communities that is just unimaginable if you have not lived in one of those small communities and know what those small merchants do for the people.

Nowadays, there are lots of banks and most people have credit cards and so on. However, I can remember the time when my father and other merchants in that area north of Medicine Hat, provided all of the credit facilities for the people who needed it in the thirties and forties. Those merchants made a tremendous contribution to the development of most of western Canada. It is probably also true for the rest of the country, but this is where I know about it.

Now these same small merchants are faced with a big government which intends to impose upon them bookkeeping and accounting to the extent that they simply cannot cope with it, or they do not intend to cope with it, since their businesses have been going down in any event. Every time the roads are improved to the big cities, these small merchants lose more customers. It is easier for the customers to jump into their cars and drive down the road for 20 or 30 minutes or an hour to the big city to shop. Now the federal government intends to inflict this tax on these same, suffering, small shopkeepers and every one of them is just worried sick.

I do not want to mention any names at this time, but I know the people who keep the store right down the road from my place. It is a service station where they sell a few groceries, and they will fix your tires. They are also bulk fuel dealers for the farmers and the oil and gas fields that are situated around the area. Therefore they do enough business to keep about four or five families going with their living expenses.

However, the business is not quite big enough and will not grow, because there are no more people coming into that part of the province or into that community. Therefore, the owners of that business cannot hire a full-time bookkeeper. The business is not quite big enough to afford that. So the wife of one of the proprietors of that business goes in and does the books for the business. She does the accounts receivable, the accounts payable and she fills out all of the forms that come for all of the things that governments want to know about their business. She told me, "It is a full-time job right now. I also have a couple of children to raise. So when this tax comes in, I just simply cannot keep up with it. I cannot do all of these books." Honourable senators, I can understand that because I have seen that woman sitting in her little office beside that store for hours and hours, doing all of these accounts.

Senator Frith: This tax will make work on top of what has already become a full-time job.

Senator Olson: It is already a full-time job. But here is the hook; that business just does not make enough money to pay another bookkeeper or another accountant to keep track of the paper. So what are they to do? Are they to make a slave out of that woman so that she has to stay there not only for hours during most of the day but into the night as well? That will be the consequence of bringing in this tax.

Just to make matters worse, the federal government will not even make that much money out of the tax in that area because farmers are zero-rated with respect to some of the items that they deal in, whether it is things that they purchase or things that they sell. However, the way that Bill C-62 is written, that particular store owner I am talking about, and thousands more like him, will have to try to comply with this tax, and I am at a loss for words to fully describe their feelings with respect to it.

Honourable senators, it does not matter whether these people are Conservatives, Liberals, or NDP. Most small-town storekeepers, as far as I know, try more or less to be neutral because they know that they have customers who belong to all of the political parties. Of course, some of them—such as myself, for example—get involved in politics. I even changed political parties once and got heavily involved in my own political affiliation. However, most of them try to stay neutral because they want to deal with and to serve people, no matter to which political party those customers belong. Now this big government, with its new tax and bureaucracy, will run these people out of business and, in my opinion, that is sad.

Therefore, honourable senators, I make a plea to my Conservative friends opposite: go out and talk to these people; ask them whether they intend to buy new computerized cash registers that can handle these calculations, or whether they intend to do the calculations by hand, in some way.

Honourable senators, that is the real world. There is no point in bureaucrats sitting here in Ottawa saying: "Business has to keep records anyway. All they have to do is add 7 per cent at the end". These are small storekeepers and shopkeepers all over Canada, but I am talking particularly of the ones in the part of Canada that I know best. I have travelled around my area and I have talked to these people, and the feeling one gets from talking to them is a feeling of despair. They know this bill passed through the House of Commons with the use of closure or time limitation, call it what you like. They also know that the committee in the House of Commons, under the chairmanship of the Honourable Mr. Blenkarn, came to Alberta and held one meeting in Edmonton. They also know that Mr. Blenkarn got annoyed with the people who showed up

at that meeting. First of all, he accused them of not understanding the tax, which is not true, and then he made some other disparaging remarks about their comments with respect to the tax, simply because they did not understand it.

Honourable senators, I say to you that they understood it all right; they understood that they would get into this kind of problem, what I have called "accounting slavery". The interesting thing about it is that it was not that they did not know about the tax at that time; the fact of the matter is that the more they learned about this tax, the more they resented what they would have to do in order to comply with the provisions of Bill C-62.

That is why, honourable senators, we are receiving hundreds of petitions from so many places around the country. I hasten to add that, in case you think I promoted these petitions, I have never put out one petition; not one. These petitions have been spontaneous. I expect that some organizations have been promoting the petitions, but in my opinion this groundswell of petitions is the largest, most spontaneous attempt by the people of Canada to try and avoid what they think will be a disastrous law if it is passed.

Honourable senators, you have heard the explanations given by Senator Stewart, Senator Hays and various others this morning and for the last few days about the economic difficulties that will be exacerbated by bringing on this tax. They say that we are heading into a depression. I do not intend to make that speech again today, because I made it earlier in this session.

However, if there is one thing I like about television, vis à vis newspapers, it is the fact that you see the people right there on the screen. There is no intervening interpretation by some journalist. The Minister of Finance appeared on television and he did not apologize for having created what he calls an economic downturn. He did it deliberately: "We have to slow down the Canadian economy and deal with inflation" he said. "What is more", he said "We were right on target". In other words, what we have done to the Canadian economy to date is what we expected we had to do, and we have to do it even more because inflation, or the risk of inflation, is still too high. Therefore the Minister of Finance and the Governor of the Bank of Canada intend to do more squeezing of the economy, and the excuse is that it will cool out inflation still further.

Honourable senators, I say to you that this is what will happen in the real world out there, where people have to comply with this new tax in order for the government to collect the revenue that it needs. It is true that everyone agrees that if we are to have the high levels of service that most Canadians are proud of with respect to education, and in particular to post-secondary education, then we need to pay taxes.

It is true that the federal government still pays approximately 50 per cent or more of educational costs across the country. They also contribute to the cost of hospital services and medical services. As we all know, there were some problems in getting some of those services started. However, nowadays, Canadians are generally highly supportive of their medicare and hospitalization services that are now available all across the country, and they understand that those things have to be paid for.

Canadians also understand that the debt service charges that are now starting to approach $40 billion, or approximately 35 per cent of the total revenue collected by the federal government from all forms of taxation and revenue, is something that cannot go on. They understand that that debt must be paid, but they certainly do not want the government to bring in this tax which will be an administrative nightmare for so many hundreds of thousands of Canadians, simply so that the government can collect the revenue.

Honourable senators, we know there are other ways of levying tax, and I do not intend to go into them right now. During the course of our travels across the country, many people explained their theories or gave their views on some of the alternatives that could be considered.

I have spent two terms in the cabinet of this country, for a total of almost ten years and during my terms of service I had a great deal of help—and good help—while I was the Minister of Agriculture and the Minister of Economic Expansion and so on. When a department puts together a bill or a law, a great deal of help and expertise is needed, and good help is generally available from both sides of the question.

When a minister is putting forward a bill, he must show the advantages of that new law, or of the amendments to the old law that he wishes to make. At the same time, he must look at the other side of the ledger.

Therefore, honourable senators, this simple petition that says:

> We humbly pray and call on Parliament to reject the proposed Goods and Services Tax.

That says it all, and it says it properly. If the public are saying they do not want that kind of tax or that kind of economic or accounting slavery, then the minister should hand that bill back to the Department of Finance. They have thousands of people down there who are equipped with an econometric model of Canada. They can work out another way of imposing this tax.

The problem, honourable senators, is that now the government seems to be immune to public opinion—and that is why people are so desperate and are signing these petitions in the thousands. They do not seem to care about public opinion. I do not know whether they think they can bulldoze this tax through and then hope to get it running smoothly in time for the next election, which is two and a half years or so away. I can predict that we will get into a chaotic situation right after January 1, 1991, if this Bill C-62 is passed, because the bureaucrats will try to enforce it and collect the money. I say this because of what is contained in the bill and in the regulations that they have yet to write which will enforce the law so that it has some semblance of uniformity across the country with respect to the methods and the regulations used to collect it.

Honourable senators, I do not want to spend a great deal more time today on the reasons why we have so many of these petitions, but I think it is useful for us to mention them to the members opposite who have some influence with the government. This is one of the few times in the history of the Senate when we have come to the point where there is a very critical role that the Senate can play, or that some senators can play. As Senator Davey Steuart mentioned, you can make a difference.

Honourable senators, I have personally been to a great many caucus meetings and there are human beings in our caucus as well as in your caucus, so I suppose the situations are approximately the same. I am sure that some of you have at least mentioned in caucus: "In the part of Canada I come from, there is a certain amount of resistance to this proposal," and so on. I know that the ministers of the government must form a solid phalanx and stay solid, or else.

However, I would make a plea to the senators opposite on behalf of the people who are caught in this vicegrip to make some further effort and to try to persuade your government to back away from this tax. You have heard the arguments that it is the wrong time because the country is entering an economic slowdown. I think it was Senator Simard who was trying to make the argument with Senator Kirby that if there were a different set of economic circumstances, would the GST then be acceptable. I say to Senator Simard and to other honourable senators on the other side that this tax will never be acceptable to me because it is a far too complicated way of collecting the revenue that the federal government needs. There are alternatives. I say to the senators opposite, if your government puts in this tax, just think of the tribulations that you will cause in the Canadian economy and within the financial structure. You intend to take away a whole structure that has been collecting somewhere between $18 billion and $20 billion—by that, I mean the manufacturers' sales tax. If you take that away and just set that aside, cancel it, repeal it or whatever and then go through all this difficulty to set up this new goods and services tax with all the problems that are involved, I say to you that that would be a traumatic experience for any country.

Senator Comeau: What about the benefits?

Senator Olson: I cannot think of very many benefits—

Senator Comeau: What about the 60,000 new jobs that this tax will create?

Senator Olson: You talk about 60,000 new jobs, senator. Those are the 60,000 new jobs to do the accounting for this tax? Is that what you are talking about? Let me tell you, the people of Canada do not want that. They do not want those jobs. I heard Senator Bonnell say that he would like to have a few jobs at Summerside now because they have lost the only military base that was in their province, and I can understand that, too.

However, senator, creating jobs to do the accounting for this tax is like taking in each other's washing; there will be no economic benefit arising from it. You can exchange a lot of other things such as that, but it does not do the country any good. Even given that the tax will create 60,000 new jobs, in my opinion it is not a good thing to have 800,000 people working away into the night to keep the books and do the accounting in order to create those jobs, and that is what is coming.

Senator Frith: With no extra pay, let me add.

Senator Olson: No, not at all. No extra pay. Just send it in. The poor little shopkeeper has to pay someone to do the work, or sit up half the night doing it himself.

Therefore, honourable senators, I know that just a very few senators could make a difference at this stage. We could ask ourselves why is it that all of these petitions and all of this fuss is coming to the Senate? The Senate is the last place it should come to. The answer is that these people have been trying to persuade the government that this is a law with which they do not wish to comply.

There is just one other point I was about to make a few moments ago when I was interrupted by the senator with the question about the 60,000 jobs. That point was that once this tax is put in place, it will be impossible to get rid of, because it is a very turbulent thing to discontinue what is involved in setting up a new tax. I would say to this government that you do not do that sort of thing with impunity. I remember something that happened approximately 21 years ago now. It was when the government of the day—and I was part of it—decided that they would do something involving the Carter Report on Taxation. That is, Ken Carter's Report.

An Hon. Senator: Gentle Ken!

Senator Olson: Yes. So we did; we studied that report—and by the way, that report had been around for several years before any government got to the point of deciding whether they intended to do anything with it.

• (0600)

There were problems with the taxation system then, but it is much worse now. They said it was too complex, too involved, too many exemptions; too much of all kinds of things that come out when you have a patchwork.

When Ken Carter's report came out, there was one fairly simple message in it: A buck is a buck is a buck. You tax that buck uniformally, no matter whether you made it with the sweat of your brow working in the ditches or whether you made it in the stock market. A buck is a buck is a buck, and tax it fairly and accordingly. There were to be hearings to hear from the business community and others to ascertain what they thought about the new proposals. However, we backed off because there was so much uncertainty as to what the next set of rules was going to be. We never quite got to finishing, even though it had been going on for several years.

The present Minister of Finance probably was sincere when he said in 1984 that he, too, was going to reform the tax system in Canada. He started with income tax and corporation tax. All the problems that had built up over the years became this patchwork.

Somehow he lost sight of what he set out to do, and that was to simplify compliance with the taxation system in Canada. I suspect what happened was that some of the people who have big money, who could afford to protect their interest, got to him, so he backed off in certain areas. The consequence was that there was no improvement in the complexity of the Canadian government's taxation system. In fact, it got worse.

I am not an accountant, and I am not a very good bookkeeper. I used to fill out my own income tax form, even when I had to account for a small business. I cannot do it any more. In fact, when I take it to the accountant, he runs it through his computer and works out the capital cost allowance and various other things. I do not understand it even after he has done it. I am not alone. I know many people with small businesses—whether small farming businesses or others—who do not fully understand how these calculations are made. I make a plea to the senators who I know could make a difference.

Senator Steuart: Honourable Senator, may I ask a question?

Senator Olson: Certainly.

Senator Steuart: Whatever happened to Ben Benson, and do you think the same thing will happen to Michael Wilson?

Senator Olson: I am not sure that I can answer that question. I have not heard what happened to Mr. Benson. I know he got frustrated with some of the problems he was trying to solve and he left the service of the government some time later. I suppose that ministers of finance who try this kind of thing take a big risk. It is not only the GST that is going to haunt the present Minister of Finance for a long time. Yesterday morning on television Mr. Wilson admitted that he deliberately set out to cool off our economy. He did it with ridiculously high interest rates. He mentioned John Crow, the Governor of the Bank of Canada. They decided that this was the appropriate way to deal with trying to keep inflation under control.

I know many people in western Canada, particularly Saskatchewan. I live in the southeast part of Alberta, which is more like Saskatchewan than most of Alberta. There are many people, particularly farmers but also other businessmen, who have not changed anything. Yet they were caught in these high interest rates and have been driven off their farms. High interest rates are supposed to stop people from borrowing money. I know of family farms that have been in the family for three or four generations. These farmers did not invest heavily and therefore did not take on more debt. However, they did have some debt that they were carrying. Of course, the price of grain has gone down so much, as Senators Hays and Steuart explained.

A few years ago, the interest rate to borrow money was approximately 9 per cent or 10 per cent. The prime rate is now at 13.75 per cent and was up to 14.75 per cent. If your credit is a little shaky, they add one or two per cent so it is then 15 percent or 16 per cent. It is this 50 per cent and 60 per cent increase in the debt service charges that is completely bankrupting people. It is not the fact that they borrowed any more money on the existing debt service charges. This great economic theory that this is the way to deal with inflation is no comfort to people who have been driven out of their homes and off their land. This generation will never forget what this government has done to them.

The Minister of Finance came on television and blatantly said, "I deliberately planned this for you." That is a great way for a government to act. There must be great anguish for people sitting in their farm living room watching their television—perhaps it has not yet been repossessed—watching the minister say, "Yes, I did it to you. I deliberately planned this slow down in the economy and I deliberately planned these high interest rates to break you." That must make them feel really good about their government.

But I am pleading. I am not going to get angry this morning.

Senator Frith: It is like Senator Charbonneau's ruling, which was made for our benefit and to protect our rights.

Senator Olson: That is right. In both Saskatchewan and Alberta, the banks and mortgage companies are taking over. The Farm Credit Corporation has so many farms now they do not know what to do with them, and they do not charge such high rates.

Honourable Senators, I wanted to make that plea today. The real world out there is made up of the people I have described, the people who are caught in the alleged deliberate economic conditions that the government has brought in. They are going to be caught in having to comply with the provisions of Bill-C62. It is not only the large corporations, with a bank of computers and trained personnel to run those computers, that have to comply; it is also the ordinary little shopkeepers and everyone else close to the consumers that have to comply. It is sad that the government cannot understand that.

I hope you have not talked yourself into believing that in the next two or two and a half years all this resentment of the GST is going to fade away or evaporate, because that is not going to happen. I know that those shopkeepers, if they are alive, are going to spend the rest of their lives condemning the government that did this to them. They have a lot of influence in their little towns. Senator Hatfield understands what I am saying. Those people have much influence, and they will blame the government for doing this to them.

I hope you will help us do something good for the Canadian people—that is, defeat this bill and ask the Minister of Finance to start over with something else that is more acceptable. We accept that he needs more money, but not with the kind of complicated taxation structure that is envisaged here.

I appreciate your listening to me. I am going to send out a letter acknowledging that I have delivered these petitions to the Senate. If you will help me do what these people need and want, I will not go around the country crowing that we beat the government; I will praise you for finally seeing the light. Thank you, honourable senators.

Hon. Lorna Marsden: Honourable senators, like those who have spoken before me, I too have literally hundreds of pages

of names and addresses sent by Ontario citizens in this case, who are asking the Senate to stop the introduction of the proposed goods and services tax. My purpose is to present these petitions to the house. Some of them are embellished with extra notes. This one, for example, says: "January 1st, 1991, refuse to pay."

The petition that these citizens have signed and sent in is their firm but initial step of protest against the tax. If this tax should go through—and I certainly hope it will not go through, at least not this type of consumption tax—then the protests may get more elaborate and less gentle and law abiding than these petitions.

I see Senator Perrault with us, and I should like to ask a question about his comments earlier this morning. He said that the west coast was settled by people of British origin. Being from the west coast myself, I believe you are overlooking the important role played by the Spanish and their part in the exploration and settlement of the islands, in particular, Dionisio Galliano, after whom the island is named. In 1792, he explored the gulf islands and certainly left his ancestors on Galliano island.

Senator Perrault, do you wish to comment on your earlier remarks?

Senator Perrault: That whole period of exploration in the province of British Columbia was very interesting. The British, however, were the first ones to really put down roots. There was some Spanish exploration in the area now known as British Columbia. The Russians were very active down to San Fransisco. There are a number of Russian names along that coast, including the San Fransisco area. There is a famous hill called Russsian Hill. But for the vagaries of history, British Columbia might have been a Spanish-speaking province. The senator's observations are so relevant.

Senator Marsden: You will know, of course, that the people of Galliano Island are preparing to celebrate the 200th anniversary of Galliano's explorations. They have built two large wooden ships which are replicas of his original ships. They have been rowing around the island all summer exercising their arms for 1992, when they will be doing a full-scale re-creation of those explorations.

However, let me come back to these petitions. Many of them come, as those that I have presented this morning, from Peterborough and other similar towns in Ontario, such as Havelock, Oshawa, Warsaw and Lakefield. Among the fascinating aspects of these petitions are how many different ways you can spell Peterborough. Many of these petitioners, all of whom are opposed to the tax and are asking us to stop it, spell it P-e-t-e-r-b-o-r-o-u-g-h. However, quite a few spell it P-e-t-e-r-b-o-r-o. Others, especially those who have long street names, spell it P-t-b-o. There are quite a variety of approaches to the spelling of Peterborough. These people from Peterborough and Warsaw are particularly enthusiastic. On one sheet of paper they have managed to accumulate 60 names, using both the front and back of the sheet. There are signatures from Lakefield, Newcastle, Kent, and Durham. All of them are strongly opposed to what this tax is going to do.

I have another petition in the more usual format of 27 names per page, from different towns in Ontario. There are signatures from Young's Point and from the rural routes around Fenelon Falls, Buckhorn, Lakefield, Warsaw and Peterborough, spelled three different ways, Lindsay, and Burleigh Falls, where there are quite a few citizens who are adamantly opposed to the introduction of this tax.

I have another petition signed on both sides of the page from many of the same towns. There are names from Toronto, Peterborough, and even one from Saint John, New Brunswick. There are names from Bailieboro, Thorolds, Ontario, and many names from Peterborough. Peterborough used to be a great stronghold of Conservatism, but is rapidly becoming less so especially in protest against the imposition of what is regarded as an unfair tax. I have another petition with names from Westin, Scarborough, Lakefield, Curve Lake, Warsaw, Keene, Peterborough again; there are several names from different streets in Peterborough. There is a Howard baker from R.R. 4 in Cobourg, Ontario. There are people from Mississauga, Whitby, Oshawa, Lakefield and Bancroft, all of them anxious to ensure that this tax is not introduced into our already fairly complicated tax system.

I have another petition with names from even further afield: people from Gooderham, Coldwater, Orillia, and Toronto. The people who signed these petitions are opposed to the tax, but a petition does not allow them the opportunity to give any nuance to their opposition in the way we are able to do it here. If they were asked, many of them would think about the problem of the harmonization of indirect taxes, as was brought to the attention of the Banking, Trade and Commerce Committee by Professor Boadway of Queen's University. He opposes this tax not necessarily because he is opposed to a consumption tax, but because he thinks the interprovincial barriers are going to be very much exacerbated by this tax.

As many of the citizens who are protesting the introduction of the tax know, the GST is going to operate on the so-called invoice method, where the taxes are levied on the sales of firms and the credits are given for taxes paid by the firm on its purchases. Professor Boadway brought to our attention, as would many citizens if given the chance, that if you have cross-border sales the taxes will have been levied in a different jurisdiction from that in which the credits are taken. If you wanted to be consistent with the destination principle, this would imply that tax authorities would have to keep track of all cross-border transactions to ensure that proper credit is given. As everyone knows and many of these people know, the tax base and the rate structure are not common across all provinces. Furthermore, records would have to be kept of all cross-border sales. At the moment, we do not keep records of cross-border sales within Canada. That means you will have to rely on firms to self-assess in order to get back the credits that they require, having levied the tax somewhere else.

Because the provinces are allowed leeway in setting their own rates and exemptions, the problem is going to be extreme-

ly complicated. As Professor Boadway pointed out to us, this is a problem that Europe has been struggling with in trying to prepare for 1992 and harmonizing the VAT system in various countries. It is more complicated here because of the two levels of government. There are 10 jurisdictions in Canada with two levels of taxation. We are dealing with the same problem as the Europeans, which is VAT, not direct taxes.

It is these kinds of issues that are causing people to be so outraged by this tax. It is not simply what it will do to the people of Gooderham or Woodville or other small towns, whose people are on fixed income and whose standard of living will go down or who are concerned about what it will do to the cost of living if they are earning money. It is people who live close to the Quebec border or Manitoba border, and do a lot of business across the border. There will be a huge amount of paperwork for their tax credits and tax levying operations. If they do it on a self-assessed basis, of course they will be accused by their clients or customers, or perhaps by the tax department, of not doing that and they will be held in disrepute by other business people. This is a very difficult burden for them to bear.

It is these kinds of worries that are driving people out of business on the basis of this tax. There are many merchants in Toronto who have declared that they will go out of business once this tax comes into affect. One of them is a very good clothes designer where the current Minister of Employment and Immigration buys many of her clothes. They are closing down on December 31 if this tax is levied.

I have another petition here from citizens also protesting the tax who live in Peterborough, Lakefield, Belleville, Havelock, Cavin, Campbellford, Indian River,Burleigh Falls and Warsaw. They too have filled both sides of this sheet. There are 51 names on this petition. There are some rude comments added by one of the signatories from Lakefield, which I will not repeat in this chamber, but which express this man's views about the tax. This gives an indication of the extent of indignation of these citizens toward the idea of this particular form of taxation, which they regard as being so unfair.

● (0630)

There are pages of these. There are many people from Peterborough. I would doubt that there is a single person from Peterborough who has not signed these petitions. I have other names from Lakefield and Warsaw. They filled both sides of this sheet, so there are 57 names on this instead of half that number. We have names from Buckhorn and someone from Warsaw, Ontario, who adds under his signature that he is the business advisor for Sandford Fleming College and is strongly opposed to this tax, as well he or she might be, since the impact of this tax on educational institutions is causing great unhappiness, even though the post-secondary institutions have managed to negotiate a far better rate for themselves than the health institutions. They have 67.5 per cent. Even so, they are very unhappy. This is signed by a representative of Trent University in Peterborough. A member of the Order of Canada has signed this petition in protest against the tax.

I have another petition with 53 signatures on both sides from Peterborough, Keene, Bridgenorth, Omemee, Havelock, Indian River and Thunder Bay. There are many more names from Omemee, Warsaw and someone who says, "No home, no house, can't afford it due to GST". There are people from Cavan. I have a petition with the signatures of 53 more people who are asking the government to listen to them and not introduce this tax. It is a two-sided petition. The signatures are from towns such as Lakefield, Peterborough, Duoro, Bowmanville, Millbrook and on the other side signatures from Peterborough, Lakefield, Duoro, Keene, Bancroft, and a number of people from different addresses on Television Road in Peterborough.

All of these signatures are collected on the petition put out by the "Irate Citizens" of Peterborough. I think that we should thank that group who took the time to collect a carefully-worded petition. I understand that Eugene Forsey consulted with them on how to put together a proper petition. That group has distributed copies all over Ontario in order to collect these signatures. We have more names from Lakefield, Indian River, Oshawa, Nepean, a lot of people from Ottawa, Belleville, Millbrook, Burleigh Falls, Kingsville, Peterborough, Frazerville, which we have not had on a petition to this point, Oshawa, and more people from Television Road in Peterborough.

Honourable senators, the list goes on and on. When we are finished with this lot, more come pouring in. Here is another petition from Trenton and Belleville. All these towns, such as Brighton, are in eastern Ontario.

Honourable senators, I received one letter today that was in favour of the GST—in fact, perhaps everyone received it—from Ken Gregory from Brooks, Alberta, who strongly supports the government's proposal, and he describes why. He thinks it is going to be a wonderful thing, and he supplied a package of information with his arguments. It turns out that this package of information contains early documents from the Department of Finance before the tax was reduced to 7 per cent, which, we know from reading the Canadian Tax Foundation's most recent analysis, contains some gross errors. Senator Hays described some of them to us in his presentation earlier this evening.

One of the striking things about this man's enthusiasm and his presentation is his willingness to accept the analysis that the manufacturers' sales tax will be removed and that no tax will be charged on a whole range of things. He is technically correct. For example, he mentions residential rents, daycare, and health and dental services that will not have tax added. In most cases that is probably correct, but what he does not consider is that residential rents will be pushed up because everything that goes into those buildings will be taxed and the wages of the people who work in those buildings will rise because of wage demands, which have already taken their toll on this system. I am sure honourable senators have read the articles about the layoffs at Air Canada. We had testimony that indicated that daycare for infants would rise on average $2 a day, which is $10 a week per child for the average family.

There will certainly be an effect of the imposition of the tax that will flow through the system.

With respect to health and dental services, anyone who thinks that they are not going to be affected has not visited their doctor or dentist recently. As soon as you are not in a position to talk, they give you a good lecture about the horrors of this tax and what it will do to their costs of running dental or medical offices and how it must be stopped. One of the greatest sources of opposition to this tax comes from doctors, dentists and other health care professionals, who are going to have to bear the cost of this tax but who cannot collect it at the other end because they are on hospital insurance programs, which are not planned to reflect the impact of this tax.

I appreciated hearing from Mr. Gregory. This is the only letter I have received in favour of the tax, in comparison with hundreds of letters and thousands of petitions opposing it. I was looking forward to reading his arguments, and I must say that they are very disappointing. He is using old data that has been questioned and contradicted. He talks about revenue neutrality, which even the government no longer argues in favour of. I am sorry Mr. Gregory is so enthusiastic. Perhaps there are senators from Alberta who know him and would like to have a word with him about his province. I have written back to him. I do not think his enthusiasm is well founded.

I have a few more petitions to present before someone else takes the floor. The next petition contains signatures from people in Fenelon Falls, Peterborough, Lakefield, Woodview, Warsaw, Toronto, Frankford, Trenton and several people from Windsor. I have another petition containing the signatures of people largely from Trenton or Batawa. We have more names from Carrying Place and Belleville. Finally, I will read one more petition before I yield the floor, although I have many more waiting to be presented, containing the signatures of a lot of people from CFB Trenton, Codrington, Batawa, more from Trenton and Frankford, Ontario.

All of these people are determined that this tax should not come into effect because they know, as all of us know—and I am sure the government knows, if it would only be willing to listen to the people's views—there must be far better ways of fairer tax reform than we are being presented with here. We have talked about alternatives, and we will talk about them more; but, for the sake of all these people and these petitions that I am now going to present, I hope that their expectations will be met and the government will withdraw this tax and continue to work on this problem.

Hon. Raymond J. Perrault: Honourable senators, I have the honour to present petitions from the Province of British Columbia. I presented some petitions yesterday, and I have additional ones this morning. I can understand why there is a concern in the province of British Columbia. It may be best expressed by the position taken by one of the members of the legislature in the province of British Columbia who introduced the motion:

> Be it resolved that the Legislative Assembly of British Columbia is absolutely and unequivocally opposed to the proposed federal goods and services tax and urges the government of Canada to immediately withdraw the GST legislation in the interest of all Canadians.

This resolution is unusual for the province of British Columbia, which has a rich tradition of colourful democracy. It has been the cockpit of disputation on many occasions. I was a member of the B.C. legislature for nine years. The resolution which I have just read marked on of those rare occasions in British Columbia when the NDP actually supported a Social Credit resolution, and where the Reform Party supported both of them, along with the Liberals and most of the Conservatives.

The degree of opposition to the GST in British Columbia is indicated by the fact that for the first time since Confederation all of the parties, without exception, voted to support a resolution attacking the GST. I do not think that these provincial protestations should be ignored. We have been petitioned by all of the parties in the province of British Columbia to bring their concerns to this chamber. The principle petition that I laid before the house this morning is a petition from the province of British Columbia representing all of the political parties. They endorse the Senate's action. They support what the Senate opposition is trying to do and, in effect, are saying that the opposition in the Senate is doing the right thing and is acting for the west.

I think we have to understand one of the reasons the Senate was established in the first place. It was to make sure that regional concerns were brought to the attention of those who served in Ottawa and to the governments empowered to govern. This is not a trivial responsibility. This is a grave responsibility. Some of us in the Senate from British Columbia are attempting to represent our region as effectively as possible. Certain other senators are doing the same for their areas.

I want to ask the other senators, particularly those who were just appointed, if they really believe that the attitudes they support and have adopted authentically represent the regions they are supposed to represent in this chamber. I have no doubt about the support I enjoy in British Columbia because of the position I have taken. I know that Senator Hays feels exactly the same way about Alberta, along with the rest of the opposition senators from the west. They represent authentically their regions. They want their representatives to reinforce those regional attitudes here. We who oppose the GST are speaking accurately of the sentiments of the people of our regions. I wonder if all senators in this place are doing that.

In any case, the Legislature of British Columbia, which has despatched this message to me to be placed before the Senate—and I am pleased to put it on the record of the Senate, honourable senators—explains why so many British Columbians are signing petitions opposed to the GST. I will now proceed to table the B.C. legislative views.

In her remarks in support of here all-party resolution, Mrs. Grace McCarthy, former Deputy Premier of British Columbia, said:

> I want to begin my comments on this motion by saying that there are many ways that this question can be resolved in Ottawa. One would be for the House to turn it down and, of course, that has not happened. The other would be when it goes to the Senate, to have the Senate turn it down.

So here we have the legislators of British Columbia saying that the Senate should reject the GST. They have asked us, as British Columbia's Senate representatives, to turn it down. We have been asked to turn it down, not just by the governing Social Creditors but by the Liberal Party, the Reform Party, and most of the Tories. Again the question arises whether or not we are speaking for our people. Yes, we are speaking for our people. Senator Hatfield, I do not know whether or not you are speaking for your people because we have not heard you speak yet, but presumably, when the time comes, you will speak for the views of the people of the province of New Brunswick.

Then the B.C. petition, which we wree asked to brin here in the form of a resolution, says that the alternative would be to have the Senate turn down the GST. Mrs. McCarthy, during her presentation to the B.C. Legislature, said:

> This debate is important because it says to the Canadian public and to our fellow British Columbians that we in this house are wishing to have our clear comments made on the GST, which has been presented by the federal administration as probably the most unfair and burdensome tax to be put before the Canadian people since income tax was brought in in 1917.

That is the view of the parties in my province, and I convey that message to you more in sorrow than in anger. There seems to be very little appreciation of the concerns of the third largest province in Canada. The people of British Columbia are appealing to this chamber to understand the reasons for their concern.

Then Mrs. McCarthy goes on to say:

> I'm sure there aren't many who would not agree that this tax is going to place an unfair burden on the consumers across the nation . . .

I say to that "Amen". This is a burden that was formerly carried by a section of the manufacturing community. it is a tax transfer to the consumers across the country. That was indicated in evidence presented to us in the hearings we had across Canada during a long, hot summer when we heard presentations by various groups.

It is a demonstrable fact that what we are seeing here is a transfer of the tax burden mostly from the manufacturing sector in Canada to the consumers, a secotr that is already overburdened with taxes. We are now going to load still more taxes on the middle income groups, the lower-middle income groups and the low income groups in Canada. The people I represent in British Columbia resent it, as do the people in these petitions I have brought here this morning.

Mrs. McCarthy said:

> British Columbians have paid their way. We have paid our way in Confederation. We have given our fair share, and sometimes we think we've given more than our fair share.

The Province of British Columbia is a net contributor to Confederation and has been pleased to be a net contributor, grateful for the resources that exist on the west coast and grateful to God that we have been able to give more back to Confederation than Confederation has given us in economic benefits. We are pleased to find ourself in that position. I will continue with the position of the British Columbia Legislative Assembly:

> British Columbia has kept its fiscal house in order. No other jurisdiction in Canada has been able to match our record of growth while controlling expenditures. Therefore it's particularly galling to have the free-willing, free-wheeling federal administration—both this government and preceding federal governments—with their insatiable appetite for more money, more expenditures, telling us that they need even more money through taxation, through the GST. One has to wonder. Do they need more money for paintings for the National Gallery?

I read an article in the newspaper today and it is depressing. We are in a position of having to borrow money for our foreign aid programs. A few months ago we bought some new rolling stock for an emerging nation in Africa, and I am sure that this country needed help of some kind, but the article stated that we are purchasing close to $200 million worht of modern rolling stock and other railway equipment of a kind and quality that we have never seen in Western Canada. I presume that we borrowed this money to provide this aid as part of our foreign aid package.

Honourable senators, the most modern railway rolling stock in the west is vintage 1958—repaired, patched again and again and improved. As a nation, how can we afford to buy state-of-the-art, 1990 rolling stock and donate it to some country in Africa when we have not been able to provide rolling stock for our own railways in western Canada? That causes resentment.

Senator Bonnell: We cannot even afford the train.

Senator Perrault: I made reference to rolling stock that still operates on western tracks on occasion.

Senator Bonnell: We don't even have a track any more.

Senator Perrault: The government is off the track. I read an article in the *Ottawa Citizen* dated Wednesday, October 10. The headline says "Africa's Ceausescu, A human-rights report reveals Malawi's President Banda, long viewed as a comic-opera eccentric, to be one of the world's most brutal rulers". Let me read you part of this:

> To the outside world, the tiny nation of Malawi appears a harmless-comic-opera state. In reality it is one of the most repressive totalitarian tyrannies in Africa and few despots have been as successful as President-for-Life—

Thank the Lord we have not reached that stage in Canada yet!

> Kamuzu Hastings Banda is camouflaging authoritarianism under a blanket of eccentricity, according to the independent human-rights organization Africa Watch in a recent and thorough 116-page report.

Incidentally, the article is by Jonathan Manthorpe of *Southam News*, page A2, *Ottawa Citizen* of October 10. I am quoting:

> Malawi is proof that repression can work, says the report, as it places the little southern African country of eight million people in the same league as the Romania of the Ceausescus and the North Korea of Kim Il Sung. But Malawi, snuggled up on the western and southern shores of the lake from which it takes its name, has managed to avoid serious international scrutiny of its human-rights record since Banda came to dominate its government in the mid-1960s. It has done this, says Africa Watch, by staunchly supporting the West and appearing to be a stable, if somewhat daffy, backwater.

Here in Canada we borrow as though there is no tomorrow. There are some good causes, including some in countries which the government says are in need. but Canadians are in need themselves. I have never been opposed to foreign aid. I have always been an internationalist, but I wonder if we should not question some of the grants we have been shovelling out in every direction.

The article continues:

> In consequence, the country receives about $280 million US yearly in development aid, with the Canadian International Development Agency having contributed $25.96 million in 1988-89.

Yet it is described as one of the most brutal, restrictive countries in the world. Is it unfair to ask why we are shipping so much money to allegedly brutal dictatorships of that kind? Surely this adds unnecessarily to the deficit of the government. Do we have the courage to review all these spending programs, be they domestic or international? Why should the ordinary Canadian taxpayer, who has difficulty filling in his or her income tax form and finding the money to send to Revenue Canada, be asked to contribute to dubious programs, domestic or international? There was a story a few weeks ago about another oppressive state that we have been shovelling money to. I believe in that case $200 million went to them last year.

Senator Bonnell: With our own people starving!

Senator Perrault: With our own people starving and with line-ups at food banks that you would not believe. British Columbia is supposedly one of the richer provinces.

● (0700)

I promise you, I will take you down and show you the line-ups of men and women who are unemployed, line-ups that occur three times a day in the hope of getting a sandwich from the Salvation Army, the Fransiscan Sisters, the United Church, the Anglican Church and other organizations that are doing their very best to help people.

Senator Bonnell: Senator Sparrow is helping out in Saskatchewan, too.

[Senator Perrault.]

Senator Perrault: That is correct. Senator Sparrow has done so much to help the dispossessed and the hungry in his Province of Saskatchewan, and many other senators are engaged in good work.

People are signing these petitions because there is a discontent in the land, a feeling by people that other people are wasting their money. When the government talks so loosely and says, "Let us give this cause $30 million", I wonder if they ever sit down and consider what is involved for people to fill out enough income tax forms to raise $30 million for these causes, some of them of a dubious nature.

Senator Bonnell: Is there much unemployment in British Columbia?

Senator Perrault: The unemployment rate is very high. Job losses in my province are disturbingly high. There is the conclusion—and I hope that we can have a debate on it here soon—that the Free Trade Agreement has been a disaster for the working people of Canada. We are told that it is too soon to estimate whether the Free Trade Agreement is good or bad, but I think it can be said that the preliminary reports are extremely disturbing-160,000 industrial jobs lost so far, companies relocating and establishing themselves south of the border.

Senator Bonnell: Do people in British Columbia go south of the border to buy goods?

Senator Perrault: I am glad the Honourable senator has raised that question. In fact, I saw a news report this morning in which it is estimated that $1 billion in retail purchases is being lost to the United States each year as a result of what many people consider to be excessively high prices in Canada. People who go across the line to make grocery purchases and other purchases should be reminded that this does not help pay the medical and hospital bills in Canada, that you cannot play both sides of the fence and come out a winner. I do not think it is good "Canadianism" to skip across the line to save a few cents and not support our own merchants.

Senator Bonnell: Do you think some of the economy will go underground?

Senator Perrault: That is one of the concerns that we all have, that the underground economy will be the result of all this. A dentist will say to a plumber, "If you put my bathroom in, I will fix your molars." That is the inevitable result.

All of those who have been in politics for any length of time know that a good tax law should be economical to collect, uncomplicated and have public acceptance.

Senator Bonnell: It should be fair.

Senator Perrault: Yes, it should be fair. The GST is not perceived to be fair, it is expensive to collect and it is complicated. That is why people will go to the trouble of signing petitions, to indicate that the GST has so little support across the country. I have coded these petitions. I have with me Petition A which I want to table this morning.

Senator Bonnell: Do you think that any of these petitioners realize that they will pay more tax in British Columbia than they do in Ontario because of transportation costs?

Senator Perrault: I thank the Honourable Senator for raising that point. I know that Prince Edward Island is suffering the same problem. We sometimes ask ourselves, "Why is there alienation in Canada?" There are all sorts of reasons. We have our friendly rivalry in football and other sports, but there is a growing sharp edge of antipathy in certain regions of Canada toward central Canada. It is unfortunate that that is the case, but there are reasons for it.

The petition that I have here is signed by the people of Richmond, British Columbia. It used to be one of the greatest farming districts in Canada. It is still a wonderful place. The Vancouver Airport is in Richmond.

Senator Bonnell: Is that fruit country?

Senator Perrault: They can grow some good Gravenstein apples there. They are not the top apple but they are good for cooking. They are not good for export to areas that like fancy apples. You can grow almost anything in Richmond. Some of the people are from Cloverdale. We have a raceway out there. I hope that when some of you Senators come to British Columbia you will come out to the races.

Senator Bonnell: Will the people of Cloverdale have to pay a tax for betting on the races?

Senator Perrault: They will be subject to tax.

Senator Bonnell: That is probably why they signed this petition.

Senator Perrault: Everything that is moving and everything that is nailed down is subject to tax, as one chap said. Perhaps that is a bit facetious, but it is a comprehensive tax.

There are names on here of people from North Vancouver and from Delta, so most of the people come mainly from the lower mainland. The Honourable senator, and I thank him for doing so, has pointed out the effect of the GST on remote regions. As far as Toronto is concerned, Vancouver is a remote region. Vancouver is closer to the Soviet Union than to Ottawa—not philosophically, but geographically. I suggest that Senator Forrestall's region is closer to them than it is to Ottawa.

Senator Forrestall: I am glad that you pointed that out.

Senator Perrault: It is an interesting fact of life that we have in this country a geography that is different than that of some of the unitary states that have either espoused the GST or the VAT. A unitary state with only one level of government has a small land mass, and is more adapted to the levying of this kind of tax because there are fewer possibilities of injustices. A country with a land mass of the size of Canada makes it more difficult to administer the tax fairly. That is a fact of life.

I am sorry that some Honourable senators were not present at the committee hearings, because I am sure that they would have been impressed with the testimony. Goods and services in the more remote regions of Canada cost more than they do in central Canada, largely due to the added transportation costs involved in shipping materials to these regions, but also due to a lesser degree of competition and higher mark-ups. The FST is imposed at the trade level prior to these transportation charges and local mark-ups. The GST is imposed on the retail value of the sales. So someone living in the north, the Maritimes and so on will experience an even more negative effect on their purchases, in comparison with those in Toronto and Montreal, and I am not even thinking of the escalation costs of gasoline and oil which will only accenuate the problem. I cannot understand why the federal government would insist on this proposal, because witness after witness has said that it is not fair to pay more tax just because they do not live in Toronto.

Senator Bonnell: Would you say that it will make the poorer provinces poorer?

Senator Perrault: The poorer provinces will become poorer. With your usual insight, you have hit the nail on the head.

As a consequence of stage two of tax reform residents of remote regions will pay more consumption tax than residents of central Canada for the same goods and services. That is simply not fair. These residents will also pay more tax under the GST than they did under the FST. Is this tax reform? In the propaganda sheet that I quoted extensively the other day—and I will not haul it out this morning—the government said that its goal was to establish a progressive and more just taxation system. Northerners, westerners and easterners believe, beyond question, that this taxation system is unfair and more regressive than the present FST. So why do we not do something about it?

It means that residents of these regions will pay more tax under the GST than they did under the FST. Numerous witnesses from these regions took this position in testimony before the committee. You could say that there is a credit system, and that credit system will offset any injustices. The GST credits are part of a package designed to ensure that families with incomes below $30,000 benefit from tax reform. However, a $24,000 income in Yellowknife or Iqaluit does not imply the same standard of living as it does in Ottawa. Thus a family in central Canada with this income is entitled to full GST credits—and this is a basic injustice— whereas a family in the North with the same standard of living will not receive full benefits because its nominal income has to be higher to offset the higher cost of living.

This violates the principle of horizontal equity. No one has argued against that. And indication of these higher nominal incomes is contained in the 1966 census which showed that 60.4 percent of northern families had an income in excess of $30,000, while only 48.6 percent of southern Canada families had such an income. Are we prepared to vote for that proposal? No wonder we have people signing petitions. They recognize the basic injustice here. It is not right and it should be corrected. It should not be a matter of political debate as to whether this change should be made. We should not even be wasting time on it, we should say, "Ok, the point has been

made that the people in remote areas of Canada will not be dealt with fairly, so let's change it."

The Committee was informed by the Government of the Northwest Territories—and I was at the hearing, I was a member of the Committee that spent much of the summer looking at these complaints—that the cost of living in Yellowknife is 33 percent higher than in southern Canada.

When housing is taken into account the difference increases to forty percent. Yellowknife has a low cost of living compared to other Northwest Territory communities. Similarily the Yukon government informed of the Committee that Whitehorse is of the least expensive place to live in the Yukon, that most other communities have a cost of living that is ten percent higher in some communities is as much as sixty percent higher. Is it the government is really suggesting that because someone lives in the far north they should have to pay a severe economic penalty for that right? Are we trying to encourage everyone to move to Toronto? That is the suggestion of the GST legislation.

Surely this is the time to encourage young people and people who come to Canada to settle in our different regions. If the GST as written is a disincentive, why do we not get rid of it? Again, this view is not inspired by partisan politics; there are defective sections in the proposal. Higher prices mean more GST paid. In fact, the average Whitehorse family is expected to pay $400 more in GST then the average Canadian family. With the increase in fuel costs, that figure will be substantially higher. The Americans like talking about a level playing field. Let us create a level playing field domestically and make sure that just because they have to bring in a stove from Brantford, Ontario, you will not have to pay the world because you happen to live in Newfoundland, British Columbia, the Yukon Territory, or the Northwest Territories.

Senator Bonnell: Some people in my province tell me that no longer will they be able to pay a quarter at the automatic laundry machines, that with the GST they will have to pay $.50.

Senator Perrault: I understand they have to change the coin mechanisms and that these changes will result in an increase that is higher than sever percent.

I know that some of you are interested in sports. The government, quite properly, has been encouraging a more volunteerism in sports by saying, "don't come to us for grants because the taxpayer is already over burdened with the various charges." This is another anomaly, which is noted by some of these people from Chetwynd, and other communities which are actively involved in sport development. Hundreds have signed petitions. Many of the people who signed the petition are in amateur sports. The report says at page 1325:

> "Bill C-62 creates two classes of volunteer sports and recreation associations: those eligible for a fifty percent rebate of GST payed on inputs and those ineligible for such rebates. Registered charities including Canadian Amateur Athletic Association, are automatically eligible for the rebate. Non profit organizations must receive more than forty percent of their funding from governments to qualify".

[Senator Perrault.]

Unless an organization gets more than forty percent of other funding from an amateur sport group, you do not qualify for the rebate. It seems to me that it should be the other way around. If you have the initiative to have a fund raising drive and you have your youngesters out selling chocolate bars and all sorts of other things in an attempt to self support your organization, you should be encouraged. This does not appear to be consistent with the Conservative philosophy of free enterprise rugged individualism. The report goes on:

> The federal government has been encouraging sporting organizations to become less dependant upon government and they have taken this encouragement to heart. Since 1986, the aggregate level of government funding for national sport organizations has declined from seventy-eight percent to about fifty-six percent. At the same time, the government is penalizing them for doing so through the application of the GST.

Is that is progress? While communities from Newfoundland to British Columbia and the north are saying, "we want to develop facilities for our young people so let us raise the money", the government seems to be saying "that is a mistake and we are going to penalize you." The government is actually penalizing these organizations through the application of the GST.

That may have been another one of these "oversights". There are so many weaknesses here that could have been corrected to make this measure more palatable to the Canadian people. Serious concerns were expressed by the Churches, which do a pretty good job in trying to alleviate the social misery in Canada. They have said that the rebate system has certain merits but that the practical application is something else again. For example, many of our transients are illiterate and cannot even fill out forms. Some of them do not live long enough at one address to even get the rebates. Many senior citizens are in such a poor condition that they cannot even write cheques. In other words, the paper work entailed in applying for the rebates simply cannot be done by thousands. That is another problem we should try to solve. What is to be done in this area? The government dismisses the warnings.

Possible taxation on wreaths for Remembrance Day constitute another one of these vexatious problems for veterans. The government should have provided assurances weeks ago that the tax would not apply on wreaths. The Saint John's Newfoundland and Labrador command of the Royal Canadian Legion were among the first to raise the possibility that poppies and wreathes would be subject to the GST. The poppies and wreathes are manufactured by Vetcraft, a shelter workshop run by Veterans Affairs which sells them to the Royal Canadian Legion Dominion Command. From there they are sold to provincial Commands which in turn sell them to local branches for a nominal profit that is used to help veterans and veterans widows. According to the testimony from the Legion, the local branch may be subject to the GST on their purchases of poppies and wreaths.

I took the trouble to call the Royal Canadian Legion last week. I said, "I am sure that by now the government has fixed up what appears to be an anomaly in the GST plan." On the contrary, I was advised that nothing has yet been done and that the government was trying to negotiate an arrangement that would see at least partial taxation of the wreaths. Apparently, no assurances have been received that wreaths that go on cenotaphs on Remembrance Day to honour the war dead will be exempt from taxation. To be fair, I do not think that the Conservative senators espouse a philosophy that there should be a tax on these items. If so, they should join with those of us in the Liberal ranks and contact the bureaucrats who brought the idea into this bill.

Senator Bonnell: In my province the war Vets who are amputees make little number plates for key chains. Will they be taxed as well?

Senator Perrault: There is that possibility. Let me read you a portion of the report found at page 1323:

> On inspection of the legislation, is appears that poppies would not be taxable since it can be argued that they are not sold but are enchanged for a charitable donation. Furthermore, the consideration involved is usually less than $5 and Section 4, Part VI of Schedule V of the legislation provides that fundraising sales by volunteers of goods costing no more than $5 will be exempt from the GST. Wreaths, on the other hand, are sold for more than $5 and may not qualify for an exemption.

So that item may be exempt, but the point is that it has been impossible to obtain a ruling from the government officials as to whether poppies, either singly or when applied to a wreath, will be a subject to taxation. This is not the kind of thing on which we should have a major debate, because I do not think that anyone in their right mind would support the idea of taxing memorial wreaths for November 11th cenotaph observances. That is ridiculous.

Petition B is from Chetwynd, British Columbia.

Senator Bonnell: Since the honourable senator is interested in sports, someone in my area told me that those who register for, say, hockey school and are over fourteen years of age must pay the sales tax.

Senator Perrault: That is correct. The whole thrust of the GST policy will be to discourage the participation of young people in sport. The equipment for some sports is a very expensive. The age limit of over fourteen has been established, and I cannot understand that arbitrary age limit.

Senator Bonnell: What happens to the child who has just become fourteen?

Senator Perrault: That is a question the Committee asked itself. The technical paper proposes that the GST apply to fees charged for kids over the age of fourteen, whereas the bill now proposes to tax on the basis of the age group for which a program is designed. Virtually all representatives thought the age level was too low. I am sure that most amateur sports organizations will take the same position. Teenagers are not adults. If the worthiness to society of such programs is a major factor in determining exemptions from the tax, an age limit of eighteen years makes much more sense according to witnesses.

Mr. John McGrath of Sport Newfoundland and Labrador referred to the advantages of amateur sport in offsetting undesirable peer pressure and in teaching social values. To that I say Amen. As the Minister of Sport I was absolutely overwhelmed with the beneficial effect of sports in communities across the country which resulted in a net savings to other programs as a result of the constructive influence on the young. The Newfoundland sports people felt that these functions were particularly important for youth age fifteen to eighteen years and has suggested that the age limit be raised. That is what the Committee recommends. Sports organizations have convinced us that the age limit is unrealistic.

Senator Bonnell: What about the municipalities? I understand that Edmonton will have to pay $20 million more because of the GST.

Senator Perrault: That is correct; $20 million is the estimated figure. I do not know the accuracy of that figure, but it was not challenged by any government representatives at the meeting. GST is regarded by many of the western provinces, and I am certain by many others, as a way to extract more tax money out of tax payers' pockets, and put it on shoulders of the middle income groups and lower middle income groups who have already had thirty-three tax increases under the Conservatives since 1984.

Is it not strange?. The government has condemned the manufacturers' sales tax as being wrong and iniquitous. I think Liberals see its deficiencies as well. Yet how can Tories possibly condemn a tax that has been increased by the Conservatives from 9 percent to 13.5 percent in the past six years?

Chetwynd, British Columbia is going through a very difficult time, and a proportionately large number of the petitions have come from there. Chetwynd is in the Pine River Valley in the northeast corner of British Columbia. It is 310 kilometres north of Prince George at the junctions of Highways 27 and 29. It is an exciting place because it was built almost out of the wilderness. We in British Columbia are very proud of that part of our Province. It is named after a cabinet minister who served in the B.C. Government in the 1950s, Ralph Chetwynd, who was a B.C. pioneer and the Minister of Railways in the Social Credit Government. There was little development in the region until after World War II with the extension of highways and B.C. Rail. Chetwynd has become a service centre for forestry, oil and gas fields and the northeastern coal fields. Two sawmills are the major employers in the community. Chetwynd was incorporated as a village in 1962, but changed its status to a district municipality in 1983.

• (0730)

Now, however, this community is in real danger because of the following factors: first of all, the difficult coal situation. As honourable senators will know, there has been a cut-back on orders from the Japanese for coal, and a demand that the price be reduced; secondly, the difficulties now being experienced in

the housing market and the fact that lumber is not being shipped out of that area on the scale that it was a few years ago. So the people in that community are worried Canadians, and I am honoured to bring on their behalf a list of twenty-seven names from Chetwynd. On this list I see a name, Brian Mulroney. That name is on this petition. I wonder if the Prime Minister was visiting in Chetwynd when this petition was being circulated. Here is the name of Brian Mulroney and the place of residence is noted as "Capital Hill". I might explain to honourable senators that there could be a housing development known as Capital Hill in the Chetwynd area. I wonder whether this would be a relative of the Right Honourable the Prime Minister?

Senator Bonnell: I would not be surprised.

Senator Steuart: Perhaps he is thinking of running there next.

Senator Perrault: It is written in a style of handwriting very similar to that of the Prime Minister's. I wonder if this indicates that the Prime Minister has some uncertainties about the GST bill. Would it suggest that to you, senator?

Senator Bonnell: I would think that that was probably right.

Senator Perrault: It is marked with a star. Perhaps I might just pass it over to you for your assessment.

Senator Bonnell: It sure looks like his signature. I think that is him. He says it is marked with an asterisk.

Senator Perrault: I wonder if he knew what he was signing?

Senator Bonnell: Sure. He was trying to be on the good side of everyone, so he joined in with the people in that community.

Senator Perrault: Perhaps it is just a person with the same name, senator.

Senator Bonnell: I could not testify one way or the other.

Senator Perrault: In any event, this document will be tabled here today and if anyone would like to check out the authenticity of that signature, that will be on the table for them to do.

This petition numbered "B" is also signed by people living in Fort St. John and Dawson Creek. Perhaps with the energy crisis that is presently occuring at the moment in the world, the economy of northern British Columbia and northern Alberta may improve somewhat, even if only on a temporary basis. That may be some good news for them.

Honourable senators, I have another petition here. I will move to petition "D", since "C" seems to have disappeared. Petition "D" is from Ladner. Petition "D" is from Ladner, Richmond, Vancouver, Langley, Burnaby, Coquitlam and Surrey. This is obviously a lower mainland petition. It begins with Mr. Murray Johnston from Ladner and ends up with a Mr. R. Coccia of Vancouver. These people, in the main, will be concerned with the general employment situation on the lower mainland and some of them will be concerned about the ability to compete with American shopping centres, travel agencies and retail operations just below the line. These areas are very close to the US border and the inhabitants are very apprehensive about the effect of American competition on their businesses.

Honourable senators, this may also be true in other provinces, but in the province of British Columbia in particular, the Americans have built a massive shopping centre just south of the border, and they are also building one in Blaine, Washington, which must be approximately 28 miles from Vancouver. In Blaine, the shopping centre is being built almost entirely to divert business from Canadian retail enterprises. That, honourable senators, is very disturbing.

Honourable senators, I hope we will get into the GST debate as soon as possible, because the question that many British Columbians are asking me is this: If we are to establish a level playing field with the Americans, is it wise at this time to introduce a tax that is not being levied in the US? Does that not place us in a difficult competitive relationship with American enterprises?

Senator Bonnell: You cannot compete with the Americans.

Senator Perrault: In 1985, the then President Reagan, after long study, rejected both the GST and VAT taxes. He said that he had come to the conclusion that these were really taxes that were levied by governments who wanted to use them as taxation "milch cows" designed to yield large revenues. He said that as long as he was President of the US, he would reject anything as regressive and reactionary as a GST-style of tax.

Honourable senators, if we are to have a GST-style tax in Canada, what does that do to our ability to compete successfully in the US? We can take comfort in the fact that the manufacturers' sales tax is to be removed. However, if this new style of tax impedes other Canadian businesses in their ability to sell at the retail level, and the Americans establish these shopping centres along the Canadian border, how long can Canadian enterprises survive? I think that is a very good question, and I hope that when we get to the study of the bill, we can canvass the views of the honourable senators opposite on that point. I am aware that there may be some areas in Quebec where you have that same challenge.

Senator David: I wonder if the honourable senator would have this declaration of former President Reagan who, after a study, said these things?

Senator Perrault: I would be glad to furnish that for the honourable senator. It is a quotation which is available on the record, and I will ask that it be sent to you. Quite frankly, I do not think that President Reagan was the world's greatest tax reformer. He was not noted for his ability to construct a progressive tax system. However, his arguments in this regard should be analyzed.

With respect to Petition "C" which I have now come across, that petition comes from Langley, Richmond, Ladner, Delta, White Rock, Vancouver, Surrey, Burnaby and Abbotsford. These are all areas that are known to me. As a matter of fact—

Senator Bonnell: Senator Perrault, before you get too deep into your petition, I understand that, under the GST, when

you have a funeral you have to pay this tax on a funeral. In fact, they're paying it now for next year's funerals.

What about cremation? Do you have to pay tax on a funeral if you are cremated?

Senator Perrault: Yes, senator, you have to pay tax on cremation and you have to pay tax on conventional interment.

Senator Bonnell: So they are now taxing even the dead!

Senator Perrault: The funeral directors are quite upset by this tax. They think it is unfair to burden the bereaved with a $400 Tory tax as a late departed man or woman, is being lowered into the ground. They think there is a sort of callous aspect to it.

However, I suppose it can be argued that this is another professional service, and the government people who put this measure together have obviously rejected the arguments of the funeral directors. I am trying to find that section in the report but I am unable to do so.

Senator Bonnell: Try page 1458.

Senator Perrault: Yes, that is the appropriate page. The heading is: "Funeral Services"

> The Funeral Service Association of Canada told the Committee, "We believe that every Canadian has a right to a burial or a cremation according to the rites and practices of his or her religion and cultural heritage, and that Canadians find it offensive for the Government to tax those services."

Honourable senators, I do not think anyone would argue with the premise that people have the right to be buried in the way that they wish, whether they want the ashes scattered on the ocean or to be cremated. That is a deeply personal decision to be taken by the individual.

However, after studying the evidence, the committee agreed that the direct application of a sales tax to funerals is unwarranted and offensive. That, too, is something that we can discuss when we get to the debate on the bill. I do not want to take up the time of this house now to get into the details of that matter. However, I am sure that honourable senators will recall the testimony that we took on that point.

Senator David: I wonder whether or not the family of the bereaved would prefer to return to the collection of succession taxes, which was a much larger tax than this one will be.

Senator Perrault: Yes, I suppose that is one alternative.

Senator Bonnell: The Liberal government took that tax off, did they not?

Senator Perrault: Yes, that tax was removed. Does the Conservative government wish to re-establish the succession tax? Is that your question? Do you favour the re-establishment of a succession tax?

Senator David: No, I am saying I wonder whether the family of the bereaved would prefer to return to that type of tax, rather than have the GST?

Senator Perrault: Perhaps under certain conditions it might be beneficial for them, and under others it would not.

> Three days before they were due to begin collecting the GST the Ontario Funeral Service Association indicated that they were still unclear on the rules affecting the taxation of prepaid funerals. The fact that this organization was unable to obtain a consistent answer from Revenue Canada is indicative of the confusion faced by business . . .

Honourable senators, this is why some of us have agreed with John Bulloch. John Bulloch said: "With the present state of confusion, it would better if we introduced this task on July 1 rather than on January 1. It is just going to be impossible." Perhaps we should ask Mr. Bulloch for an assessment of the situation which now exists. Perhaps it has changed; perhaps improvements have been made.

Honourable senators, the next petition that I will refer to is the last one. I know other senators wish to speak, and I do not want to take up their time. I have thirty names from Petition "A"; twenty-seven names from Petition "B"; twenty-seven names from Petition "C" and—

Senator Bonnell: What about the tax on books and reading materials?

Senator Perrault: That is a distressing matter. In a year in which we have proclaimed an all-out war on illiteracy, our federal government has decided to tax books. It seems to me that that is a very counter-productive move. I do not know why honourable senators on the other side would support the idea of taxing books in the near year that we are supposed to be battling illiteracy. Perhaps the reasons escape some of us.

Senator Bonnell: What about textbooks put out for students attending university? Will they be taxed?

Senator Perrault: Certain prescribed textbooks will be tax-exempt.

Senator Bonnell: Would you know which ones they are?

Senator Perrault: It depends. Perhaps you could help us with an identification of that section?

Senator Bonnell: Try page 1460.

Senator Perrault: I am referring now to the committee's report:

> The Committee believes that the taxation of books and reading material is a step backwards in promoting literacy and would place an unnecessary burden on students who must purchase their own textbooks. First-year students at the University of Toronto, for example, must budget $700 for textbooks . . .

That is a great deal of money; much more than I had to budget for books when I was going to university.

> Evidence received from a representative of the University of Toronto Press was that professors would respond to the GST by reducing the number of textbooks on required reading lists . . .

Honourable senators, it is not a progressive step to say: "In order to save money, we will simply cut back on the texts required."

That is very disturbing. It is anti-intellectual.

> This is further evidence that education would be taxed under the GST. Finally, it is worth noting that taxing reading runs counter to the Carter Commission report, which recommended that newspapers, magazines and books should not be subject to a retail sales tax.

This will be a first for Canada, and it is quite distressing.

Honourable senators, I want to conclude with the BC petition, representing all parties in the B.C. legislature—Social Credit, NDP, Liberal, Reform and most of the Conservatives. This is what was said on behalf of the province of British Columbia by the Honourable Grace McCarthy, the former Deputy Premier and leading spokesperson for British Columbia:

> . . . when we first heard about the GST, our Premier spoke to the federal administration and told them that a better way to present a new tax regime to the people of Canada would be to do so after they cut unnecessary expenditures in the federal administration. Our Premier told the federal administration to live within their means. Mr. Speaker, can I tell you that today, since I first presented this motion to the House—

Again, the words of the Honourable Grace McCarthy:

> —we have spent $113 million just on servicing the national debt, just in interest? One hundred and thirteen million dollars has been spent today by the federal government.

Honourable senators, that is an appalling figure. That was spent in one day. I do not mean to start apportioning blame. It is Canada's problem as a whole. However, we are saying: "Let us find a better, fairer solution".

> When they first suggested the GST, the Minister of Finance—

and here she is talking of the BC Minister of Finance—

> —I went to meeting after meeting in Ottawa. The Ministers of Finance met and tried to bring some sense to the federal administration, and said over and over again that this was the kind of onerous tax the Canadian people and British Columbian's could not tolerate. The record is clear that both the Premier and the Minister of Finance have given the message to an unhearing federal administration."

Mrs. McCarthy then goes on to say:

> I wonder when enough is enough. When are we going to say enough is enough to the federal government? How long will British Columbians, who have long been fiscally responsible, tolerate the kind of expenditures we have seen?
>
> I want to say that we are here today to try to save Ottawa from making a great mistake.

So here is one provincial government indicating that it wants to save this government from falling into egregious error.

[Senator Perrault.]

> Do you know that even Ottawa recognizes that this tax is going to be inflationary? Even the federal Minister of Finance tells us that this is going to be one of the greatest inflationary taxes we've ever seen. This in a year when we in this province are looking forward to a buoyant economy, but when the rest of the nation is saying that we are going to have difficulties in the year ahead. When every economist in the country is saying that we are going to have problems, the federal government gives us more. This is an inflationary tax.

Then Mrs. McCarthy makes this next comment—and I might say, in passing, that British Columbians with good reason have never been modest in their claims. They have what they believe to be a beautiful province.

> British Columbians are fair people, and when the federal administration calls on us for more money . . . I think British Columbians, if they knew it was fair, certainly would abide—although probably not gladly—by the decision of our federal masters.

Honourable senators, I agree with her there. As I said yesterday, I am just reminded of that elderly gentleman who appeared before the travelling committee, and some other senators will probably remember him, too. He appeared before us flanked by two other senior citizens and he said, "In war and peace, I have paid my fair share. I have paid my taxes and I went to war for Canada. If you want us to make a special contribution in order to get rid of that deficit, I will sign up right now and you'll get my cheques. But I want to make sure that the system is fair and that some people who are not paying their way now will be paying their way under any new system. If taxation is fair, we do not mind helping out again, and helping the country once again." Honourable senators, I think that is very true today.

Mrs. McCarthy continues:

> I think British Columbians, if they knew it was fair, certainly would abide—although probably not gladly—by the decision of our federal masters. Surely they would say: "Well, we asked for some of these services; we have to pay for them." I think that's fair, but we have been paying dearly for the services.
>
> Our tax administration in this country is not a reasonable one. Had the people in Canada been asked to reduce the debt through the tax, which was the way it was introduced a very long time ago by the federal administration . . . Had they truly been going to reduce the deficit, I think that even in that case we would have said: "Well, we're going to get away from this incredible debt. We're going to reduce that debt which was handed to us, that national debt which is now $380 billion, costing us $113 million a day to service, $41.1 billion annually just to service . . ." Had we even been asked to give to the GST to reduce the deficit, I think that perhaps Canadians would have said: "Well, we've spent the money. It's in the deficit. But no, Mr. Speaker. We find out now that it is

> only for more services, which the federal government deem will keep them in power longer.

That is a senior's charge against you government senators on the other side of the house. As I said yesterday, we should not be in a position, surely, of borrowing money so that we can extend largesse to all of the causes in the country. Perhaps it would be possible to have a five-year moratorium on certain big non-priority hand-outs including my own province of British Columbia. I am not exempting my province.

Mrs. McCarthy went on to say:

> I have to tell you this: I don't believe it will stay at 7 per cent.

I can tell Mrs. McCarthy that no one else does, either. As I have been saying all summer, the same tax in the Ivory Coast is now 25 per cent and rising. The same thing is happening in New Zealand and other countries that have this kind of tax.

> I believe that, as in every other jurisdiction in the world, jurisdiction after jurisdiction—and particularly with this federal government—this tax will increase to again satisfy the insatiable appetite of the federal Treasury Board.
>
> The collection process which has been explained by Ottawa will mean that every small business in this province and across this nation will be encumbered by extra bookkeeping costs and added hours. It may not seem important to people who figure out these kinds of things in the bureaucracy, to the federal politicians who are out on the hustings trying to sell the GST and to Mr. Wilson in the federal administration, but I can tell you that it is an onerous thing for a small business to have to purchase equipment—

Incidentally, Mrs. McCarthy herself is a very successful small business person. Therefore she is talking as someone who has hands-on small business experience.

> . . . I can tell you that it is an onerous thing for a small business to have to purchase equipment—and many will have to purchase different cash registers just to deal with this tax. Do you realize that every small business across this nation, every British Columbian in a small business, which represents more than 95 per cent of all the business in this province—the greatest employer in our province and across this nation is small business—will now have to be encumbered by the costs of what we are told will be hundreds and hundreds of tax collectors.

Of course, honourable senators, Mrs. McCarthy is correct. At this point in the proceedings, some honourable members began to shout "Thousands". Mrs. McCarthy then continued:

> Thousands and thousands. It's a bureaucracy that will grow and grow and again consume more of our people's dollars.
>
> The throne speech has called the GST unnecessary, and so it is. Business groups have said that the increase in the large corporation's tax rate comes at a very bad time. "One of the things that has been sustaining our economy is business investment, and this tax increase affects that to the tune of $200 million," said Tim Reid, president of the Canadian Chamber of Commerce. "By increasing taxes to pay for the lower GST rate, the government is taking its hand out of one of our pockets to put it in another." We're tired of having the heavy hand of government in the pockets of our small business people, in the pockets of our consumers, in the pockets of our householders and in the pockets of the senior citizens who need to have security for the future.

Honourable senators, I am almost finished with this, but I promised to put this B.C. petition on the record.

> The repackaging of the GST has taken place in the last few months. They've taken it from 9 per cent to 7 per cent and thought the Canadian people would buy it. I think that's one of the saddest commentaries, that we should even consider that we should be bought off by 2 percent.

Then Mrs. McCarthy continued:

> I do have a solution.

Perhaps you Conservatives should listen to this, because this is a provincial idea:

> —I do believe that Canadians and British Columbians would accept a line on the income tax form which addressed reduction in the deficit being carried by the federal administration. I think we would do our part. I think a line on the income tax form—no more bureaucracy, no added inspectors—that said 2 percent, or whatever it would take, on an annual basis would be our contribution to pay for that which we have enjoyed in the past and which we are paying incredible interest rates on today.

Honourable senators, it is not a bad idea to keep it simple. However, I would suggest that the initiative should be given a name. Canadians could be advised tht this is an anti-debt fund. Variations in taxation rates have been suggested such as 1 per cent at $15,000 and going up to 7 per cent on high incomes. Honourable senators, the fact is that people are ready to make a sacrifice for a good cause. Extra tax revenues fairly raised and properly used could be obtained by such a method and with public support. We must ask ourselves, do we really need the complications of the GST and its high collection cost and 5,000 civil servants and all of the "gumshoes" who are supposed to tramp around and lean over people's shoulders to assure compliance. I find it incredible that we are looking to hire former members of police forces with special investigative backgrounds; we will be hiring them so that they can go around to the so-called "Ma and Pa" stores and say: "Ma and Pa, are you sending enough money to Ottawa?"

Then there is this crazy statement by Mr. Blenkarn. He told an audience the other day: "Just keep two shoe boxes. That is all you need; it is very simple." I suppose the idea is that the gumshoe inspectors will be riffling through the shoe boxes.

Senator Bonnell: They will not even be able to afford the gumshoes!

Senator Perrault: That is right, senator. They will not be able to afford shoes.

Mrs. McCarthy said:

> I think a line on the income tax form—no more bureaucracy, no added inspectors—that said 2 percent, or whatever it would take, on an annual basis would be our contribution to pay for that which we have enjoyed in the past and which we are paying incredible interest rates on today.

Honourable senators, I think that idea is worth studying as an alternative. Some honourable senators opposite have made the point that it is all right to criticize, but we should offer alternative proposals. I say again that the debt and deficit are problems created in part by all of us, and no political party is exempt from blame. Therefore we have a responsibility—all of us—to find a solution on a collegial or joint basis.

Mrs. McCarthy continues:

> I would suggest that if we did that, it could be a solution. It would have to be allocated to the national debt. This GST is going to add to our national debt, and we will not get out of the mire of indebtedness for our children and our grandchildren for years and years to come. If our members in this House and our families ever see the end of the national debt, it would be a great surprise going with this kind of fiscal policy. It can't happen, because they spend faster than they collect and the interest rates add up to a mountain of debt.

Honourable senators, Mrs. McCarthy is right. She says:

> I am pleased to move this motion. I would hope that together in this House, in a spirit of cooperation for the good of the people of British Columbia, we can give a message to the House of Commons and to the Senate in Ottawa and to the federal administration that we do not want the GST.

The motion was carried unanimously in the B.C. legislature. Honourable senators, I am today delivering that message. Yes, and you have now heard what Mrs. McCarthy, speaking for the legislature and all of its parties, is saying. We have to pay and we must get rid of that debt and deficit. She, at least, has set forth an alternative plan to the GST.

Honourable senators, I hope I have not overstayed my welcome. However, in my opinion it is important to present these petitions and I appreciate the time that you have given me today.

Senator Bonnell: Honourable senators, I have a question for Senator Perrault. Canada, of course, does not have a very long history but we have a rich history. We have a great many archaeological and antique articles that have been found in this country. I understand that, on the sale of those articles, the purchaser will be charged 7 per cent.

That being the case, the Americans will probably come up here and buy up all our history and take it home across the border because they do not pay a sales tax, and the GST on articles they buy will be refundable. Does that mean that we are liable to lose most of our artifacts and our art?

[Senator Perrault.]

Senator Perrault: That was one of the concerns that was expressed to the committee, that some of the best Canadian art and artifacts and archaeological items are in American hands at the present time, and that this tax will accelerate the process. That is the fear of those who are involved in this field.

Senator Bonnell: I think that is just terrible.

Hon. P. Derek Lewis: Honourable senators, I have much pleasure in tabling a petition from the province of Newfoundland. The petition is on the subject of the proposed goods and services tax. It starts out:

> The petitioners solemnly pray and call upon the Senate to prevail upon the government to stop the introduction of the proposed Goods and Services Tax.

Honourable senators, this petition is from all parts of Newfoundland. I can well understand why these people are so concerned about this tax. Conditions in Newfoundland are quite depressed. As you know, our economy depends to a large extent on the fishery. Currently, the fishery employs a total of thirty thousand people. However, because of the lack of fish, or at least the drop in the fish catches, the fishing industry is being kept down.

Senator Bonnell: And the price is poor.

Senator Lewis: Yes, the prices are poor, but it is the high-priced Canadian dollar that is causing the problem, because our exports of fish are no longer bringing in the same amount of foreign exchange as they were before.

The people of the province of Newfoundland and Labrador—

Senator Bonnell: As well, Newfoundlanders can no longer sell their fish because the airlines have taken off all of the heavy planes. They now only have those little Dash-8s and Dash-7s. Therefore the rest of Canada is no longer receiving our fresh Newfoundland fish.

Senator Lewis: Yes, senator, I will get to the point about the planes. Incidently, they are no longer flying out of Charlottetown either, are they?

Senator Bonnell: No, they are not.

Senator Lewis: Honourable senators, the people in the province of Newfoundland are suffering from this depression in the fishery and are blaming the federal government for the lack of fish by reason of the mismanagement of the fishery and also the government action in allowing foreign fishermen to overfish the fishstocks.

Senator Bonnell: Are the French still coming in there and taking your fish, right inshore around St. Pierre and Miquelon?

● (0800)

Senator Lewis: I understand that there is presently a bill in the House of Commons which is aimed at trying to correct this problem, although I believe it has something to do with fines to be imposed on foreigners.

Senator Bonnell: Would you consider a person from St. Pierre and Miquelon a foreigner?

Senator Lewis: St. Pierre and Miquelon is part of France, so we regard them as foreigners.

Apart from the depression in the fishery, we have the admitted planned downturn in the economy. What you have to understand about Newfoundland is that—

Senator Bonnell: It is not connected to the mainland.

Senator Lewis: No, or to P.E.I. In Newfoundland we have no industry. We are probably the worst off of all the Atlantic provinces. Before Confederation we had our own manufacturing businesses. Since then, we have suffered from the collapse of these industries.

Senator Bonnell: What about the forestry industry?

Senator Lewis: We have a certain amount of that. I should like to read an article from a book written by A. Brian Peckford who was Premier of Newfoundland at the time. In Appendix C, at page 113, he quotes an unpublished manuscript entitled "Economic Growth and Development in Newfoundland" by Brian C. Bursey.

> While the impact of Confederation upon personal income and social welfare seems to be clear cut the effects upon local manufacturing were far less positive. Prior to Confederation local industry had successfully produced a variety of products for home consumption including "creosote, ice cream, furniture, brick, processed meats (hams, bacons, etc.), boats, lime, flavour essences, oiled clothing for fishermen, paper bags, paper wrappers, tinned goods, candy, biscuits, bedding, margarine, marine engines, stoves and similar iron goods, nails, paint, cigarettes and tobacco, clothing, woolen goods, aerated waters, cordage, boots and shoes, etc." All in all giving employment to approximately 3,000 people. Certainly the rising personal incomes and living standards that accompanied Confederation did much to broaden the overall size of the local market for many of these products. Conversely many of the features of the political union created serious problems for Newfoundland manufacturing establishments.
>
> One of the most immediate effects of Confederation was the removal of all tariffs on Canadian produced goods sold in Newfoundland. Prior to Confederation Newfoundland manufacturers had been able to compete effectively in the limited local market behind a wall of protective tariffs that ranged as high as 65 percent for certain items. With the removal of these tariff barriers Newfoundland was flooded with low cost merchandise manufactured by high volume producers in Ontario and Quebec.
>
> Another tariff related problem evolved from the fact that Canadian duties on imported materials were frequently different from those in effect in Newfoundland in the immediate pre-Confederation period. In some cases this resulted in higher duties on imported raw materials which frequently caused Newfoundland firms to switch to new sources of supply. In so far as these new or old sources of raw materials were more expensive the competitiveness of local manufacturers was weakened.
>
> Federal transportation subsidies, intended as a means of reducing Newfoundland's cost of living, served to weaken the competitive position of Newfoundland enterprise. Similarly Federal corporate income taxes, sales tax, and various other taxes and duties brought about a major increase in the tax burden for many Newfoundland firms. Local firms also experienced rising labour costs as a result of wage parity forces introduced into the local economy as a result of Confederation, the creation of Federal government jobs, and the removal of migration barriers. In addition changes in the regulatory and governmental environment resulted in confusion and operational problems for local business.
>
> All of these factors tended to strengthen central Canadian manufacturers competing in the Newfoundland marketplace. Meanwhile Newfoundland producers, victims of the island's geographical remoteness and high transportation costs, were still unable to compete effectively in the much larger national market against high volume central Canadian producers.
>
> Within a year these factors had resulted in the closing of a mattress manufacturer, a paper bag producer, and an underwear plant. Other companies, such as the Imperial Tobacco factory and some of the textile producers, survived a little longer, only to be ultimately forced under by the mainland competition. Other firms, blessed with fully depreciated plants and equipment, continued for years but were unable to justify the investment required to replace aging facilities and machinery. A few other enterprises have survived as a mere shadow of their former selves and now operate as wholesale or retail firms only, rather than as integrated manufacturing enterprises.
>
> The total effects of Confederation upon local business were far from immediate and indeed are still being manifested some thirty years after the event. In the 1960s and 1970s the Province's larger centers have been invaded by the branch operations of such mainland companies as Dominion, Sobey's, Woolco, K-Mart and Sears. Unable to match the volume buying power and management strength of these larger integrated companies numerous Newfoundland enterprises many of these large well respected firms that were household names for more than a century, have been forced to close their doors. It is a trend that will continue.

It is continuing, and the economy of Newfoundland is going down. Now we have the self-induced downturn in the economy and the threat of the imposition of this new tax, which is to be a consumers tax. We have been told that the tax is to be paid by the ultimate users. The ultimate users, of course, are these individuals. These people who are suffering in the depths of this downturn in the economy will be expected to pay the ultimate. The goods are manufactured in central Canada and transported. With the additional markups that the retailers have, the consumers will pay the ultimate. It is all right for the

people in central Canada who do not have the transportation costs to bear.

I would like to refer to the petition that I have. There are 26 names on it. I will read them, because some of them are very interesting.

(*Names of signatories read*)

Senator Bonnell: Would those people be Irish settlers?

Senator Lewis: Not necessarily. The name Garland would probably be English or Scottish. There is a Laura Squires of St. Phillips, which is fairly close to St. John's. Here is an interesting one: Diane Blagdon from Paradise. You may be surprised to know that there is a Paradise in Newfoundland. You probably think that there is a Paradise in your own province, but there is a Paradise in Newfoundland.

Senator Bosa: I should like to ask a question. Where is Paradise?

Senator Lewis: I am glad you asked me that. Paradise lies about halfway between St. John's and Topsail. Topsail is west of St. John's. In the old days there was one road that used to go west from St. John's. Before Topsail, there was a sharp turn to the right and a very steep hill. At the top of the hill was Paradise.

Senator Bosa: How large was that community?

Senator Lewis: Paradise is now a bedroom community of St. John's. I suppose there must be 1,000 people. In the days I am talking about, there were only a few people.

I wish Senator Kirby was here because the story was told about an Anglican cleric. I believe Senator Kirby has an uncle or grandfather who was a cleric. I am not suggesting this was Reverend Kirby, but he did say he had relatives in Topsail.

On this occasion this cleric, who was a rather pompous person, was being driven to Topsail. The driver was getting fed up with the way he was carrying on in the car. As they came along Topsail road, just before Paradise road the driver turned to the cleric and said, "Would you like to go to Paradise?" The cleric said, "I am quite sure I'm going to go there but it's going to be a long time." The driver said "No, it isn't," and he swung up the road to Paradise.

Senator Perrault was talking about the tax on funerals. That poses a question: Is there going to be a tax on the transposition from the present to Paradise?

Senator Barootes: It is an underground tax.

Senator Lewis: We will leave it at that. I will proceed with the names:

(*Names of signatories read*)

Senator Petten: Would the honourable senator permit a question?

Senator Lewis: Yes.

Senator Petten: Would you tell us where Bay Roberts is?

Senator Lewis: Bay Roberts is in Conception Bay, which would be approximately 14 miles from St. John's.

Senator Bosa: How far is that from Come-by-Chance?

Senator Lewis: Approximately 30 miles.

Senator Bosa: Why did you not mention where Giovanni Caboto landed?

Senator Lewis: I was going to do that, but I did not want to get into an argument with you. Honourable senators, I say this despite what Senator Graham, Senator MacEachen, Senator Muir, or Senator John Macdonald might say. In fact, John Cabot discovered Newfoundland in 1497. We all believe that, but people from Cape Breton like to say that he landed there.

Senator Bosa has corrected me on several occasions with regard to this, because he claims that it was not John Cabot, but Giovanni Caboto. That was his proper name. Senator Bosa will confirm that he landed in Newfoundland.

Senator Bosa: Frankly, there are two versions to this. Some historians claim that he landed in Cape Breton; others contend that he landed in Newfoundland. I want to be laconic about this. It does not make any difference where the historians say Giovanni Caboto landed in Canada. What is important is to recognize that his name was not John Cabot or Jean Cabot, but his name is Caboto. He is of Italian birth and he sailed on behalf of King Henry VII. He was not the first one to land in Canada. The Vikings are said to have done that before him. It is said that he left Bristol on May 2 and landed in what is now Canada on June 24. He went back to England and King Henry VII was so happy with his discovery that he gave him ten pounds. Somebody else contends that perhaps he should have been given something else.

It has been proven that Giovanni Caboto was the first one to have charted the voyage from Bristol to what is now Canada. That is what is important to me.

Senator Corbin: Honourable senators, I find it strange that Senator Bosa would lay claim to the discovery of Newfoundland by Giovanni Caboto. The most ancient sagas of the Vikings say that Eric the Red, who was an outcast from his community for bad deeds he had committed, after going to Iceland and Greenland, established himself at the tip of northern Newfoundland near St. Anthony at L'Anse-Au-Meadows. I wonder why we Canadians of European descent—whether we be Norman, Welsh, Scottish, Italian, Spanish or Britons—would want to take any particular glory in discovering a land which actually belonged to the Beothuks, which our common ancestors helped exterminate. If anybody should lay claim to Newfoundland, it ought to be the Beothuks.

I did not expect this matter to rise in the middle of petitions, but I think it ought to be cleared up. Some of the oldest Acadian chronicles say that when the Beothuks met the Micmacs, it was in the early 1600s—before the foundation of Québec. When I hear of Québec City being the cradle of the French civilization in North America, I am offended, not because I am an Acadian but because I advocate honest historical truth and fact. The Acadians are the ones who settled in Nova Scotia, before Québec was founded.

Senator Bosa: Would the honourable senator permit a question?

Senator Corbin: Yes.

Senator Bosa: The honourable senator skipped from 1497 to the 16th century. There were many other explorers that played a part in the discovery of Canada from 1497 to the 16th century.

Senator Corbin: I am sad to be dragged into this controversy but I am a serious amateur historian. I am also a serious amateur photographer and certainly a serious senator, not an amateur senator.

The ancient Acadian chronicles say that when they met the chief of the Micmacs in the early 1600s, they had before them a man with red hair, blue eyes, and, contrary to the physiognomy of many Indians, he had a slight beard. Where did this person come from? Are there red-haired Italians? Did Giovanni Caboto have any parents in North America, Newfoundland and Nova Scotia?

The proper claim to the first recorded European invasion of North America ought to go to my ancestors, the Vikings. That is where the truth lies.

Senator Bosa: Honourable senators, sometimes we hear historical blasphemy in this chamber, and we just had a dose of blasphemy from Senator Corbin. We were talking about Giovanni Caboto. I said that Giovanni Caboto might not have been the first European to land in what is now Canada. I said that he was the first one to have charted a course and told his financier, King Henry VII, that he was going on a voyage of discovery. After landing on June 24 in what is now Canada, he went back to King Henry VII and told him where he had been. When Senator Corbin said that he is not sure where the Mic Mac Indian with a red beard came from, that does not make any difference to me. Giovanni Caboto was a happily married man. He had three children.

Senator Corbin: I am sure his wife stayed home and washed the dishes, did the laundry and swept the floors, as usual?

Senator Bosa: Yes. From then on the British started to cross the Atlantic and they colonized part of North America.

The second person that is of historical importance, but history does not give him proper recognition is Giovanni da Verrazzano. There is a bridge in Manhattan called the Verrazzano Bridge. He was commissioned by the King of France—

Senator Barootes: Send your question to Jeopardy and you go with it.

Senator Bosa: Giovanni da Verrazzano was commissioned by King Francis I because he was jealous of the fact that the Spaniards and the British were making discoveries in the New World. There were three major countries in Europe at that time: France, Spain and England. France wanted to compete with the other two countries.

Francis I commissioned Giovanni da Verrazzano, an Italian, and gave him a ship Le Dauphin with a crew of 50. The king asked him to seek a new passage to the Far East.

Senator Petten: What was the gross tonnage of that ship?

Senator Bosa: Do you mean when fully loaded with goods?

Senator Petten: Yes.

Senator Bosa: I believe it was something like 230 tons. I may be mistaken, and I would not like to stake my life on that.

Anyway, Giovanni da Verrazzano crossed the Atlantic and chose a route that was different from that chosen by Cristoforo Colombo. That is Christopher Columbus, because his name was originally Cristoforo Colombo. Cristoforo Colombo landed in Central America on an island, San Salvador. Giovanni Caboto landed either in Cape Breton or Newfoundland. Giovanni da Verrazzano sailed straight across the Atlantic from France and landed in what is now North Carolina. From North Carolina he veered left and sailed down to Florida. He turned around and sailed all the way to Nova Scotia, tracing the coast. He made frequent landings. He landed, for instance, in what is now New York. He came in contact with the natives in that area. He was the first of the navigators to describe the natives as a kind and gentle people, whereas all the previous Europeans that set foot in North America described them as savages. Giovanni da Verrazzano made this voyage in 1524.

In honour of Francis I, he wrote "Francesca" across what is now Canada. Had that name for this land lasted to this day, we would not be Canadians. We would be called Franciscans because of the fact that Giovanni da Verrazzano named the land Francesca. He went back to France and reported to the French court that there was much promise in the new land. He said that ti was a land that could be colonized but more exploration had to be done. Eight years later, Jacques Cartier came to Canada. In 1532 Jacques Cartier came to Canada and went further than Giovanni da Verrazzano. He entered the St. Lawrence River.

Senator Corbin: He first explored the western coast of Newfoundland.

Some of the names he gave to the new land remain to this day.

Senator Bosa: It is important to know that the four principal navigators and discoverers were all of Italian origin. They all sailed on behalf of other kings, not on behalf of Italy. Italy at the time was divided into 18 principalities.

The other navigator and explorer was Amerigo Vespucci.

• (0830)

And Senator Gigantès is very familiar with this, with Amerigo Vespucci. Amerigo Vespucci was in the service of Charles V of Spain and he, too, crossed the Atlantic on the same route, or practically the same route as Cristoforo Colombo. You know where the name America comes from? Where did this continent get its name? It got its name from Amerigo Vespucci.

Senator Lewis: I wonder if I may interrupt you for a moment. Thank you. We will hear the rest of it, but thank you for your trip and I would just like to ask leave to file this petition.

Senator Corbin: Senator Bosa, you have raised a serious charge. You have accused me of historical blasphemy. I suggest that you withdraw those words.

Senator Bosa: I take them back, Senator Corbin. I got carried away for a moment. I thought you were going to deny that Giovanni Caboto was the official discoverer of Canada, which is what historians contend he is.

Senator Forrestall: What historians?

Senator Bosa: Senator Forrestall perhaps is not aware of this, but I would like to indicate to him where he could find proof of what I have said just by consulting some books that have been written by the Historical and Literary Society, which is based in London, England; their credentials are beyond reproach. Senator Forrestall, if you want to get to the bottom of this . . .

Senator Stewart: Senator Bosa, we are all very anxious to hear Senator Forrestall hold forth, and I am sure he will give a highly accurate account of early history of what became British North America; but have you, Senator Bosa, taken into consideration the achievement in exploration of the Norsemen, the people who came over from Iceland and Greenland to northern Newfoundland and Vineland, or do you dismiss that as some prehistoric myth?

Does Senator Bosa argue that the history of exploration of Canada began with his beloved Giovanni Caboto?

Senator Bosa: Honourable senators, I guess I have been misunderstand. I only claim that Giovanni Caboto was the official discoverer of Canada.

Senator Stewart: And who said "official"?

Senator Bosa: Official, because he was the only one that went back to King Henry VII with some documents showing that he had left Bristol on May 2nd, that he had crossed the Atlantic, that he had landed at what is now either Cape Breton or Newfoundland. He landed on June 24th. June 24th is also St. John's Day in Newfoundland. It is a very important religious holiday in Newfoundland, St. John's Day. Also in Quebec, June 24th, is Saint John Baptiste day and is the national day of Quebec. So these two provinces have chosen this way to glorify the landing of Giovanni Caboto in what is now Canada.

Senator Stewart asked me about the Norsemen and Eric the Red and so forth, there is no dispute about that. They might have been here many times, but they never charted the waters; they never filed a report. They never said,"This is where we have been." Do you understand, Senator Stewart?

Senator Stewart: I understand what you are saying; that does not mean I necessarily accept it.

Senator Bosa: Some people refuse to believe in the face of clear-cut laconic evidence.

Senator Stewart: Would it satisfy you—

Senator Gigantès: Crystal clear.

[Senator Lewis.]

Senator Stewart: Would it satisfy you, Senator Bosa, if I tell you that I will take it under consideration?

Senator Bosa: That is much better.

Senator Gigantès: Would Senator Bosa yield?

Senator Bosa: To a question?

Senator Gigantès: It is a question that I address to you, of course. Have you heard of Juan de Fuca?

Senator Bosa: Oh, absolutely.

Senator Gigantès: Because I accept, and I admire your pride in the contributions of Verrazzano, Vespucci and Colombo to the discovery of this country, but there is another part of the country on the other ocean. A great explorer called Juan de Fuca, in the service of the King of Spain, discovered that. Very few people know, although they can find out by consulting the Dictionary of Canadian Biography, that Juan de Fuca's real name is Loannis Apostolos Focas, from the village of Valerianatta and therefore he was also known as Valerianatos. He was, in other words, a Greek and from the island I come from, Cephalonia.

Of course, in the Island of Cephalonia, we are a collection of skeptics. When he came back, people said, "You cannot believe a Focas. What do you mean he discovered a strait on the west coast of some unknown continent?" Nevertheless, history books accept his claim. He, too, had documentation. He brought back some of the Haida with him to the Court of Spain.

And I am particularly proud of this fact, because his daughter, Angelica, married the first of my family to bear the nickname Gigantès. At the Battle of Lepanto in 1571, the ancestor of mine who married Angelica Focas was, of course, fighting in the Christian fleet of Don Juan of Austria against the Turkish fleet. That was the year when the Turks nearly took Vienna, and Jan Sobieski stopped them from taking Vienna, if you remember. The same year the Turkish fleet was advancing upon Christian Europe and it was stopped at the Battle of Lepanto, which is halfway down the coast of western Greece at the entrance of the big gulf, the Gulf of Corinth. At that battle, my ancestor, who was rather large—I mean in height—very young, very tall and commanded his own ship, was being particularly murderous to the Turks. He caught the eye of the Commander in Chief, Don Juan of Austria, who said, Eun gigantes which means, "he is a giant." One keeps that kind of nickname.

We have shrunk since then. When I was visiting my village when I was a young man, the older people in the village would look at me entering through the front door of the garden and say, "Your grandfather had to stoop to do that. You are not the man he was. Your family has shrunk." Well, these things happen. Incidentally, human beings shrink. I have lost two inches in my lifetime. I used to be five feet eleven inches. Now I am only five feet nine inches and that is difficult to accept.

I wanted you to know that, like the Italians, who have made a great contribution to the discovery of this continent, Greeks also contributed something to the finding of America. There

are great Greek navigators. There was Niarchos, of course, who was the admiral of Alexander. The first to circumnavigate Africa. He left from what is now Suez and went all around and we have documentation from the historians of the time about the various places he landed. He actually went all around Africa through the Straits of Gibraltar and arrived back at Alexandria, a considerable feat considering this was in a rowboat, because the triremes of the time were driven by oars. It was a feat to circumnavigate the Cape of Good Hope, at the bottom of South Africa.

Cape Horn is at the bottom of South America; that is much more dreadful, especially if you are trying to go in a westerly direction because you have those westerly gales and—if you try to evade Cape Horn and go instead through the Straits of Magellan, you have very, very tricky waters and extreme fog, and until the invention of radar, it was a very risky proposition.

Anyhow, I wanted you to know that we Greeks, too, although our achievements in maritime discovery do not compare to those of Italians as far as the North American continent is concerned, have a history like other Mediterraneans. The Spaniards and Portuguese are on that sea—the Portuguese are in fact Mediterranean. I mean, that is a mistake of geography. The coast of Portugal, by rights, should be in the Mediterranean. They are a Mediterranean civilization. They are people of Mediterranean character and disposition. Charming people. Wonderful, wonderful people, the Portuguese are.

I remember well the first time I went to Portugal. It was during World War II. I was flying to the Mediterranean and we stopped in Lisbon. Lisbon, of course, was a mythical paradise with spies and everything but the most remarkable thing was there was no blackout. There were lights everywhere. You could walk in the street without stumbling. You could get anything you wanted to eat. I was coming from Britain, where if you wanted to eat Chinese food, you had to have barley instead of rice, because there was rationing, where if you were invited somewhere you went to Fortnum & Mason's and bought haggis. Haggis . . .

Senator Stewart: Careful.

Senator Gigantès: Well, haggis is the stomach of a sheep, stuffed with offal from the sheep and various herbs and things like that.

Senator Corbin: Awful what?

Senator Gigantès: Offal, which means les abatis—you know the liver, the spleen, bits of intestine.

Senator Corbin: That is "awful".

Senator Gigantès: I rather like haggis, maybe because I was hungry in those days, or maybe my taste has been developed, but there is, of course, a story and I hope my Scottish colleagues, or my colleagues of Scottish ancestry will forgive me.

An Hon. Senator: Tread lightly.

Senator Gigantès: A great French cook once visited Britain.

Senator Bosa: One moment. Before Senator Gigantès leaves the ingredients of haggis, I want to also draw to his attention that there are blood and onions in haggis too. I tasted it myself. I ate it a few months ago. I was returning from Cyprus. I stopped in London and this would have been in the spring. I went out of my way to eat it because I have many friends of Scottish origin.

Senator Gigantès: Who doesn't?

Senator Bosa: In fact, I informed the Senate a few days ago that I learned how to speak English from a Scotsman. His name was flying officer McRae from Aberdeen. I also informed the honourable senators that he had taught me what I thought was an English song, but I did not find out until I came to Canada that it was a Scottish song. Anyway, I sang it last week; I'm not going to sing it again. I just wanted to draw to the attention of Senator Gigantès that there are other ingredients that go into haggis over and above the ones he mentioned.

Senator Gigantès: The great French cook Escoffier, when he was given haggis, was asked what he thought. He said:

[*Translation*]

> "When I first saw it, I feared it might be excrement but having tasted it, I regretted that it was not".

[*English*]

I do not know if the word in french is Parliamentary. Excrement. In other words he said "When I first saw it, I feared it might be excrement but having tasted it, I regretted that it was not." This was not my opinion. I like haggis.

Senator Stewart: That is clearly a Tory opinion. Samuel Johnson, a famous Tory, scoffed at the food of Scots.

Senator Gigantès: Would you say that scoff comes from Escoffier? It might, because he went around Britain denigrating the cooking in the British Isles. He said absolutely frightful things about Irish stew.

Senator Corbin: I think we are somewhat abusing the rules.

Senator Stewart: No.

Senator Corbin: I would like to get back to petitions. It is fine to bring a clarification. I am getting on with the petitions, whether you like it or not. This is what we are on now. So I have the honour, senators, to present—no, I am sorry, I heard enough of that discovery nonsense. By the way—

Senator Gigantès: I rise on a point of privilege. I want you to withdraw the word "nonsense". It concerns one of my ancestors.

Senator Corbin: I have the floor. There is now a new theory that the real discovery, the real discoverers of—or the first Europeans, so-called, to land in North America were the inhabitants of Atlantis. Unfortunately, an eruption destroyed their homeland, and all the records were destroyed with them. There is an oral tradition which has perpetuated itself over many centuries that it was, indeed, the inhabitants of Atlantis, that lost island on the other side of Gibraltar, where the continental plates form in the mid-Atlantic ridge. The Isle of

Atlantis was just to the west of that. We can say it was European in a sense, but those people have disappeared. A terrible eruption destroyed everything, including their records, their ships. So we will never know.

Senator Bosa: Were there any survivors?

Senator Corbin: The oral tradition has survived.

Senator Gigantès: Senator Corbin, this is my field. I would like to give a clarification of this issue. This was an Egyptian myth which is recorded by Plato in *The Republic*. There was, indeed, an enormous volcanic explosion at the Island of Thera, otherwise known as Santorini. It is an island shaped like a croissant, and that is the rim of the volcano. It had an advanced civilization, and there are remains of that very advanced civilization. The tidal wave was so colossal that it reached Egypt. There is even a theory that some of the burning ash from the volcano landed in Crete and was responsible for the first destruction of the Minoan civilization at about 1500 B.C., which lead to the weakening of the great Cretan kingdoms and their invasion by Greeks. That is where we pass from linear A, the script called Linear A, to the script called Linear B in Crete. Linear A has not been deciphered, but Linear B was deciphered by a young British architect. Linear B is Greek written in Cretan script.

Now, that is the origin of the myth of Atlantis, the great civilization that disappeared. They were mariners. They travelled everywhere. That is perfectly true, but I wanted you to know that the origin of Atlantis and its first literary recorded existence was in the writings of Plato, *The Republic*, which is a very Tory book; I am much against it. It is also the ancestor of the bureaucratic philosophies. In other words, the old men choose their successors, and bootlickers generally get to the top. It is beloved of Conservatives, whether of the commonest variety or of the Nazi and Fascist variety. Of course, it is the method of promotion within churches of all kinds. The older people choose the young who flatter them most. So that is the origin of Atlantis, and the first recorded instance is in Plato's *The Republic*.

Senator Corbin: It is not possible that they are the original first Europeans to set foot in North America?

Senator Gigantès: I think I will let Senator Bosa answer that, because you are attacking something in which Italians have great pride.

Senator Bosa: If there were no survivors when Atlantis disappeared, I do not see how anybody can say with certainty what Senator Corbin states, namely that they were the ones that made all the discoveries. I want to answer Senator Gigantès' question. Firstly, he asked whether or not I was aware of Juan de Fuca, who was a captain in the service of the King of Spain. I would like to draw the attention of Senator Gigantès that in a speech I made in December of 1979 I spoke about several Canadians belonging to minority groups having made important discoveries and important contributions to Canada. I was advocating that we should glorify these people, because in the history books of Canada we have a lot of history about the contributions that the British people made. We have a lot of history about contributions that French Canadians have made, and they have made an outstanding contribution. We have some history about our native people, but there is very little known about the contribution that Canadians of other ethnic origins have made to the development and progress of Canada, and that is why I spoke in December of 1979 about Juan de Fuca. In fact, I am glad that the honourable gentleman mentioned his name, because I thought his name was Valerianos Domodopolous.

Senator Gigantès: Please. No, there are no "opolouses" in Cephalonia. That was in the part of Greece occupied by Turkey.

Senator Bosa: Valerianos is—

Senator Gigantès: It is the toponymic. Valerianatos. Because he came from the village of Valeanata, he was so called. Just as I come from the village of Sporonata and therefore Sporonos is part of my name.

Senator Bosa: I was wondering about the origin of Senator Gigantès' name. I was wondering if the origin of Senator Gigantès' last name is of Italian origin, because in Italian-,"gigante" means giant. I am just wondering if there is any affinity, because the island that he comes from was under Venetian rule for centuries.

Senator Gigantès: Six.

Senator Bosa: Six centuries. So, I am just wondering whether your last name, Senator Gigantès, is of Italian origin.

Senator Gigantès: Well, as I was saying earlier, honourable senator—but before I would like first to thank you for having mentioned my ancestors in that speech in 1979. All Canadians of Greek ancestry when they hear of how you have praised one of us, will be very grateful to you. I did explain to you earlier that Gigantès was a nickname given to my family by Don Juan of Austria at the Battle of Lepanto.

Senator Bosa: Would Senator Gigantès just permit one question? I would like his opinion. Does Senator Gigantès believe that Senator Corbin is engaging in obstructionism? I was on the verge of explaining how the name of America came to be, and senator Gigantès asked me a question. I yielded the floor. Now Senator Corbin wants to truncate my dissertation on how the North American continent got its name. He is practically using obstructionism in preventing me from putting that on the record.

Senator Corbin: My ancestors couldn't be bothered with the finer points of argument. When they decided to invade the land of the Picts and Scots, they did not do any hairsplitting. They just truncated, as you said. I am now on petitions, honourable senator, on behalf of the citizens of New Brunswick. Surely, they have a claim—

[*Translation*]

Senator David: Senator Corbin, I would like to comment on that. I really believe that you are obstructing a conversation that is very interesting. It is almost a course on geology and history that we have the chance to attend.

Senator Gigantès: We have not talked about geology.

Senator David: Senator Gigantès, you have talked about the earth's crust, you talked about volcanoes, you talked about eruptions, you talked about the movement in the Atlantic and the Pacific and I have been trying to understand the full meaning of your words, and those last 10 minutes have been highly interesting for me. I would suggest that you keep at it and I think, Senator Corbin, that you are really obstructing your colleagues.

Senator Corbin: Senator David, you are not very kind with me. I have been trying for a good number of minutes to come back to the question on the agenda, that is the presentation of petitions. Although I may offend you I will keep obstructing, but in a legal way, for it is about the presentation of petitions.

Senator David: That is an interesting obstruction.

Senator Corbin: The petitioners from New Brunswick are asking the government of Canada to withdraw the goods and services tax.

[*English*]

The petition I hold in my hand is signed by 38 citizens of New Brunswick. These are *bona fide* handwritten signatures. There is no doubt about it, a grapho-analyst would confirm this at first sight. There is no way these signatures are forged. These are *bona fide* handwritten signatures.

(*Names of signatories read*)

Now, some of you, honourable senators, who are more interested in debating ancient history than contemporary realities should know that St. Stephen is one of the old towns of New Brunswick; not the oldest, certainly not the first incorporated establishment. The City of St. John claims that one.

St. Stephen had a post office as early as 1855, which is indicative of the importance of that settlement. The town was incorporated in 1871. It was amalgamated with Milltown in 1973 to form the town of St. Stephen-Milltown, Passamaquoddy, That is an Indian tribe, in Passamaquoddy language, Ktchimedabiauht means "great landing". That was the name of the old locality before Giovanni Caboto, as it is claimed, set foot on Newfoundland.

Senator Bosa: That is 1845. Caboto came here in 1497.

Senator Corbin: The Passamaquoddys were there way before written history and oral tradition.

St. Stephen got its name from Nettamia Marks in 1794. It was then called Morris Town, for Charles Morris, Surveyor General of Nova Scotia, whose son, Charles Junior, and Moses Garrish surveyed the lots. It was later called Dover Hill giving rise to Calais as a name in Maine.

Dover, Calais, the White Hills of Dover, all that stuff. So, Dover Hill has a name selected in 1806. It was later commonly called Saltwater by those living inland. The wife would say to her husband, "Well, let's go to Saltwater and do some groceries today." That is how it got its name, obviously. Commonly called "Scoodic", the Passamaquoddy name for that part of the St. Croix River. So, there you have it, honourable senators, a brief toponymy of St. Stephen.

(*Names of signatories read*)

• (0900)

Petitcodiak, you write it the way you pronounce it. Petitcodiak. There is a Petitcodiak River, as everybody knows, but Petitcodiak Post Office was called Head of Petitcodiak from 1848 to 1865. It was post office Petitcodiak from 1865, and it was incorporated as a village in 1966.

Now, River Glade, that is another of the colourful names that you find in that part of New Brunswick. River Glade is five miles southwest of Salisbury. As a post office it was earlier known as North River Platform. Isn't that interesting? North River Platform, from 1864 to 1904. And it became Post Office River Glade in 1904. The people of River Glade should be very careful because the current government is extinguishing every post office it can lay its hands on.

Now, honourable senators, the following signature is that of Andy Dolan, and he is from Troy, New York. Now, you honourable senators may question—-

An Hon. Senator: Yes.

Senator Corbin: —the right of an American citizen to sign a petition addressed to the Canadian Senate. I have researched this matter very seriously, and to my astonishment I found some interesting information in *Parliamentary Procedure and Practice in the Dominion of Canada* by Sir John George Bourinot, K.C., M.G., LLB., D.C.L., F.R.S.C., etc, late clerk of the House of Commons of Canada, in his fourth edition, which is edited by Thomas Barnard Flint, M.A., LLB., D.C.L., of the Nova Scotia Bar, as I had earlier occasion to say. He was also editor of *Bourinot's* third edition, the 1916 edition which was published in Toronto by the Canadian Law Book Company, law publishers. I would like to quote from page 236 under the paragraph heading of "Who may petition", because here we have the signature, the original signature, of a citizen of the United States who resides in Troy, New York. What are the rules as to who may petition?

> "A petition forwarded by telegraph cannot be received in as much as it has no real signatures attached to it."

That is immaterial to the question at hand.

> "When a petition has contained a number of signatures in the same handwriting, those signatures have not been counted."

That would be tantamount to forgery, I suppose.

> "Petitions of corporations aggregate must be under their common seal, and if the chairman of a public meeting signed a petition in behalf of those so assembled, it is only received as the petition of the individual, and is so entered in the minutes because the signatures of one party or others cannot be recognized."

Those are wise, very wise rules, honourable senators. It is amazing that five million Canadians would have bothered to individually sign these petitions and not someone on behalf of five million Canadians.

Now, coming to the specific point:

"Aliens not resident in this country have strictly no right to petition Parliament."

That decision was brought down in the Canadian Commons in 1877. But, as Senator Stewart says, we should not be intimidated by practices in other places, because the source and the fountain head of our practices is the British House of Lords. Is that not a fact, sir?

Senator Stewart: Well, Senator Corbin, it is true that the designers of the Senate of Canada had the British House of Lords very much in mind, and the position of our Speaker to some extent is modelled on that of the Lord Chancellor in the British House of Lords. I made reference to that point the other day. It is interesting to realize that the Lord Chancellor is, *ex officio*, the presiding officer of the House of Lords. Once you are appointed Lord Chancellor, you are on the woolsack. The woolsack—well, the woolsack is the seat where the Lord Chancellor sits. It is a great square block of wool. Well, it is a great—

Senator Corbin: Would that be comparable to what we call nowadays a bean bag?

Senator Stewart: I think it is much softer. It is a very big square cushion, stands about thirty inches high. It is some feet long and some feet wide, and it was introduced into the Chamber in which the House of Lords meet to remind their lordships of the importance of the wool trade to the British economy over the years. The wool trade was regarded as a staple of the British economy, and the woolsack was there as constant evidence of the importance of the wool industry to the British economy.

Senator Frith: Today it would be an automobile here.

Senator Stewart: Well, yes, quite possibly what we would have in here today would be a bucket seat from an automobile.

I say, Senator Corbin, the Lord Chancellor is perched, I think that is perhaps the correct way to put, he is perched upon the woolsack. That is especially true if he is a man of small stature. But the woolsack is technically outside the House of Lords. That is a very important point, because the Lords conduct their own affairs in their own way, and all that the Speaker of the Lords does is to report to the Queen and to her Ministers the transactions that he has observed in their Lordships' house.

Senator Corbin: He is a government nominee.

Senator Stewart: Oh, definitely; he is a member of the government. He is a member of the government. We had a Speaker in the Canadian Senate back in the 1890s who was a Minister of the Crown. Now, I mention all this because of what you said.

It is true indeed that part of the role of our Speaker descends from the role of the Speaker of the House of Lords. But we also have to remember that those who designed this house as part of the Parliament of Canada had something else in mind. This house was erected to introduce the federal principle into the Parliament of Canada. The House of Commons embodies the idea of responsible government. Key members of the executive government are members of the House of Commons and they are present there to answer, and they cannot conduct business there satisfactorily unless they enjoy the confidence of a majority in that house.

Well, that is one line of principle, a very important line of thought. But one has only to read the debates on Confederation to realize that that line of thought which was constantly purveyed by certain representatives from Canada West, which at that time was growing very rapidly in population and which it was assumed would elect by far the largest number of the members to the House of Commons, that line of thought purveyed, I say, by certain people could not prevail in the Confederation conferences.

George Brown said it clearly on the basis of that approach alone there would have been no Dominion of Canada. Another principle had to be brought in, namely, that of federalism. Consequently, there was added to the Parliament of Canada a second chamber, the Senate, in which initially three and eventually four divisions of the country were represented.

Now, that brings us back to the role of our Speaker. If the Speaker were to be an impartial person, a person divorced altogether from debate and from voting in this house, one of the divisions, perhaps the Maritime division, perhaps Quebec, would have been deprived of one of its representatives. So we always have to remember that this is a very different house from the House of Commons. It was founded with a different purpose. It has an entirely different tradition. It embodies the principle of federalism.

It is interesting to see how carefully the Fathers of Confederation had examined the history and the current developments in the great republic to the south, because as far as federalism was concerned, that was their main laboratory.

Now, we have to remember something else, Senator Corbin. When we talk about *Beauchesne* as applying in the Senate of Canada; particularly with regard to the arrangement of business, motions to adjourn and the like, we have to remember that since 1927, I believe, the House of Commons of Canada has had a standing order providing for an automatic adjournment every day and at the end of the week. Here we have no such standing order providing for automatic adjournment. The House of Commons does not sit on Saturdays and Sundays. Here we are. This is Saturday. Here we are.

Senator Cools: It is Tuesday.

Senator Stewart: No, this is Tuesday's sitting which has been continued by the government into Saturday.

Senator Corbin: Actually, it is Saturday, October 9. Whatever the other calendar says, this is Saturday, October 9.

An Hon. Senator: October 14, surely, or the 13th.

Senator Stewart: Honourable senators are simply trying to detract from the thrust of my argument.

My point, Senator Corbin is that to rely on *Beauchesne*, particularly with regard to motions to see strangers, to adjourn, to read the Orders of the Day, to rely on *Beauchesne*, the rules and description of a game played on another field of

an entirely different shape is misleading and we should never fall into that trap. It may be that our rules are defective. I have been complaining about them now since I came here.

An Hon. Senator: Should have changed them.

Senator Stewart: They are defective. But let us reform them in our own way. Let us not be misled by assuming that rules which were devised and adopted for entirely different circumstances can, holus bolus, be carried from that other chamber into this chamber where they are most unsuitable. And I say to you, Senator Corbin, any rules with regard to motions to adjourn must take into account the fact that in the House of Commons those motions take place in a larger context, in a context in which the House adjourns daily at a certain hour on the clock, and the House cannot sit beyond that unless the members agree not to see the clock. They take place in a context in which the House does not sit on Saturday or on Sunday. We must always remember that, Senator Corbin.

Some Hon. Senators: Hear, hear!

Senator Corbin: I appreciate your illuminating comments and enlightening comments. I have growing, increasing respect for your knowledge of the parliamentary practice, sir.

As I was saying, since I read the name of Andy Dolan from Troy, New York, on this essentially Canadian petition, honourable senators may question this right to sign a petition.

Senator Gigantès: But he may be a Canadian simply living there in Troy. He may be there sent by a Canadian company, in which case Canada still considers him a citizen. He may still be carrying a passport, Senator. You may be implying a loyal Canadian has changed his nationality when in fact he has not.

When I was sent to the United States by the *Globe and Mail*, I was informed much too late that I could have started then in 1956 my five years to acquire the honour of becoming a Canadian citizen, because, since a Canadian company sent me to another country, in those days I could have insisted that my true residence was still Toronto and have become a Canadian citizen by 1961 instead of starting my journey towards this very great honour in 1965 when I moved here, and having to wait until 1970. So I submit, Senator Corbin, you have to be careful. He may be a Canadian who, having been exposed to the American way of life, is even more fiercely Canadian than ever before.

I spent ten years in the United States, and my love for Canada kept growing during those ten years, because this was a much better, more humane, more generous society than the society of the United States. I fear that you may have insulted grievously one of our fellow citizens who lives in Troy, New York; a glorious name but the name of a defeated city, a defeated city whose king committed, as I said the other day, the same stupidity as our current Prime Minister and took in a Trojan horse whose inhabitants destroyed the city afterwards, and he did not listen to the warnings of Cassandra, his daughter—that's right. She finished as a slave, a slave to Agamemnon. He took her back with him to Argos, and she was slain by Clytemnestra who hadn't forgiven Agamemnon for killing her daughter, Iphigenia, and she, Clytemnestra, had a lover called Aegisthus. Aegisthus was a cousin of Agamemnon. Aegisthus' father had been slain by Agamemnon's father, and he had been given his children, except for Aegisthus, who escaped, to eat without being told. Truly, Tory behaviour.

Senator Corbin: I would suggest, Senator Gigantès, you save your breath, save your breath, Honourable colleague, because you are going to need it in an instant, because of the argumentation I will be making on the basis of *Bourinot*.

So, I was saying, quoting from *Bourinot*:

> "Aliens not resident in this country have strictly no right to petition parliament."

That was a ruling made in the other place, in the previous century.

Senator Gigantès: But you don't know that he is an alien.

Senator Corbin: Just let me finish. You will see. There is some subtlety to this.

> "In the case of applications for private bills, however, this rule is not in force."

Applications for private bills should read: "petitions for private bills", because no private bill is allowed to be introduced in this house unless the house first receives a petition to that effect.

> "It was agreed in 1878—"

and, of course, I am quoting from a practice and precedent set in the other place, but I prefer to be inspired by the larger and wiser British tradition because it is so solidly established.

> "It was agreed in 1878 at the suggestion of Mr. Speaker Anglin—"

a great New Brunswicker, by the way; his portrait hangs in the hall of Mr. Speaker on the other side of the House of Commons.

> "It was agreed at the suggestion of Mr. Anglin to receive a petition from the Hartford, USA Directors of the Connecticut, USA, Mutual Life Insurance Company, on the ground that it was a mutual company, partly composed of Canadians, and that it was the subject of parliamentary legislation, the company being required to make a certain deposit before doing business in this country."

And the reference for that is Canadian House of Commons *Hansard*, 1878, page 590.

There is another reference, Canadian *Hansard*, February 18, 1878. In 1883 a petition from persons in the city of Portland in the state of Maine, asking for an Act of Incorporation, was received on the ground that the subject matter came within the jurisdiction of the house and in the case already cited. Footnote k, Canadian *Hansard*, 1883, 138.

> "The reception of such petitions may be considered an act of grace, and since 1883 no objection has been raised to their being brought up in the Canadian House."

And I say, Andy Dolan, of Troy, New York, in my opinion, and I will argue, has every right to add his name to a petition signed principally by citizens of New Brunswick residing for the most part in the greater St. Stephen area.

The basis for wanting to validate his right to sign this petition is that we are now in a totally different transboundary situation as a result of the free trade deal. Now, Mr. Dolan from Troy, New York, is obviously highly concerned with the imposition of the goods and services tax by the Canadian government. But to what extent is the Canadian government Canadian? My understanding is that we sold a lot of our privileges and rights when we signed the free trade deal. We sold our rights to the people south of the border. In a certain sense we can say that Andy Dolan is now a shareholder of Canada. He has a stake, he has a claim to events and proposals and bills for the imposition of taxes in Canada, because of the link, the connection with the free trade deal.

Senator Gigantès, you are the recognized expert, you are the recognized critic in this house on the free trade deal, and I would ask you if you feel that you have it in your heart and mind to support my claim that this Mr. Andy Dolan of Troy, New York, had a right to sign that petition and that his name should remain on that petition? Can I hear from you?

Senator Gigantès: If I understand your argument properly, Senator, you are saying that even if Andy Dolan were a US citizen, he has a right to that petition?

Senator Corbin: Absolutely.

Senator Gigantès: Because Prime Minister Mulroney turned Canada into an economic colony of the United States.

An Hon. Senator: Oh, oh!

Senator Gigantès: Through the Free Trade Agreement. Is that the argument you are making, sir?

Senator Corbin: That is the way you are putting it. I am listening to you. Will you develop that concept?

Senator Gigantès: I will develop it. Thank you for your courtesy.

What was the purpose of the Americans in the Free Trade Agreement and what was our purpose in negotiating it? Americans wanted unrestricted access to our natural resources, and they wanted unrestricted access for raiding our companies. We wanted guaranteed, unimpeded, unharassed entry to their market. What happened at the end? They got what they wanted.

Did we get what we wanted? No. The rules, the definitions of what is an undue subsidy, of what is dumping, were left to be negotiated later, and not as in GATT, where the negotiation is among many nations, most of them small, who would side with us and against the American giant, but in a one-on-one confrontation of a mouse with an elephant. In other words, the Mulroney government bungled that negotiation as it has bungled everything. The Americans wanted something. The energy crisis now shows how much they depend on supplies from Canada for their safety. Canadian Hydro Electric Power is immense. The Americans know all these things. We have enough natural gas for three centuries of north American consumption. These were precious things the Americans wanted. We gave them away without getting anything in exchange.

[Senator Corbin.]

Some Hon. Senators: Oh, oh!

Senator Gigantès: There is that economist from Queens, I forget his name, a former socialist who became a Tory. It is a natural transition from one extreme to another. He said the most important thing in the agreement—I have his book; his name escapes me but I will get back to it; it will come back to me in a while. Maybe it is my age; what can you do, you see? Anyhow, he was saying that the most important thing in the Free Trade Agreement was that it established the right of Canadians to invest in the United States. I mean, whom does that interest, other than the rich people opposite? The ordinary Canadian does not care whether his boss invests in the United States or not. The ordinary Canadian would like his boss to invest here in Canada and create jobs. So we made a process that was already far too advanced, the export of capital from this country to the United States, even easier by the Free Trade Agreement.

[*Translation*]

Senator Beaudoin: Would the member allow me a question?

Senator Gigantès: Get my title right, please.

Senator Beaudoin: Listen, Senator, we are at the petition stage. For hours and hours now we have been wondering just to what extent we can discuss this issue in the current context, and the fact is, now we seem to be discussing two things at the same time—petitions and free trade. There is no direct relationship between the two. The right to petition is a right that we inherited from Great Britain at least 300 years ago, and perhaps even 400, and it involves the right of every British subject to appeal to the Crown and to Parliament to have a wrong redressed. That is what the right to petition is all about. We believe in that right, and we have never objected to it in any way.

With respect to the point of order, I, myself, have always said—and I repeated this two nights ago—that if the name is not to be printed in the proceedings, then there is no point in reading it out in the Chamber; it seems totally illogical to me to read off 5,000 names over a period of five hours if they are not even to be listed in the Minutes. But, in any case, I have already raised my point of order; I have no desire to rehash that. But with respect to the right to petition, which I personally, as a constitutional expert, am a great believer in, we must introduce any claims that Her Majesty's subjects, or we, as Canadian citizens, may have against the State or the political authorities. I fail to see what the right to petition has to do with free trade or the common market. I also have difficulty understanding why Canada is being criticized for having relinquished a tiny bit of its sovereignty by signing a free trade agreement. Remember, the Americans did exactly the same thing. The French, German, English and Italian have all done exactly the same thing. It is both a European and North American trend—indeed, a universal one. And there is nothing wrong with it. History is moving in that direction. But we are holding two debates simultaneously here, and trying to link things in a purely artificial manner. There is no necessary link between the right to petition and the right to conclude an

agreement on the basis of a certain number of common economic values. Now I am perfectly willing to discuss the common market or the Free Trade Agreement, but the fact is, they have absolutely nothing to do with the right to petition that originated in England under the Bill of Rights of 1688 and the many British Petitions of Acts which are part of our heritage and of which I, personally, am very proud. However, they are two completely different things.

Some Hon. Senators: Hear, hear!

Senator Corbin: I recognize your expertise in constitutional law, and I certainly do not dare engage in a duel with you on such matters, but I do not know whether you were here earlier.

Senator Beaudoin: Yes, I was here.

Senator Corbin: In reading the names of petitioners, I had stopped at the signature of Mr. Andy Dollen, of Troy, New York, and was trying to make the point that an American citizen, under the circumstances, does have the right to sign and, furthermore, we are obliged to receive his signature on a petition opposing the implementation of the Goods and Services Tax. I would like to quote from Bourinot in that regard.

Senator Beaudoin: Are you saying that an American citizen has a right to petition Her Majesty, the Queen of Canada or the Canadian Parliament? Is that the claim you are making?

Senator Corbin: I quoted from Bourinot in that regard. I believe you were not actually present at the time I made that argument. It is not very long, but very interesting. I would just like to quote from Bourinot, page 236 of the Fourth edition of 1916—the one which usually appears on the table.

● (0930)

[*English*]

Aliens not residing in this country have strictly no right to petition Parliament—strictly speaking—it is clear cut, crystal clear. Strictly speaking they have no right to petition Parliament.

In the case of application for private bills, petitions, for private bills—

[*Translation*]

It is the same thing again, because one cannot table a private member's bill in either the Senate or the House of Commons unless it is preceded by a petition; that is provided for in our rules in great detail.

[*English*]

It was agreed in 1878 at the suggestion of Mr. Speaker Anglin—

[*Translation*]

whose head office was quite obviously in the United States,

[*English*]

—to receive a petition from the Hartford Directors of the Connecticut Mutual Life Insurance Company.

[*Translation*]

Have you come across that term before?

Senator Beaudoin: Oh, yes.

Senator Corbin: Perhaps you could explain it to me later.

[*English*]

. . . Mr. Speaker Anglin . . .

agreed

. . . to receive a petition from—

that company—

> . . . on the ground that it was a mutual company, partly composed of Canadians, and that it was the subject of parliamentary legislation, the company being required to make a certain deposit before doing business in this country.
>
> In 1883, a petition from certain persons in the city of Portland in the State of Maine, asking for an act of incorporation, was received on the ground that the subject-matter came within the jurisdiction of the house, as in the case already cited.

The reception of such petitions may be considered an act of grace; and since 1883 no objection has been raised to their being brought up in the Canadian house.

[*Translation*]

So, what actually occurred? A mutual insurance company, composed of both American and Canadian citizens, petitioned the House of Commons and the then Speaker of the House, Mr. Anglin, decided that because this company was doing business in both countries, it was perfectly normal that their directors be authorized to petition the Parliament of Canada, including the House of Commons and the Senate. And I say: Because of the Free Trade Agreement—an agreement that is currently in effect and will continue to operate over the next nine years under the terms negotiated, and which will literally eliminate customs barriers between our two countries—American citizens do have the right to petition Parliament because of the government's decision to introduce legislation to implement a Goods and Services Tax. More than ever now, Americans do have a great interest in everything that is going on in Canada, and they will be closely watching every legislative initiative being taken on Parliament Hill!

Senator Beaudoin: Perhaps you would allow me to say a word or two, now that you have made that clarification; you have quoted Bourinot, who is an authority. You are saying that there were Canadian citizens among the petitioners! Well, of course, that changes everything, doesn't it! I believe you said that the two groups were part of a mutual insurance company.

Senator Corbin: Yes.

Senator Beaudoin: I understand. Of course, if both Americans and Canadians are working together in one way or another—say, in the context of a mutual insurance company—then I do have no hesitation in agreeing that such a right may exist, although it may require further study. I would be perfectly willing to concede that a right to petition could exist in that case, because in my view, any Canadian citizen and, before the Statute of Westminster, any British subject living in

Canada, had and still has the right to petition. We have maintained that right. But where I do not follow your argument is when you say: "Because citizens will henceforth be in a position to petition the Parliament of Canada". In law, we would call that a non sequitur. That is a Latin expression used in law. Just because we have a free trade agreement with the United States, Americans do not become Canadians, and we Canadians do not become Americans. Try telling a Frenchman, or Mrs. Thatcher, or Mr. Mitterrand that they are both French and English, and you will see the kind of reaction you get! England is still an independent country. The same goes for France. Germany, too, is an independent country. They are linked by treaty, which is just fine. I fully agree with that. But by the some token, they do not lose their nationality. I do not believe that by signing a free trade agreement, a citizen of the American republic acquires the same right to appeal to the Parliament of Canada that I, Gérald Beaudoin, hold as a citizen. I just do not believe it! I have read nothing written by any Canadian jurist that would support that! This is the very first time I have ever heard such a theory. I do not agree at all that our signature on a free trade agreement changes our allegiance. We are Canadian citizens and we will remain Canadian citizens. We can do what we like with the Free Trade Agreement. We had a free trade agreement with the Americans between 1854 and 1864, and it worked very well. The Americans were the ones who decided to end the agreement following the Civil War. But we did have a free trade agreement with them. I, personally, believe it was a good idea. You say it was wrong. Well, in politics, people frequently disagree. I may say white, and you may say black. But the fact is that the agreement in no way changes my allegiance. I remain a Canadian citizen and I am proud to be one. The fellow from New York or Troy you have been talking about remains an American citizen, and I do not think his allegiance is changed either. We have a constitutional monarchy here, whereas they have a republic. That will continue to be the case. And, for goodness' sake, free trade agreements are a historical trend.

Senator Gigantès: The Honourable Senator Beaudoin, for whom I have infinite respect, is certainly a great expert on constitutional matters, as well as being an absolutely charming man whom I like very much and who is adored by this students. That much is clear. He is certainly someone we are very pleased to have here. It is an honour to have you here, in fact, but you did misrepresent what I said. I am not opposed to free trade. What I am opposed to is the ignorant way in which this government, your government, negotiated the agreement. You make a comparison with Europe.

Senator Beaudoin: You are not opposed to free trade?

Senator Gigantès: To the principle, no. Not at all. I actually wrote a book on it, entitled, in French "Le libre-échange?", and, in English, "Is a Free Trade Deal Really for You?". In fact, I would be delighted to provide you with autographed copies. As I say, I am in favour of free trade, but we do not want to be "screwed", and we certainly got screwed with this agreement. With your permission, that is a parliamentary term (laughter). It is not prohibited language. So, what exactly is my objection to this free trade agreement? Well, you in fact gave me the reasons for my opposition. You make a comparison with the European Economic Community, which includes the four major countries and all the small ones. They have a weighted vote. The major countries have two votes each, while the small countries have one vote each—except for Spain, which has two, thereby giving a majority to the small countries. So, within the European community, the small countries can actually vote together and beat the big countries. It is also possible to divide Italy and France, because they have disputes over wine and their interests do not always converge. So, a small country within the common market is not facing a monolithic partner, as we are under this agreement with the United States. Within GATT, there are arbitration commissions and in the case of disputes between us and the United States, there are neither American nor Canadian judges; the judges are selected from third countries, and most of them represent small countries who have a tendency to understand the kind of problems facing a small country such as ours, living next to a giant like the United States. So, if we are talking about signing a free trade agreement with a giant where only two parties are involved, first of all, it would have been better to avoid it, ifi possible, and try to achieve free trade with the United States in the context of the GATT, where we would have had support from other countries that have problems similar to the ones we have with the United States.

But if we wanted to sign an agreement with the United States, we should have made sure we got what we wanted; instead, we simply gave the Americans what they wanted without receiving anything in return. If I get my book, I can quote the statements of Mrs. Carney, who was the minister responsible for the negotiations at the time. She said that we wanted immunity, that we did not want trade-restrictive American laws to apply to our exports. She said they were iniquitous, unfair laws that the Americans change whenever it suits them. The agreement confirms that the Americans will be entitled to change those laws whenever they wish. They have only to inform us of their intention. So, the government said: We are going to negotiate with them now, for another seven years. We have some four and a half years left in which to negotiate with them.

So, these people may reach an agreement with us. Their Congress may decide to change the ground rules. The "level playing field" they have been talking about will be marked out by them. Did we have any assets? Yes, we did. But we gave them away. We gave them all away, including access to our energy resources. We could have made them pay a price for that. But we simply gave them the right to come and buy up all our Canadian companies.

I have a very strong objection to that—very strong—because that means an American company can come to Canada, eliminate the research function within that Canadian company and simply replace it with research to be conducted by the parent company in Colorado, or San Francisco. What

we are left with is a warehouse. Furthermore, they have unconditional access to all our companies. Which branch plant do you think they ae going to close first when a crisis arises? If you are a major American industrialist, you need American government contracts. And there are senators in the United States who are an awful lot more influential than we are. Suppose one of those senators, who is the chairman of a committee, calls you and says: Listen, if you close your plant in Montana, do not bother coming before my committee to get military contracts. Well, of course, you are going to close your branch operation in Alberta, not in Montana. You do not need to have a branch operation in Alberta, because you can simply take the natural gas out of Alberta, in any case. There is absolutely nothing to prevent you from doing that. That is my objection. We behaved like utter fools. It was total incompetence right from the start, just as it was when we launched the Meech Lake negotiations without leaving ourselves a way out, without preparing alternative positions and quite unprepared for Mr. Trudeau's opposition, which was certainly predictable. If someone had asked you if Mr. Trudeau would oppose it, you would most certainly have said yes. So what are we going to do if Mr. Trudeau voices his opposition and a lot of people agree with him? The fact is, the whole thing was not properly thought through nor was it properly negotiated. And it has done terrible harm to our country.

Now the question of Canada's constitutional future is out of the hands of the federal government. It is now in the hands of the Quebec government. Okay, fine; I am going to go from being a Canadian citizen to being a Quebec citizen. I will be a good Quebec citizen. But when you are the Prime Minister of Canada, you have a duty to defend the federal government. When you are the Prime Minister of a little mouse like Canada and you are negotiating an agreement with the giant living next door, you have a duty to protect that mouse by allowing him to be associated with other small animals who can harass the elephant. But we did not do that. It was pure stupidity. That is what I am complaining about. We could have done a much better job of negotiating.

Just look at what happened when a number of small countries joined the European Community. Look at what the Spanish, the Portuguese and the Greeks got. They got a lot more than we did.

Look at the free trade agreement between Israel and the United States. And yet, Israel is totally dependent on the United States. Israel could never survive without several billion dollars' worth of American military aid every year. And yet, they have a free trade agreement that gives them more privileges and a lot more protection than we have, and which provides for a lot less control over their economy than the Americans will have over ours. Those are my objections. I am not opposed in principle to free trade; you are absolutely right to say that this is a universal trend, that everyone is moving in this direction. But we must realize that capital will go where labour is cheapest. That is going to happen. What are we going to do to defend ourselves? One does not immediately decide to sell out to the United States. That is the mindset of the director of an American branch plant, which is what our Prime Minister once was. Yes, Sir; you do not go saying no to your American boss in Cleveland, but that is a bad habit to get into if you want to defend Canada's interests. He did not defend them. He has not managed this country well. He has shown only indifference towards the real interest of this country. He has not shown any foresight.

When I was at naval school in England, we used to have to do exercises. One of those exercises was this: you are in command of one of the smallest vessels in Her Majesty's navy. You arrive with your vessel on one of Her Majesty's smallest possessions—say a small island in the Pacific out in the middle of the ocean that has been completely devastated by a natural disaster, either a huge fire, an earthquake, a tidal-wave or a hurricane. What is the first thing you must do upon your arrival—the very first, the most important thing? Telling young people aged 17 or 18 to think in this way is really training them. Well, the answer is to find a source of drinking water. Why? Because without drinking water, you cannot care for your wounded, and without drinking water, humans cannot survive; so if you have a source of drinking water, because you control that source, you also have political control. That is what foresight and intelligence are all about, and the current government is totally devoid of both. Je ne lui permettrais même pas de faire fonctionner un ascenseur.

Senator Corbin: Honourable senators, I would like to continue reading this petition. I hope the Clerk charged by the Senate with considering the admissibility of this petition will take into account the following names.

[*English*]

(*Names of signatories read*)

Now, I have relatives—I have a sister-in-law, I have nephews and nieces in Quispamsis and I know where it is. I go there from time to time and I would like to tell the honourable Senators about Quispamsis. It is 3 miles northeast of Rothesay and Rothesay is some reasonable distance from the city of St. John, the port city of St. John, New Brunswick but I would guess roughly some 10, 15 kms. Roughly, yes.

I once attended a wedding in Rothesay, I was best man at a wedding. I'm sorry to say the marriage didn't work out. But the people whose wedding I witnessed remain faithful Liberals, loyal Liberals throughout their trials, great people. One of them is a writer, and an esteemed friend.

In fact, that friend happened to work with me when the first Department of Youth was established in the province of New Brunswick in the very early 1960's when my compatriot, Louis Robichaud became Premier of New Brunswick. He had made the establishment of a youth department an electoral promise and he kept his word and I was one of the very first—not the first, but one of the first five employees hired to man, if I may use that term, to man that department. Of course, we had women who came—who joined the staff and it has grown into quite an important department in New Brunswick with a variety of programs and it has evolved and even though I do

not follow it to this day because my main interests are now at the level of federal politics.

Anyhow, Quispamsis, three miles northeast of Rothesay, post office established around the year 1885. It was known as Rothesay Post Office, I should say, from 1885 to 1931. The village was incorporated in 1966. It was named by the European-North American Railway in 1857, from the Maliseet *Quispem Sis*, which means "Little lake" in reference to Ritchie Lake, as it is now known. It was also formerly known as Wetmore's, Gondola Point Road and Lakefield. That, then, is Quispamsis, not to be confused with Quisibis or Quisibis River, which is in my former riding of Madawaska-Victoria, and I will come to Quisibis and Quisibis River later.

• (1000)

So going down the list, there is a signature from Moncton, New Brunswick, one from Saint Andrews and another from St. Stephen.

(*Names of signatories read*)

I notice that on this petition there is a signature with the address Scarborough, Maine. I put this petitioner in the same class as the petitioner from New York whom I spoke of earlier. However, this petitioner's name is Tinker, and she is telling the government not to tinker with the GST. I think the government ought to hear her voice because there are many Americans all along that Maine-New Brunswick border up to the boundary with the Province of Quebec, who do business in New Brunswick, who cross the border each day to buy their groceries, their clothing and who come into Canada for various services. We in New Brunswick, of course reciprocate. We in New Brunswick enjoy an excellent relationship with the citizens of the State of Maine. Some goods are cheaper in Maine, and, for them, some of our goods are cheaper.

However, honourable senators, these American citizens who use our facilities and our services will be affected by the GST, and they are protesting strongly. They think it is something in which you should not be engaging.

As far as I'm concerned, if we intend to tax goods and services, the net result will be disastrous. Just think, for example, what it will do to the tourism industry. The provinces of New Brunswick, Nova Scotia, Prince Edward Island and, to quite a degree, the province of Newfoundland, rely heavily on tourism. In fact, I would say "heavily" is putting it mildly. Those provinces rely to a very great extent on tourism from the United States.

Do you think for a moment that Americans will come to Canada and subject themselves to paying through the nose and the ears this goods and services tax? These Americans are sending a serious signal to the Canadian Parliament and to the Canadian Senate. The message is, "Very well, boys and girls up there -" as they often refer to Canada. We are "up there"; we are that area of the continent from which all the cold fronts go down into Boston, New York and along the Atlantic coast. They are telling us, "You boys and girls, go ahead, tax. We can vacation elsewhere. We can buy our goods, our groceries and what have you, elsewhere. We do not need to go into Canada and pays a goods and services tax on top of the provincial and federal taxes that you have on gasoline. You can lump it, Canada. We will go elsewhere. Even though we would dearly like to continue to sojourn on the beaches of Prince Edward Island, New Brunswick and Nova Scotia."

Just think, honourable senators, for a moment what this tax will do to the tourism industry in Nova Scotia. We were told, in no uncertain terms what it would do to the tourism industry in each of the four provinces that the committee visited.

Therefore, honourable senators, when Ms. Tinker says, "Don't tinker with the GST", I take that very seriously, honourable senators.

Senator Bosa: I was just wondering, since you mentioned Nova Scotia, Senator Forrestall is from Nova Scotia. Have you asked him how he feels about the imposition of this value-added tax and the consequences that it will have on the tourist industry in his province? I was just wondering whether you had put that question to Senator Forrestall.

Senator Corbin: No, I have not put it, but I notice that he is in deep discussion with a colleague. He is deeply concerned about the GST. It has suddenly struck him that he was asked to become a senator in order to help the government get their program through the Senate, but I believe he had not examined in detail what the government program entailed, and he is now awakening to the facts. Honourable senators, I think we have shaken him in his very foundations. I see him discussing with a colleague as to what his stance ought to be if we ever get to a vote on this tax.

Senator Forrestall is definitely concerned. I have known him for 22 years, and he always stood up, in the House of Commons for example, and defended to his last breath the rights of Atlantic Canada. This GST really concerns him. He knows it will wipe out the tourist industry in Nova Scotia. It will literally wipe it out. Is that not a fact, Senator Stewart? If you rush to your seat, you could answer me.

In the meantime, I want to point out again that this is the second signature of the person residing in the United States who is protesting the imposition of the Goods and Services Tax. I think if senators read very carefully through their millions of petitions, they will find many more signatures of this nature.

Senator Stewart: Senator Corbin, you asked about Senator Forrestall's stand on the GST. I think there is very little doubt what his stand will be when he votes in this house as a senator from Nova Scotia. It is obvious that the GST will penalize very heavily those people who live at the extremities of the country.

If the GST is acceptable to the people of any part of the country, it is to the people in and around the Golden Horseshoe. Certainly it is not acceptable to the people of Newfoundland or Prince Edward Island or Nova Scotia.

Just in case Senator Forrestall, on his own, would not see this; in other words, if, out of modesty, he had some doubt and declined to accept his own reasonable conclusion, he has only to read the words of Senator Buchanan who, speaking as

Premier of Nova Scotia, denounced the GST in Yarmouth, Nova Scotia.

Senator Frith: You mean, as distinguished from how he will vote on it, of course?

Senator Stewart: I still have hopes, Senator Frith. I think that, at the end of the day—to coin a phrase—he may yet be willing to vote on behalf of the people of Nova Scotia.

Senator Bosa: I heard something that was said by Senator Stewart a moment ago and I cannot let it go unchallenged. I would not want it to be part of the record of this house without trying to redress the wrong impression that he has created when he said that the GST affects the extremities of the country, such as Nova Scotia, Prince Edward Island, Newfoundland and New Brunswick. He then went on to say something like "Unlike the people in the Golden Horseshoe".

Senator Stewart: No, Senator Bosa. You misunderstood me. I said if there is any part of the country in which the ordinary person might find the GST acceptable, it would be those parts of the country which, by reason of location, would not have to pay this punitive tax on transportation; in other words, those parts of the country that are central. However, I started off by saying "If". In fact I believe—and I think this was the point that you are making, Senator Bosa—that even in the "Golden Horseshoe, this tax is unacceptable.

Senator Bosa: I would like to point out that when Senator Stewart says "the Golden Horseshoe", he is talking about Toronto, Hamilton and the adjacent areas. I want to reassure Senator Stewart, if he is not already assured, that the opposition to the GST in these areas is phenomenal. I have thousands of names here from Oakville, Toronto, and from Hamilton. They are all against GST, so the honourable gentleman should not be under the impression that central Canada, or Toronto, or these other populated areas are indifferent to the imposition of the GST.

Senator Stewart: I do not doubt what the honourable senator says. It would be appreciated, I believe, by all honourable senators if he would adduce proof by reading petitions to that effect.

Senator Bosa: I will.

Senator Corbin: Thank you, honourable senators for your contribution. Again, I will reiterate; Ms. Tinker of Scarborough, Maine is saying "Don't tinker around with the GST or we will stay home". In other words, don't tinker with the people of Maine by imposing the GST, and don't take us for suckers if you think we intend to continue touring your fair provinces and using your lovely, sandy beaches, because we will not sojourn in Canada and pay another tax on Canadian goods and services.

On the petition, there are three more signatures from Saint Stephen. I must admit that they are difficult to make out.

(*Names of signatories read*)

Some honourable senators have told me that we have strange names in New Brunswick. I would like to explain to you where the name of Campobello came from. Campobello, of course, is an island in the Passamaquoddy Bay, which is at the head of the Bay of Fundy tides area. It constitutes part of the Canada-US border. Campobello Island was named by Williams Owen, its grantee. The Crown gave William Owen the whole island in 1770 and he says:

> I named the Island Campobello the latter partly complimentary and punning on the name of the Governor of the Province, Lord William Campbell, and partly as applicable to the nature of the soil and fine appearance of the island—

That is a compliment, I believe, Senator Bosa, to the Italian language. Is "Campobello" not pure Italian?

Senator Bosa: It most certainly is; it means "a beautiful field", "Campo" being field and "bello" meaning beautiful.

Senator Corbin: Yes, that is how beautiful that island is; Campobello. It is a musical name. I wish I had musical talents; I would write a song to celebrate the beauty of Campobello. I continue:

> —and partly applicable to the nature of the soil and fine appearance of the island. Campobella in Spanish and Italian being, I presume synonymous to the French "Beau-champ".

[*Translation*]

Beauchamp, what a beautiful name! Senator Gigantès, shall we go to the races at Beauchamp?

Senator Gigantès: That's Longchamp.

Senator Corbin: Longchamp! I stand corrected. I am a little rusty this morning.

[*English*]

Senator Bosa: It could not be Spanish, because the Italian word "Bello", meaning "beautiful" in Spanish is "lindo".

Senator Corbin: "Bello" in latin means "war".

Senator Bosa: No, that is "bellum".

Senator Gigantès: No, it has nothing to do with war. It has to do with beauty. It is a different root altogether. There are two roots in latin; one with a double "l" and one with a single "l".

Senator Corbin: Thank you, senator. I will have to research that further.

In any event, as I read, William Owen explained the origin of the name he gave to his island.

In a book by Admiral W.F.W. Owen in 1842, it is translated "Fairfield". In other words, Campobello as being "Fairfield". I think I prefer Campobello myself. It is so musical.

However, going back into the night of history, the Passamaquoddy, an Indian tribe, inhabited that general area of New Brunswick, Maine and the Islands, and in Passamaquoddy, the word *"Abahquit"* means "lying parrallel with the land". The book says "refer to the Mic-Mac name of PEI". It has the same meaning.

Southack, in 1733, refers to this island as the Great Island of Passamaquoddy; D'Anville in 1755 refers to it as "Isle

Pascamadie. Mitchell—incidentally, the trouble Mr. Mitchell has caused us over the Maine-New Brunswick border! If only his map had been lost in the archives of the King of France, Maine would not be jutting into Canada, as it is now. It is Mr. Mitchell's map which has created all the problems and allowed the Americans to claim the so-called disputed territory which was only settled by the treaty of 1842, commonly known as the Webster-Ashburton Treaty.

Senator Gigantès: Is the honourable senator aware of the fact that, despite the attachment to their roots in France, Quebecers do resent the neglect of the French Kings, who spent money on their mistresses and festivities at Versailles instead of looking after the fleet. In consequence, Quebec was lost. France would have been able to keep Quebec, and at an even earlier date France would have been able to keep Acadia, which it gave up under the Treaty of Utrecht, because Louis XIV was depleting the fortunes of France by maintaining all of these foppish nobles in the garrets of Versailles and in having fantastic celebrations every night, such as masked balls and the like.

Later, the same thing happened with his grandson, Louis XV. He also depleted the fortunes of France. There was a great french Admiral Le Baille de Suprême who invented all of the tactics that Nelsen later used—such as crossing the "T", for instance—and Nelsen admitted that. The great French admiral however never had enough money to scrape the barnacles from the keels of his ships. Those senators on this side and opposite who know about sailing ships will realize what loss of speed a grave encrustation of barnacles represents. Also, the French admiral never had money to line the keels of his ships with copper sheets, whereas the British had started doing that, and whenever he had to go anywhere, such as crossing the Atlantic, all the British fleet had to do was go a little way from him, arrive well before him and be in a position such that, when he faced them, he was at a disadvantage. They always went to windward of him. That is why, today, North America is English. It could have been French North America.

So the Kings of France betrayed the people of Quebec and the people of Quebec resent that to this day. Although they love France and they love their roots and they are proud of their language and the history of France, still, they do feel that they were let down and betrayed.

Of course, they received the most inestimable gift from France which is the people of Quebec themselves. They are a race of survivors with wonderful spirits, with bonhomie, with great joie de vivre, and I will say this—and I do not care who contradicts me; I have visited 65 countries in my life and nowhere have I seen women who are as wonderful as the women of Quebec.

Senator Corbin: Senator, I would now like to conclude my recitation of the origin of the name "Campobello". I was saying that Mitchell, in 1755, put the island on his map as "Isle Pascamadie"; Lewis, in 1756, refers to it as "Pasmaquidy Island"; Morris, in 1761, calls it "Passamaquodi Island"; Owen Grant, in 1767, called it "Passamaquoddy Outer Island". Finally, in 1779, Des Barres called it "Camp Bello Island".

Honourable senators, yesterday and today I have been talking—and of course, yesterday and today is October 9th, as far as parliamentary business is concerned. People in the gallery are not aware, I am sure, that in this house, we are now on Saturday, October 9. Do not be confused. This is the Parliament of Canada; this is the Senate of Canada. In this room presently, you have left behind Saturday, October 12—

An Hon. Senator: The 13th.

Senator Corbin: —Saturday the 13th on the front lawn when you set foot in this building. In this house it is now Saturday, October 9th.

Senator Stewart, what is your problem?

Senator Stewart: Senator Corbin may I help at this point? I am reading from a book entitled The Canadian House of Commons. I quote from page 51:

> Each sitting of the House of Commons normally takes place on a separate day of the week, but there is nothing to prevent the House from continuing to sit beyond midnight or into a third of fourth day. For this reason, the sessions are divided not into days but into sitting days, or even more exactly, "sittings". There were 111 sittings in the 1912-13 session of Parliament, but two of the those sittings lasted a total of 12 days. One sitting began 3:00 p.m. on Monday, March 3, 1913 and continued to 12:00 p.m. midnight on Saturday, March 8. On the following Monday, March 10, the House met at 3:00 p.m. and continued until 11:32 p.m. on Saturday, March 15.

Therefore when we use the expression "days", we must be careful. There may be many calendar days in a sitting day in the House of Commons or in the Senate.

The book then goes on to say:

> However, when there is no chance of misunderstanding, "day" and "sitting" are used as interchangeable terms.

Perhaps while I am on my feet, Senator Corbin, you will let me clarify a point I attempted to make earlier; a point which I suspect I did not succeed in making. I mentioned that it is misleading to carry into this house the practices of the other place.

Senator Corbin: Yes. That is the very point I had asked you to make, and you left that aside. You went on to something else, so please explain the connection now.

Senator Stewart: There are many differences, indeed, in the foundation of procedure between the House of Commons on the one hand and the Senate of Canada on the other hand, and one of the most important differences relates to the hours of sitting.

In the 1920s the House of Commons designated the hour of 11:00 p.m. on Monday, Tuesday, Thursday and Friday as the hour of adjournment. Since that was a period of relatively short sessions, no need was felt for a rule enabling the House to decide to sit late without unanimous agreement. In other

words, in that period any one member could stop the house sitting beyond 11:00 p.m.

In 1952 the hour of adjournment on Friday was set at 6:00 o'clock in the evening, but that simply followed a pattern which had been set in 1906 for the adjournment on Wednesdays. Therefore there is a notable difference in the basic procedure of the House of Commons; a difference between what happens there and what happens here in this chamber. In the House of Commons today, now, Saturday, we would not be in a sitting which started last Tuesday.

Senator Corbin may remember that, in 1965, this rule for an automatic adjournment at a specified hour had been found to create difficulty. There were certain members in the House of Commons after the 1963 election who always insisted on seeing the clock. I can hear their oratory yet: "Mr. Speaker, it is five minutes after six. This house is adjourned." And of course they were right, under the rules. Therefore in 1965, as a result of that annoyance caused repeatedly by two or three members—the name that comes to mind is Monsieur Gilles Grégoire.

Senator Corbin: By the way, Senator Stewart, who was the Speaker at that time?

Senator Stewart: The Speaker at that time, I believe, was from Montreal. I believe he became a senator later.

Senator Frith: You mean from Cornwall.

Senator Stewart: No. In 1965, the standing orders were changed so that now, under Standing Order six (6) the House on any day may decide to sit beyond the regular hour of ajournement if ten or more members do not object.

• (1030)

Now, when that account says "now", of course, it refers to the situation a few years ago. That Standing Order of the House of Commons is effective only against isolated mavericks. Those members who, in a particular instance, do not wish to cooperate with the government, almost always can rally at least nine other members with them. For example, in the long 1970-72 session, the government tried to use that Standing Order eight times, but was successful only once. Consequently, it was fair to say that with very rare exceptions the House of Commons adjourns at the early hour appointed by the Standing Orders. It is most extraordinary for the Commons to sit late. And, of course, they do not sit on Saturdays and Sundays. So, we are operating in a different world here. We are operating in the 18th century.

Senator Bosa: That's right. We are behind.

Senator Stewart: That is the major difference.

An Hon. Senator: Senator Stewart, would you permit a question? Would you think there would be any advantage for this House to abolish the rules of the Senate of Canada and adopt forthwith the rules of the House of Commons?

Senator Stewart: I think, honourable senator, that we would have to discover what all the implications of that proposal would be. Let us take, for example, the problem of the Speaker. The Speaker here is one of the 24 representatives from a division and that is why the Speaker, our Speaker, not by Standing Order but under the Constitution, has a right to participate in votes, leave the Chair and to debate.

The situation is quite different in the House of Commons. There, the speaker does not vote except to break a tie. And even when he is breaking a tie he does not vote according to his own views. He votes according to certain rules. You might say the rule is that the Speaker is never to break eggs. The Speaker votes to leave the situation to be decided later.

An Hon. Senator: He votes for the status quo.

Senator Stewart: That's correct, honourable senator; he votes for the status quo. He maintains the existing situation. In other words, he does not exercise his own judgement, his own reason on a particular question. So, there would be real difficulties in simply adopting the rules of the House of Commons in the Senate. That's not to say, and I think this is the real thrust of the honourable senator's question, that's not to say that we ought not to consider modernizing the rules of the Senate.

What has happened, honourable senators, is that because of two great developments, the House of Commons has ceased to be a good debating chamber. One of those developments is the increasing complexity of the business now coming to that House. The second development is that by reason of the very limited hours the House sits, it is difficult to have truly good debates in the House of Commons. As a consequence, more and more business, more and more real business is being extruded from the House of Commons into the Senate. A lot of that business is uncontroversial, but takes a long time. We had here, for example, a couple of years ago the emergencies bill, a most important bill which conferred upon the government of the day, any government of the day, power to make Orders-in-Council affecting the property rights of the citizens, their civil liberties and so on.

Now, this was not a topic on which there was little political excitement at that time. It didn't have, as they say, much political sex appeal. The bill swept through the House of Commons. It was uncontroversial. But when it came here, senators on both sides of the House read the bill pretty carefully. It was found that the bill as it came from the House of Commons, not with the opposition over there dug in and screaming, would have allowed the Governor-in-Council to draft men and women into the armed forces and send them overseas to fight in war. That was the kind of power that the House of Commons was prepared to delegate to the Governor-General-in-Council.

Senator Gigantès: To Mulroney.

Senator Stewart: Well, to any Prime Minister.

Senator Gigantès: Mulroney is the bad example.

Senator Frith: It's a bad principle for any.

Senator Stewart: No, no, no, Senator Gigantès. I think Progressive Conservatives would have been as uneasy if it had been Mackenzie King or Pierre Elliott Trudeau. It was bad

legislation. Some of us on both sides of the House saw this, and we put forward an amendment. When we sent the amendment to the House of Commons there was no controversy. They just had not thought of it. Indeed, apparently the law officers of the Crown had not thought of it. I tell you that that bill took a long time. It was uncontroversial; yet it ate up a lot of time in the Senate.

Then, of course, we have had highly controversial bills. The pharmaceutical bill is an example. The unemployment insurance bill is another example. So, I say, more and more business, some controversial, some non-controversial is descending on the Senate. I tell you the rules of the Senate are directly out of the late 18th century. That is the truth of the matter.

Senator Frith: That does not make it bad.

Senator Stewart: That does not make them bad but it means they are not prepared for the volume of work that is coming here. So, there is no question in my mind but that at an appropriate time we have to do something about that. I find it unthinkable that we do not have our own book of commentary on our rules and practices. We use *Beauchesne*. But the Commons is different. Theirs is basketball and ours is football or vice versa. We use *Erskine May*, an authority sutied to the Parliament of a unitary state; but Canada is a federation. The procedure of the two Parliaments has moved apart. We have moved away from them and they have moved away from us since 1867. The Senate of Australia has a very good book, *Odger's Senate Procedure*. It is a splendid book. We ought to look at it. So, there is no question, senator, that at the appropriate time we ought to get on with procedural reform.

The problem that now confronts us is that here we are halfway through what appears to be the crucial game of the season, and the speaker—the umpire—undertakes to rewrite the rules on his own. We all agree, I suspect, that was not the way to go about reform. It didn't work. The problem then is, can we do it ourselves halfway through the crucial game? It would be very difficult. I hope I have dealt with the question the honourable senator asked.

Hon. Finlay MacDonald: Honourable senator, can I ask a question of Senator Stewart? You will recall, oh, some time ago, Senator, two years ago, Senator Molgat either through an enquiry or some other means suggested that the speaker of this place be elected. And I for one supported it. I asked him, however, if just the election of the speaker was sufficient; did he intend to go further and to take away some of the archaic privileges that the Speaker has the right of the one party to overrule the speaker's ruling.

Senator Frith: The right of the majority rather than one party.

Senator MacDonald: Yes, yes. There is a mixture here that I do no understand between the Constitution and the rules. Supposing that the Prime Minister was to agree that although this would be a Constitutional matter because the Constitution requires that the speaker will be appointed by the Prime Minister, he would accept the person elected.

[Senator Stewart.]

Senator Frith: He could agree to follow an election finally. He could just say I will appoint whoever.

Senator MacDonald: Exactly, exactly. He retains the power of appointment. He says in effect, I will appoint that person whom the Senate has elected.

Now then, if he had done that, does it simply require a change of the rules in the Senate to determine the powers of the speaker? In other words, on the one hand if the Prime Minister agrees to appoint and does not give up his powers to appoint, but agrees to appoint, then the rules could be changed more in conformity or similar to that which exists in the House of Commons except for the fact that the speaker would not have the same power, he would not run the administration, just a matter of his powers. Is there anything—

Senator Frith: It could become—if enough Prime Ministers did it, it could become a convention.

Senator Stewart: Well, we have, I suppose, a kind of parallel that may be helpful. The Government of Alberta against the objections—over the objections of the present government—held an election for a person to be a senator from Alberta. Eventually, that person was summoned by the Governor General on the advice of the Prime Minister of Canada. That seems to suggest, Senator MacDonald, that there may be something in your line of thought as to how this could be done. You know, let's not get mesmerized by the word "election". Let us not get mesmerized by the word "elect." Let's not think that if we could get an elected speaker we have suddenly solved a large part of our procedural problems. They have had an elected speaker in the House of Commons since 1867 and from time to time there have been serious problems. The great blowup, as we all know, was in 1956.

When we were working on the reform of the rules of the House of Commons, we looked at Westminster, again and again and yet again. Members from all three parties went over there; we consulted. They kept telling us that one of the most efficient and simplest methods to reform procedure is to enhance the powers of the Speaker. But we now tell you, Senator MacDonald, that you cannot do that unless you have a speaker whose impartiality is beyond question. They invited us to look at all the things they had done there, to ensure that once a person is elected Speaker by the members of the House, in a sense that person has taken the veil. Yes, this is correct, he has taken the veil. He is out of politics. He ceases to go to political meetings, to attend caucus. They have surrounded their Speaker with rules and arrangements to assure that his impartiality is unquestionable. The person selected at Westminster to be a speaker is a person who is learned in the law and practice of the House. This is very important. Second, he has a large and learned staff, the kind of people that produce the successive editions of *Erskine May*. Perhaps one of the greatest powers that is entrusted to the Speaker at Westminster is the power given to him under the Parliament Act, 1911, as amended in 1949. The power to say that a bill is a money bill. He does not do that on his own. He does that, where practicable, as advised by members of the Chairman's Panel. These members are from both sides. Consequently, when he

makes that decision, when he certifies that a bill is a money bill, nobody can argue convincingly that that was a hasty or partial decision.

So that, simply to say that we'll have an elected Speaker in the Senate doesn't take us very far. The task before us is much greater than that, Senator MacDonald. I don't know whether that helps or not. I am afraid it is a little bit discouraging.

Senator MacDonald: I was curious to see whether the election of Speaker Fraser by the House of Commons had resulted in some kind of a salutary effect. He seemed to enjoy the confidence of both Houses.

Senator Frith: Both parties, you mean.

Senator MacDonald: All three parties. All parties. As a matter of fact, if I remember correctly he ran in Vancouver south in the last election as the speaker of the House of Commons. He didn't run as—he took no part in any partisan matters. I know that for a fact. Is that getting any closer in the House of Commons? I realize it is not a Senate matter.

Senator Stewart: Yes. I think, Senator MacDonald, it is getting closer. I think the Beaudoin incident in the House of Commons had a salutary effect there. Speaker Michener and Speaker MacNaughton commanded great respect.

Senator MacDonald: And Speaker Lamoureux.

Senator Stewart: Yes, I was going to come to Speaker Lamoureux. I was going to put Lamoureau on an even more impartial plateau. I don't know much about Speaker Jerome. But I think it is fair to say that after Beaudoin an effort was made on all sides to make the Speaker more and more impartial and to surround him with the circumstances in which impartiality would be possible.

After the 1984 election there was something of a deterioration. I don't blame Speaker Bosley, I am not suggesting that partiality was his problem. There were other problems. In that situation, as you say, Senator MacDonald, it was decided that there had to be a genuine election of the Speaker. I will not comment on Speaker Fraser's performance or the judgments he had made. But I must say this, Senator MacDonald, in all candour, you recall that last spring Speaker Fraser gave what I described as, not a ruling from the Chair, but as a speech from the Chair.

Senator Cools: A lecture.

Senator Stewart: He addressed, not the House of Commons, but the House and the nation. I was reminded of those—what are they? encyclicals that the Holy Father from time to time delivers to the city and the world. I felt that that was a serious stumble on the upward road to a truly impartial speaker in the House of Commons.

Senator Corbin: Honourable Senators, I would like to terminate the reading of the petition and to conclude my explanation of Campobello. But Senator Bosa, I believe, has a valid point to raise.

Senator Bosa: I just want to say a couple of words about the intervention that was made by Senator Kinsella. I believe that this is the first intervention, brief as it may have been, in the Senate since his appointment, and I appreciate the quality of that intervention.

Senator Stewart: When the history of these sad days are recorded, it will be recognized that his was a constructive intervention.

Senator Bosa: Senator Stewart has stolen the words from my mouth, because I wanted to say that it was a constructive suggestion and we look forward—in fact, I am sure that Senator Kinsella will be a valuable addition to this Chamber and if this is any indication of the quality of speeches that he is going to make in the future by the brief intervention that he made a few mintues ago I am sure that he will enrich the quality of the debate in the red chamber.

It also shows a degree of efficiency on the part of Senator Kinsella that he wants to get to the nub of the problem right away.

Senator Stewart: And Senator MacDonald, too.

Senator Bosa: But in doing so, I think Senator Kinsella overlooked one very basic fact, and that is that the rules of a—House of Parliament have to evolve, they have to be embraced by all its members. There must be acceptance of those rules for the rules to work.

If we were to import into the red chamber the rules of the House of Commons holus bolus the way they are now, I doubt whether we would have an acceptance of the rules by the honourable members.

Senator Corbin: Excuse me, you said holus bolus. Is that like "haggis baggis?"

Senator Bosa: I will let Senator Gigantès deal with that question.

If we were to adopt the rules of the House of Commons in the Senate, without us having debated them, without us having contributed to the evolvement of those rules, I don't think they would work in the Senate. And I would like to cite an example, in fact there are many examples about this matter. I just want to cite a couple of examples.

For instance, during the constitutional debate of the late seventies when there was a great desire by many Canadians to reform the Senate, there was one proposition by the government of the day to abolish the Senate the way it is now, and forming another upper house which would be known as the House of the Federation. The members of the House of the Federation would be representative of the federal—and Provincial legislatures on a proportionate basis it was a very complicated formula for selecting its members. Let me deal with that without going into details. The representatives of the province of British Columbia, they were advocating to replace the Senate of Canada with something similar to what West Germany has, The Bundesrat, which could be considered to be the equivalent of the Canadian Senate. They wanted us to adopt the Bundesrat, but there are such profound differences between our system of Parliament and Germany's system of Parliament. For instance, the members of the Bundesrat are

ministers of the provinces of Germany or Landes, as they are called. And they are—

Senator Corbin: Honourable Senators, while that dispute is going on I would like to continue the presentation of my petitioners. I don't see the connection of the Bundesrat with the petitions that I am presenting at all. I think we ought to respect the rules. There has to be a connection. So, where was I? I mean, there have been so many brutal interruptions that I lost—yes, I had completed the recitation of the origin of the name Campobello Island.

By the way, Honourable Senators, did you know that Campobello Island is part of an archipelago of some over 30 islands and reefs and shoals and what have you. Of course, the larger islands are well known to easterners from that part of the continent. I mentioned Grand Manan.

Campobello, by the way, has an international park—a small one—an international park as the summer residence of former President Franklin and Eleanor Roosevelt, and that park is administered jointly by a commission made up jointly of a Canadian chairperson and an American chairperson. And a distinguished former Senator of this House held the position of the Canadian Chair for a while. That was Senator Robichaud, who went on to become Lieutenant Governor of New Brunswick and I believe at the time he held that Chair his counterpart in the U.S. was I'm not absolutely sure. I thought it was Edmund Muskie—I may be right. I may be right. Anyhow, so that is quite a sight. I visited the Roosevelt summer home with my family some years ago and I recommend it highly to everyone in this House. I think you ought to bring your families down to—yes, sir, I can carry on—I think you ought to take your family down to the West isles, to Deer Isle, Campobello and Grand Manan. It is a world within the world, and there you will see, of course, the work of the high tides and the Bay of Fundy. And you will see rare species of marine birds. Some birds are now seen on that Atlantic coast, nowhere else but there. And tourists in huge numbers take these small flatbed ferries between the islands to be able to observe those birds. So, I invite the pigeon-watchers of Ottawa to take a summer holiday in the Fundy archipelago.

I would like to complete the presentation of this petition. I have four names. I will leave the Campobello with the standing invitation.

(*Names of signatories read*)

And as I said yesterday, St. George is at the—shall I say the head of an inlet which comes in from Passamaquoddy Bay, and St. George is not the point of embarkation to the archipelago to the islands of Grand Manan and Campobello, but you must take the ferry either at Back Bay for Deer Island or at Black's Harbour for Grand Manan.

Senators, you will enjoy your visit to that part of New Brunswick. I, therefore, ask the messenger to lay this honourable petition on the honourable table of the Senate.

Senator Stewart: May I intervene at this point to clarify something I said earlier? May I intervene to clarify a point that I made earlier?

[Senator Bosa.]

Senator Corbin: Oh, by all means.

● (1100)

Senator Stewart: Earlier, when I was talking about the role of the Speaker of the Senate, I referred to the role the Lord Chancellor performs in the House of Lords in Westminster. I said that the Lord Chancellor sits on the woolsack, and that the woolsack is technically outside the chamber of the House of Lords. Well, that is correct, but I should have said that there is not just one woolsack, that there are three woolsacks. The Lord Chancellor sits on the one in the middle.

I have in my hand an excerpt from the last edition of The Oxford English Dictionary, and there under the heading "woolsack" I read that it is, "A seat made of a bag of wool for the use of judges when summoned to attend the House of Lords (in recent practice only at the opening of Parliament); also, the usual seat of the Lord Chancellor in the House of Lords, made of a large square bag of wool without back or arms and covered with cloth." The term is often used allusively with reference to the position of the Lord Chancellor.

There is reference to a book of Sir Thomas Smith on the *Commonwealth of England*, published in 1589, at page 49, where he says:

> In the middest thereof vpon woolsackes sitteth the Judges of the realme, The master of the roules, and the secretaries of estate. But these that sit on the woolsackes haue no voice in the house.

That was in 1589. And then in the work of Hooker, on the *History of Ireland* as set forth in *Holinshed*, the second volume, we have the following:

> In the middle roome beneath them sit the chiefe justices and judges of the realme, the barons of the excheker, the kings sergeants, and all such as be of the kings learned councell, . . . and all these sit upon great woollsacks, couered with red cloth.

In Chamberlayne, his work on the *Statutes of Great Britain*, we are told that:

> The Lord Chancellor . . . sits on the first Wool-Sack . . . Upon other Wool-Sacks sit the judges, the King's Council at law, and the Masters of Chancery.

Well, the term "woolsack" has also passed into literature. In Morton's work, *Way to Get Married*, 1800, we have one character say, "Pray stick to the law", and another says "And to the woolsack. Does not the hope of that . . . cram our courts full of barristers, with heads as empty as they leave clients' pockets?"

I quote that with apologies to all lawyers here present.

And there is a later reference in the *Empire Review*, 1901, to the fact that the woolsack is not in the House, ". . . a fact recognized by the Standing Orders which provide that when the Lord Chancellor wishes to speak, he is 'to go to his own place as a Peer.'" It is important to bear all this in mind because it is easy for a Speaker to be betrayed into thinking that he is the image, in this House, of the Speaker of the

House of Commons or the Speaker of the House of Commons in Westminster. His role is entirely different.

Thank you, Senator Corbin, for your courtesy in allowing me to make that clarification.

Senator Corbin: I have one clarification, Senator Stewart. I thank you very much for those illuminating comments. How fortunate for the new senators to be able to get all this information in a nutshell. It took me years of hard work and attendance in the House of Commons to pick this up, and look at the lucky new senators; they learn about it just like that, you know.

Senator Stewart, you mention the woolsack. I have seen older photos of the opening of Parliament where their Honours, judges of the Supreme Court, were seated on some kind of a huge structure; I do not know what it was, some kind of bench with their bodies backing to each other facing out in all directions. That thing would be just about where the Clerk's chair is now. That has disappeared from our traditions. Can you explain the nature of that piece of furniture, whatever it was called? It was an honest-to-goodness woolsack, wasn't it? And how did it come to disappear? Is it because the judges did not like facing the public—I do not say this in a demeaning way. I know I would find it sort of tiring if, during the reading of the throne speech I had to be looking in that direction and my friend looking in the northeasterly direction and so on and so forth. Now they all sit in square chairs and they face His Excellency or Her Majesty, whoever is reading the Speech from the Throne.

Senator Stewart: Well, I think, Senator Corbin, the fact that the law lords in the House of Lords sit facing four different ways is a result of the fact that this great block of bagged wool faces all ways. We sit in here, the two sides facing each other as a result of an historical accident. That is right, as a result of an historical accident. It happened that at one time the House of Commons at Westminster found itself without a place to meet, and they assembled for a time in a chapel. The seats in the choir of the chapel, of course, were arranged with rows facing one another. That was found so satisfactory that it was perpetuated. It may even have had an effect upon the development of the two-party system. There are only two sides in a gothic choir.

Of course, while I am on the topic, Senator Corbin, may I say that that historical episode is the origin of the practice of bowing in the direction of the Speaker. In those days people bowed to the holy sacrament present upon the altar in the chapel. Nowadays, Speakers think when you bow to them deeply that you are recognizing their lofty status and they are pleased to smile condescendingly and incline their heads at you as you go out the door. That is the origin. But I say, Senator Corbin, it is a function of the shape of the woolsack.

Wool never has been a staple of the Canadian economy. Consequently, a woolsack would not have had the significance in Canada that it had in Westminster. Perhaps nowadays they are beginning to forget the meaning of the woolsack, but certainly in earlier centuries it was a prime tenet of English public policy that, above all else, the wool trade must be fostered and protected. That particular tradition never was received here. I think that is the explanation of the fact that the judges, when they come here to honour us with their presence at the opening of Parliament, do not sit in a square, as at Westminster, but rather, sit facing the throne.

Senator Corbin: They used to sit in a circular fashion. Why has that disappeared, senator? That was my question.

Senator Stewart: I simply cannot explain that. I suppose that as time went by, people forgot the meaning of these things. Many of the practices of Parliament which had meaning in earlier times, you know, carry on like drifts of snow into the spring, when gradually they melt away. They melt away or become meaningless.

Let me give you an example. In the Canadian House of Commons, Bill C-1 is a bill for the administration of oaths of office. Now, Bill C-1 is given first reading prior to any business. The Speech from the Throne is heard here in the Senate. The Speaker goes back to the chamber of the House of Commons and he reports the speech. But before any business is done, Bill C-1 is introduced and given first reading. It is given first reading before any business from the Speech. Now, why is this done? Well, historically this symbolized the fact that the Commons did not have to await the initiation of business by the King's ministers. They were showing that they were competent themselves to initiate legislation. They didn't have to wait for the ministers to pitch in order for them to go to bat. They could pitch themselves. At Westminster, that motion, the comparable motion—it is a different bill—is always moved by a backbencher. However, when the practice was transferred to British North America, it was brought over without its true meaning being appreciated. What happens now is that the First Minister moves Bill C-1. Here is a symbol intended to demonstrate the competence of backbenchers, persons not of the executive government, to initiate legislation. But in Canada that bill, in the period which I have studied, always is brought in by the Prime Minister. So here is an example of a symbolic act which has lost its meaning when it was received in Canada, and I suspect much the same applies in the case of the seating of judges. It is so easy for symbols to become meaningless when you carry traditions into a new place. The same happens when you carry stories of Santa Claus and his reindeers into the Pacific Islands.

Senator Corbin: You could say, monkey see, monkey do, I suppose.

Senator Kinsella: Honourable senator, what happened, Senator Stewart, with C-1? Does it make its way to the Senate?

Senator Stewart: No. C-1, it is regarded as sufficient to have given it first reading. It is of no legislative importance. It is of mere symbolic significance. It does not go forward.

Senator Gigantès: Will the honourable Senator Corbin forgive me for an intemperate remark I made earlier when he asked me about the origin of *"holus-bolus"*?

Senator Corbin: I forgive you.

Senator Gigantès: I want to answer your question, sir, and I have written for the reporters—don't be worried about it—what it comes from in Greek, and I will give the spellings in a minute. It means "the whole sphere". *"Bolos"*, in Greek, refers to the sphere of dung that the dung beetles make, and Aristophanes makes a great deal about it. There is a comedy of Aristophanes that deals with dung beetles. And if you like, it means "the whole thing", "the whole lump".

In medieval Britain and in medieval France, there was a whole class of semi-literate priests. They did not understand the Latin they were reading but they would latinize many things and apparently on one occasion some unlearned prelate spoke of "*holos bolos*" and it was immediately latinized to "*holus bolus*". Pig Latin of the high school nature of Pig Latin such as:

> Boyabus kissabus sweet girlorum,
>
> Girlibus likabus wanti somemorum,
>
> Fatherbus hearabus sweet kissorum,
>
> Kickabus boyabus out of the doorum.

So holus-bolus is in that category. That is why it is beneath my scholarship. Here I have to specify a little bit about the accent. Holus-bolus. The ancients would have pronounced it "olos volos". However, there was a school of pronunciation started by Erasmus, the Dutch philosopher. They did not how ancient Greek was pronounced and Erasmus reasoned that if we read Homer and we do not break the diphthongs and we do not stress the omega longer than the omicron- the small "O"—omega in capital letters is a circle with a line under it—then Homer would not rhyme. At first this was an unnecessary thing to say, because Homer was sung. So when you sing you can hold a note a little longer. You do not have to break the diphthong, and the rhyming, the feet of the rhymes, the dodeka, there are twelve feet in each Homeric line, it depends on the singing how long you hold the note. Cherry red and apple blossom white: the "white" is normally held a very long time which gives it the same length as the next line in the song.

So the Erasmic pronunciation has taken hold in the West, so a scholar, a classical scholar trained in western universities, listening to a classical scholar trained in a Greek university, does not understand what he is saying. The classical scholars in Greek universities have adopted the pronunciation of the Greek Church. The Greek Church still reads the Bible in ancient Greek. It is a second century A.D. version. It is still the same, and there is a traditional pronunciation. There is some proof that this tradition of pronunciation is the correct one, and we find that in Thucydides when he describes the plague that hit Athens at the beginning of the Peloponnesian War. He says there, the plague hit Athens. "Plague" written in Greek is *"loimos"*, pronounced in Greece, "leemos". Modern Greeks pronounce O-I as "ee". It is one of the five ways of pronouncing the sound "ee". Thucydides says:

> And now the Athenians understood the meaning of the old Delphic oracle which said, "War will come with leemos."

[Senator Corbin.]

Because there is another word pronounced "leemos", l-i-m-o-s, which means "famine". So finally they knew that war would bring—when they had heard "limos", because the oracle did not write its predictions, it spoke them, they knew which of the two leemos it was. So obviously, in the Fifth Century B.C., already the diphthong "O-I" was being pronounced "ee", as in modern Greek.

Therefore, I would like to put on the record in this noble Chamber that the Erasmic pronunciation, with all due respect for all the remarkable western scholars much more advanced than modern Greek scholars in classics, and for my learned and distinguished teachers at University of Toronto where I did my classical studies, the Erasmic pronunciation they have adopted is based on the false premise that you needed it in order to make Homer scan, and Homer was sung so it did not matter; and also is based on the false premise that ancient Greek pronunciation is not what it is in the modern Greek Church which, as I demonstrated with the example in Thucydides, was already the case in the 5th century B.C.

Thank you, Senator Corbin.

[*Translation*]

Senator David: Senator Gigantès, I think I have missed the premises of your most scholarly speech, but I would like to know what "Holus bolus", "Erasmus", and "Homeric line" have to do with Senator Kinsella, Senator Stewart and the petitions presented by Dr. Corbin . . . by Senator Corbin (laughs in the Assembly).

Senator Gigantès: "Holus bolus" is an expression used with the verb "to swallow"; you are asking us to swallow "Holus bolus" a procedural putsch dating from October 4th and absolutely intolerable. You are asking us to swallow this outrage without protesting. That is where the link is. I was talking about Erasmus to help with pronounciation, but if you read him, you will also find great comfort in his philosophy.

Senator Corbin: Senator Gigantès, I was right to make a parallel between "Holus bolus" and "Haggis-baggis" because both are difficult to swallow.

[*English*]

Senator Bosa: Honourable senators, I just want to make a couple of points to sustain my thesis on the intervention made by Senator Kinsella, but before I do so I want to say that during this debate I learned a new dimension about Senator Gigantès. He has a profound knowledge of ancient history. He is a polyglot. He speaks many languages. When I read his biography I was really impressed, having been the Minister of Culture in Greece; he fought in Korea; he was in the British Navy; he was at the United Nations. He was special assistant to Pierre Trudeau. He has known them all. But anyway, he is invariably accurate in what he states, and, you know, he made one intervention, a little earlier, in which I think I caught him in a slight error, not a full error but just a slight error.

Senator Corbin: Have we cleared up the fact that he is listed as a V.C.?

Senator Bosa: No, I was going to refer to that, too. When we were discussing the origin of "bello", Campobello, Senator Corbin asked me, he said "What does Campobello mean in Italian?" Italian being my second language, I said, " Campobello means a beautiful field, and in French it is 'beau champs'", and then I believe Senator Gigantès said, "The origin of that word comes from the Latin," and I cannot recall now exactly all the nuances of the words that were expressed during that heated debate but I believe Senator Corbin said, "I believe it originates from 'belligerent' or 'bellos.'"

Senator Cools: "Bellum."

Senator Bosa: "Bellum". Now, "bellum" means "war" in Latin, and from the word "bellum" we get the word "belligerent".

Senator Cools: "Bellicose".

Senator Bosa: "Bellicose", "belligerent". Like some of the senators in this debate, sometimes they have a tendency to become bellicose. And Senator Gigantès has made an intervention at this stage. He said "bellos", it is Latin but you spelled it with one "l". Senator Gigantès, it is spelled with two "l's". "Bellum" is spelled with two "l's". Pardon me. You will have an opportunity to set the record straight. "Bellis", which means "war" is spelled with two "l's" and so is "bellos" which means "beautiful" but there is also another word in Latin to describe the same adjective, "pulcra". "Pulcritude", which we have in English, it is an English word derived from the Latin "pulcher". This is the first time that I caught Senator Gigantès making an observation that was not entirely correct. He said it was spelled with one "l"; instead it is spelled with two "l's".

Senator Gigantès: Senator Bosa, I regret to have to disagree with you, but orthography and correct spelling is something that was first developed in the 3rd century A.D. by the grammarians of Alexandria, who dealt with both Greek and Latin. If you look at the old inscriptions that you find in Rome before the orthography was set, you will find that "belum", war, is sometimes with one "l". Thank you.

We should strike a committee, Senator Kinsella, to discuss the origins of "belum" versus "pulcher", "belos", "war" and whatever.

Senator Kinsella: Would the honourable senator, either Senator Bosa or Senator Gigantès be prepared to demonstrate the *post hoc ergo propter hoc* relationship between this important discussion and the matter before the House?

Senator Gigantès: I would be delighted to do this. "Bellum" in one instance, "casus belli" means "war", you provided a casus beli with your incredible and infamous attack upon the rules of this house. Casus belli. When it comes to bellum, "beautiful", you refer to the interventions of my colleagues and also to yours, the intellectual beauty of what you said, what Senator Corbin has said, Senator Bosa, my colleague Senator Hébert, Senator Cools, Senator Stewart. That is the connection. Thank you, sir.

Senator Kinsella: I appreciate the honourable senator's explanation of the *post hoc ergo propter hoc* relationship because, of course, that is the fallacy of no relationship at all.

Senator Stewart: But surely I must spring to the defence of Senator Murray. Senator Murray, every hour on the hour, speaks to the media and—I cannot imitate his solemn tones—he says, "The Liberals are conducting a filibuster against the GST." He repeats that again and again and again, and the telegrams come in saying unto the Liberal senators, "Keep it up, boys, you're doing a grand job."

Senator Gigantès: And I would like, if I may, Senator Bosa, to tell Senator Kinsella, since he is beginning to show scholastic—"scholastic" in the sense of the scholasticists of the church, and ontological tendencies, I would like him to turn his obviously wonderful and well-trained mind to the general problem of mathematics. This is how it is stated. Having given the number of instances respectively in which things are both thus and so, in which they are thus but not so, in which they are so but not thus, and in which they are neither thus nor so, he is required to eliminate the general quantitative relativity inhering the mere thingness of things and to determine the special quantitative relativity subsisting between the thusness and the so-ness of the things.

• (1130)

This is the most concise definition of the general problem given by M.H. Doolittle May 25th, 1887 at a meeting of the Mathematical Section of the Philosophical Society of Washington and this problem has not yet been solved as the problem of how to cure the infamy of the Prime Minister and his minion in this house, the leader of the government, Senator Lowell Murray has not been solved and is as insoluble as this is.

Senator Cools: If I may be indulged for a moment and in the interests of what Senator Kinsella has raised and in the interests, of staying on the subject matter before us, I wonder if Senator Stewart could continue a little bit in the vein on the question of the impartiality of the speaker because the question of speaker's impartiality has been one that has vexed members in both chambers for several centuries.

I wonder if Senator Stewart could share with us from that splendid mind of his a little bit of the history of the Committee of the Whole and its relationship to the impartiality of the position, Speaker?

Senator Stewart: Well, the question comes to me without notice. Lets see now. There was a time when the speaker of the House of Commons was selected by the King just as the Lord Chancellor is now selected by the Queen as advised by her ministers and just as the Speaker of the Canadian Senate is selected by our Prime Minister.

There was a time when those Speakers all were agents of the government. Indeed, the function of the Speaker in those dark and dismal times was to serve as a spy upon the work of the Commons. The Speaker sat in the chair spying on what went on, making notes and he reported on the activities of particular members back to the King. Bold commoners sometimes would

receive little billet doux telling them they had better rein in their expressions and their objections to proposals of the King's government, else they might find a head missing.

This, of course, was in the days of Henry VIII when tyranny was the order of the day.

Well, in order to escape from the subversion which was the work of the Speaker, the commons adopted the practice of going into a Committee of the Whole. This had the effect of getting the Speaker out of the Chair and they did business in the Committee of the Whole with a chairman presiding.

Now, that historical episode is important procedurally even today in the House of Commons. As we know, bills to appropriate money are not introduced. Ordinary bills are introduced in Parliament either in the Senate or the House of Commons, but bills to appropriate money from the Consolidate Revenue Fund originate in the House of Commons. What is the significance of that term "originate"?

It reveals that the first reading of the bill is a consequence of an earlier stage, a stage taken in a Committee of the Whole.

In other words, at times in the remote past, in the early times when the king wanted money, the Commons refused to consider his requests until they had had a opportunity to examine the requests and the reasons given by the ministers, and until they had had an opportunity to examine the requests without a Speaker in the Chair. They wanted to be able to discuss the request for supplies frankly among themselves, without being spied upon by the King's agent.

Senator Cools: That's right.

Senator Stewart: So procedurally, that phase is still there insofar as appropriations are concerned. That committee, of course, was the Committee of Supply. The Committee of Supply was the Committee of the Whole House that dealt with requests for supplies.

The same applied in the case of taxation legislation. I remember in the House of Commons back in the 1960s, when a tax bill was in the offing, the Minister of Finance would move at the end of his budget address that the House go into a Committee of the Whole. That particular Committee was called the Committee of Ways and Means. There always was what was called a financial resolution, a ways and means resolution, which had to precede the first reading of a taxation bill.

What has happened, Senator Cools, is that the House of Commons has truncated that early stage in the process by which tax bills are passed. What was found was that members of the House of Commons were becoming repetitious. They are inherently—

Senator Frith: That is not possible, surely not.

Senator Stewart: They are inherently—

Senator Gigantès: Senator Marshall, I am sure, never was repetitious.

Senator Stewart: No, no, not Senator Marshall.

[Senator Stewart.]

Senator Gigantès: Lets look across, I am perfectly sure Senator Marshall was never repetitious. Perish the thought. How could it be? Senator Macquarrie—

Senator Stewart: No, no. Senator Macquarrie was a good member of the House of Commons and the same would be said for Senator Marshall.

What was happening was that the Minister would move his Ways and Means motion in the Committee of Ways and Means and there would follow a long debate in the committee.

I remember well the financial critic for the Progressive Conservative party, the Hon. Marcel Lambert. He was very good in the Committee of Ways and Means. "We don't know what this proposed resolution means. If on the one hand it means this, then the following follows. If on the other hand, it means that, then the following follows. If on the third hand, it means—." He explored all the legs of an octopus before he sat down.

Then when the motion, the Ways and Means motion, had been carried, the minister would bring forth his bill. The bill would originate in the House of Commons. He would bring it to the House on the basis of a resolution in the Committee. Then when the second reading stage had been reached, all the ground would be ploughed again. And it would be ploughed yet again at the committee stage—that is the committee stage after second reading—and it would be ploughed, or should I say harrowed at the third reading stage.

That is why the House of Commons decided to abolish the ways and means committee stage prior to the beginning of tax bills. However, they had to retain the ways and means motion for an important purpose. When the Minister of Finance produces his budget and puts forward a taxation proposal in modern times, given the complexity of our economy, he generally does not presume to go forward immediately. He lays upon the table a notice of a ways and means motion and that may be on the table for many months. The purpose is to allow tax experts, accountants, tax lawyers, who might be affected materially by the proposal, to have an opportunity to go the minister and say, "All right, of course we don't like your tax, but if you insist, make it as painless as possible, improve your scheme in the following ways."

So the minister has an opportunity through the notice of ways and means motion to tell them the direction in which he is moving.

At some point later when he is satisfied that he has heard all the constructive proposals, he is now, under the Standing Orders of the House of Commons, allowed to move the motion of which he has given notice and it is dealt with without debate.

In the case of appropriation and taxation we still have in the House of Commons a lively reminder of the original function of the committees, namely, to do the crucial phase of the work without the Speaker, without the King's spy being present. In the case of taxation, atrophy has set in for the reasons I have just explained, honourable senators.

It is a complicated matter but it is important to remember that there has been a most interesting transformation in the office of the Speaker of the House of Commons. That transformation took place in the 17th century.

Senator Thompson referred to some of those transactions here the other day, transactions in which the Speaker, instead of being the King's agent, appointee, or spy, changed his role. The Speaker began to say, "I have neither eyes to see nor ears to hear, nor tongue to speak save as this House commands me."

A very important transformation took place and, Senator Cools, the point really is that that transition has not taken place with regard to the speakership of the Canadian Senate.

Senator Bosa: Honourable Senators, before I deal with the two points I began to elaborate on the intervention made by Senator Kinsella, I would like to put a question to Senator Stewart.

He had mentioned, of the speakers that sat in the House of Commons from 1955 on and in 1955, I believe it was Senator Louis Rene Beaudreau—

Senator Stewart: Beaudoin.

Senator Bosa: Beaudoin. I stand corrected, in May of 1976.

Senator Stewart: In 1956.

Senator Bosa: Yes, during the pipeline debate he had made a ruling, he allowed a procedural motion by the opposition, by her Majesty's loyal opposition to go ahead and then when he discovered that the opposition would continue to take advantage of that ruling, and that the government would not be able to meet the deadline for certain obligations that it had undertaken about the pipeline, he reversed his ruling, he reversed his ruling.

Senator Stewart, do you recall when he reversed his ruling and because he did that, he went down in history as the worst speaker that ever sat in the history of the parliament of Canada. Now, he had just reversed himself. Now, in our case with Senator Charbonneau, he had made—he had concocted a rule, he had changed the rule unilaterally which means that Senator Charbonneau has now immortalized himself as a speaker of Parliament who had made the biggest blunder in the tenure of office.

Senator Gigantès: Senator Bosa, please forgive me, it wasn't just a blunder. To inform the Tory Senators that a vote would really take place at 17:30 and then proceed to take the vote at 17:25 I don't think is just blunder. I think it is something that I can only describe in unparliamentary words which I will leave to the imagination of the members here, and there is no speaker in the history of the British Parliament who committed such an act and this is not a blunder.

This is deliberately mislead honourable senators which denied them the right to vote. Independent senators were notified, and some of them, voted with the Conservatives. It is their right, we are in a democracy. But we were denied the right to vote. We were not notified only the Tories knew the true time of the vote and that is something that will live go down in infamy and will be in the history books and it will be in all the history on the evolution of the British Parliamentary system in Canada, that a speaker nearly destroyed this House, in fact, it's still not functioning, and I don't know when we can return to the functioning of it this Speaker has to go.

Senator Bosa: Honourable senators, I used "blunder" because I did not want to be too severe on the speaker.

Senator Gigantès: You are too nice.

Senator Bosa: Because it is a known fact that that ruling was made in the office of the leader of the government in the Senate.

Senator Gigantès: But the speaker obeyed him, the speaker obeyed the leader of the government in the Senate. The speaker is not supposed to obey an order to behave in a manner that is unconscionable.

I mean, this was established in the Nurenberg Tribunals also, the fact that you have been given an order does not relieve you of the responsibility when you have obeyed an order which is wrong.

Senator Corbin: Senator Bosa, you should use the word that precedes, the word "laconia" in the dictionary. Remember that word?

Senator Gigantès: Yes, I do.

Senator Corbin: L-a-c-k-e-y.

Senator Cools: Spy for the King. This is funny.

Senator Stewart: Senator Beaudoin's name has been mentioned in this Chamber again and again during the last few days and I think it is fair to say that the common presupposition has been that he was a thoroughly bad Speaker.

I rise in defence of his memory. We are putting a false account on our records. Until the pipeline debate, Senator Beaudoin was very successful—

Senator Frith: Speaker Beaudoin.

Senator Stewart: Yes, Speaker Beaudoin. He has an excellent reputation as Speaker of the House of Commons. But he put his feet badly astray during the pipeline debate. It has been suggested, you know, that a minister of the Crown was seen leaving Speaker Beaudoin's chambers. In fact, I don't think there is any question but that at least one minister saw him. But it is also true that other members of Parliament, members from the two opposition parties, were also seen emerging from Speaker Beaudoin's chambers. That fact has been seldom noted in the history of that episode.

You know, if Mr. Pickersgill—his name is the one you will hear most frequently—if Mr. Pickersgill visited the Speaker, Speaker Beaudoin, is it not true that Stanley Knowles was also seen coming out of his chamber?

Senator Lucier: No. are you serious? Stanley Knowles?

Senator Stewart: Well, there's evidence but, you know, I am making a serious point.

Senator Lucier: You are.

Senator Cools: Very serious.

Senator Stewart: Beaudoin has been much maligned. There is no question that he put his foot astray, but he certainly did not do it under pressure from the government alone and he apparently did not do it deliberately, after much consideration, as in the case of Senator Charbonneau. I thought, in fairness to the man's name, I ought to say that.

Senator Haidasz: Honourable senators—

Senator Bosa: Senator Haidasz, I am sorry, I have the floor.

Senator Haidasz: Again? It's the third time since nine o'clock.

Senator Bosa: No, I have been trying to get on for the last three-quarters of an hour.

Senator Stewart: He has been trying to get a word in edgeways.

Senator Bosa: I am still terminating the point that Senator Corbin had raised and I yield the floor to Senators who want to ask me questions and in doing so I do not intend to be finessed out of my right to continue on the subject.

Senator Cools: You are generous.

Senator Bosa: Now, we were talking about speakers—-

Senator Cools: And their impartiality.

Senator Bosa: The impartiality of speakers, yes. The following speakers were the ones who succeedded Beaudoin: Mr. Michener, Mr. Lambert, Mr. MacNaughton—and at that time I was the special assistant to the government house leader, so I have some recollection of some of the happenings—and Speaker Lamoureux. Senator Stewart has described Senator Lamoureux as the most impartial speaker, as having a reputation of being the most impartial speaker that sat up to that time in the House of Commons, but I recall, and I am wondering whether Senator Stewart remembers this, that the Creditistes , they moved a motion of censure against the Speaker Lamoureaux. Either censure or they challenged a ruling that he made. This challenge was very much regretted by everybody including Her Majesty's loyal opposition, because they saw in Speaker Lamoureux a really impartial individual but the Creditistes, led by Gilles Gregoire, who was the house leader for the Creditistes under Caouette, at the time moved the motion of censure because Lamoureux didn't yield to a motion that the Creditistes had made.

I am just wondering if Senator Stewart remembers this event?

Senator Stewart: Senator Bosa, I have to say that I do not recall that particular episode.

Senator Haidasz: Honourable senator—

Senator Bosa: No, I haven't finished.

Senator Haidasz: Holy mackerel!

Senator Bosa: I wish to speak. I will yield to you, I will yield to you, we have until 2 o'clock to speak you know.

Senator Haidasz: No, no—

[Senator Lucier.]

Senator Stewart: Senator Bosa, I think you have made a most constructive suggestion, I think you should yield to Senator Haidasz who obviously has some important petitions.

Senator Bosa: I will yield to you.

Hon. Stanley Haidasz: Honourable Senators, I first would like to thank Senator Bosa for yielding the floor in order that I may perform my important task this morning during these famous debates in the Senate. That of presenting a petition to Her Majesty Queen Elizabeth II, Queen of Canada, on behalf of her loyal subjects.

I see in the chair a person that I first came to know 40 years ago in the Burnside Institute of the Toronto General Hospital where he was called to see one of my patients who had some problems, a patient in labour with some problems, with cystitis. He was a young man, Dr. Efstathios Barootes, a senior intern in urology at that time.

At that time I didn't even dream that I would meet him again in this Chamber, but today he is occupying the Speaker's Chair. Senator Barootes, as you know, was baptized Efstathios after a famous Greek saint whose name translated into English means "he who is well placed" and our senator is well placed in the speaker's chamber this morning; and his family name is Barootes, which means in English "gunpowder". This is a man who, as a practising neurologist in Regina, Saskatchewan, was the source of a lot of gunpowder during the battle against The Health Act or Health Insurance Act in Saskatchewan which was being promoted by the Premier of that time, Premier Tommy Douglas.

Honourable senators, I am engaged in presenting to you a petition to be relayed to Her Majesty. As you know a petition is a respectful and humble request in the form of a supplication or a prayer addressed to the Senate to be heard ultimately by Her Majesty Queen Elizabeth II, the Queen of Canada.

This duty for us as senators presenting petitions on behalf of the loyal Canadian citizens is a privilege and, a pleasant duty.

I refer you to *Beauchesne's* Rules and Forms of the House of Commons of Canada, fifth edition, by Alistair Fraser, W.F. Dawson and G.A. Birch, where they state or—they talk about the right of petition and they say,

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution and has been exercised without interruption in Canada since 1867.

This is a continuation of public petitions which originated in the House of Commons of the United Kingdom. The right of petitioning the Crown and Parliament for redress of grievances has been exercised for many centuries.

The historical and constitutional aspects of petitions to the Queen in Parliament which were originally directed to the judicial rather than legislative remedies and from which, in the medieval period, the form of legislation both by public and private bill was only gradually derived—was not considered in the work by—*Erskine May's* Treatise on the Laws and Privileges, Usages, of Parliament, from which I am reading.

> Public petitions may pray for an alteration of the great law for the reconsideration of a general administrative decision and they may also pray for redress of local or personal grievances.

What we are doing here in this Senate at the present time is to petition Her Majesty to stop the GST which is opposed by 85 percent of the Canadian people and which, in the minds of many bishops of this country which appeared before the Senate Banking and Commerce Committee, the GST is an immoral law.

• (1200)

Honourable senators, I commence with the first petition as follows:

> With respect to the proposed national goods and services tax, the undersigned, your petitioners, humbly pray and call upon the Senate to prevail upon the Government of Canada to stop the induction of the proposed goods and services tax.

(*Names of signatories read*)

For the edification of the ladies and gentlemen in the gallery and all honourable senators here in the Chamber, St. Catharines is the garden city of the Province of Ontario, situated halfway between Toronto and Niagara Falls, which is the honeymoon capital of Canada. St. Catharine, as you will recall, was an Italian saint who originated from Sienna and was noted for her great knowledge and wisdom. I am sure that is one of the reasons why the founding fathers of the City of the St. Catharines chose her name for their place of settlement in that beautiful part of Ontario.

May I add that last weekend St. Catharines was the city which hosted the 31st Bi-annual Convention of the Canadian Polish Congress. The delegates to that conference received a very warm welcome from the people of that city. The main speaker at the convention banquet happened to be the Minister of State responsible for Multiculturalism and Citizenship at this time, the Honourable Gerry Weiner. Mr. Weiner announced at that time a new initiative in the federal government's policy of multiculturalism relating to the treatment of heritage languages in Canada, the establishment of a heritage languages institute, which is to be, in effect, a university without walls, situated in Edmonton, Alberta.

What the minister in charge of multiculturalism omitted, or neglected to bring to the attention of his listeners at that banquet was that October 8 was the 19th anniversary of the proclamation of the official federal government policy on multiculturalism which was announced in the House of Commons by the Right Honourable Pierre Elliott Trudeau.

Senator Murray: Read us your petition, honourable senator.

Senator Haidasz: In a moment, sir — a policy which apparently struck a responsive chord in the leader of Her Majesty's Loyal Opposition, the Honourable Robert Stanfield of Nova Scotia, leader of the Conservative Party; followed by David Lewis, leader of the New Democratic Party; and then by Réal Caouette, the leader of the Creditiste Party.

When I was called to the podium, honourable senators, I told the delegates in convention that not only was that policy as proclaimed by the then-Prime Minister, an enlightened policy, but also a just society policy because of the way in which the then-Prime Minister thought about multiculturalism and why he had chosen to adopt it as an official policy of his government.

Honourable senators, I was given the task as the first Minister of State responsible for Multiculturalism to implement that policy across Canada. I was followed by many others, including our former colleague, Senator Joseph Guay. What Mr. Trudeau said in the House of Commons on October 8, 1971 helps us to understand the rationale, the justification, and the need for this policy which is already 19 years old this weekend.

At that time, the Right Honourable Pierre Elliott Trudeau stood up in the House of Commons and said the following:

> Mr. Speaker, I am happy this morning to be able to reveal to the House that the government has accepted all those recommendations of the Royal Commission on Bilingualism and Biculturalism which are contained in Volume IV of its reports directed to federal departments and agencies. Hon. members will recall that the subject of this volume is "the contribution by other ethnic groups to the cultural enrichment of Canada and the measures that should be taken to safeguard that contribution".

Honourable senators, Volume IV examined the whole question of cultural and ethnic pluralism in this country and the status of our various cultures and languages, an area of study given all too little attention by scholars.

> It was the view of the Royal Commission—

—a member of which at that time was our deputy leader on this side of the Senate, Royce Frith—

> It was the view of the royal commission, shared . . . I am sure, by all Canadians, that there cannot be one cultural policy for Canadians of British and French origin, another for the original peoples and yet a third for all others. For although there are two official languages, there is no official culture, nor does any ethnic group take precedence over any other. No citizen or group of citizens is other than Canadian, and all should be treated fairly.
>
> The royal commission was guided by the belief that adherence to one's ethnic group is influenced not so much by one's origin or mother tongue as by one's sense of belonging to the group, and by what the commission calls the group's "collective will to exist". The government shares this belief.
>
> The individual's freedom would be hampered if he were locked for life within a particular cultural compartment by the accident of birth or language. It is vital, therefore, that every Canadian, whatever his ethnic origin, be given a chance to learn at least one of the two languages in which his country conducts its official business and its politics.

A policy of multiculturalism within a bilingual framework commends itself to the government as the most suitable means of assuring the cultural freedom of Canadians. Such a policy should help to break down discriminatory attitudes and cultural jealousies. National unity if it is to mean anything in the deeply personal sense, must be founded on confidence in one's own individual identity. Out of this can grow respect for that of others and a willingness to share ideas, attitudes and assumptions.

This was the conclusion of the Volume IV of the Royal Commission. As I mentioned, the name of Royce Frith, now our colleague here in this chamber, was affixed to that Report.

On October 8, 1971, in the House of Commons, Mr. Trudeau continued to say:

> A vigorous policy of multiculturalism will help create the initial confidence. It can form the base of a society which is based on fair play for all.
>
> The government will support and encourage the various cultures and ethnic groups that give structure and vitality to our society. They will be encouraged to share their cultural expression and values with other Canadians, and so contribute to a richer life for us all.
>
> In the past, substantial public support has been given largely to the arts and cultural institutions of English-speaking Canada. More recently and largely with the help of the royal commission's earlier recommendations in Volumes I to III, there has been a conscious effort on the government's part to correct any bias against the French language and culture. In the last few months the government has taken steps to provide funds to support cultural educational centres for native people. The policy I am announcing today accepts the contention of the other cultural communities that they, too, are essential elements in Canada and deserve government assistance in order to contribute to regional and national life in ways that derive from their heritage yet are distinctively Canadian.
>
> In implementing a policy of multiculturalism within a bilingual framework, the government will provide support in four ways.
>
> First, resources permitting, the government will seek to assist all Canadian cultural groups that have demonstrated a desire and effort to continue to develop a capacity to grow and contribute to Canada, and a clear need for assistance, the small and weak groups no less than the strong and highly organized.
>
> Second, the government will assist members of all cultural groups to overcome cultural barriers to full participation in Canadian society.
>
> Third, the government will promote creative encounters and interchange among all Canadian cultural groups in the interests of national unity.
>
> Fourth, the government will continue to assist immigrants to acquire at least one of Canada's official languages in order to become full participants in Canadian society.

[Senator Haidasz.]

In my experience, travelling throughout Canada in order to promote and explain this policy, I would bring to the attention of all honourable senators that I was most impressed with Sydney, Nova Scotia on Cape Breton Island—the inhabitants of which were so attached to their Scottish ethnic roots.

Some Hon. Senators: Hear, hear!

Senator Haidasz: Not only was I impressed, but I was edified by the citizens of Sydney, Nova Scotia, and that experience helped me a great deal to keep on working to promote further this policy throughout Canada.

Senator Murray: Do you have a petition, senator? Have they given you a petition to present to parliament?

Senator Haidasz: Yes, there are many petitions from Nova Scotia.

Senator Murray: Then kindly present them, senator. We are now at the point of presentation of petitions. Kindly operate approximately within the rules.

Senator Haidasz: Honourable senators, I continue.

(*Names of signatories read*)

Senator Phillips: Do I understand that you are refusing to present petitions from Cape Breton?

Senator Haidasz: No, senator. However, they will be presented by the senators from the Province of Nova Scotia. I do not want to trespass on their privilege. Furthermore, they know more about Nova Scotia then I do, Senator.

The second name on this petition is that of a petitioner from Warsaw, Ontario. That reminds me of Warsaw, Poland where the original Warsaw was founded. It was the third site for a capital of Poland—

Senator Gigantès: What was the first capital?

Senator Haidasz: The first capital was Gniezno, which means "the nest". In other words, where the nest of the Polish nation was situated.

Senator Gigantès: Is there still a city of that name?

Senator Haidasz: Yes, there is.

Senator Gigantès: Where is it, Senator?

Senator Haidasz: It is adjacent to Poznan, just 40 kilometres from the border of West Germany. It was the area which felt the initial brunt of the Nazi onslaught on Poland on September 1st, 1939.

Senator Gigantès: Therefore the territories on the west side of Poland were originally Polish?

Senator Haidasz: Yes, and which, in the settlement after World War II, were ceded back to Poland. As I mentioned, Warsaw was the third capital. The second capital was Krakow—

Senator Gigantès: On this question of the territories which were ceded back to Poland after the war, do you believe from your contacts with the Polish nation that it feels sufficiently reassured that there will not be the usual German irredintism,

now that the two Germanies have united themselves, leading to another attempt to despoil Poland of her traditional territories?

Senator Haidasz: That is a very interesting and serious question. The new government of Poland has always petitioned the four occupying powers of West Germany that, before unification of East and West Germany could take place, the Chancellor of West Germany, on behalf of the German nation, would have to make a solemn pledge that, for evermore, the western boundaries of Poland would be guaranteed.

Although Chancellor Kohl made the solemn statement and promise on behalf of the German people, I want to answer Senator Gigantès' question specifically that there still is a burning sensation under the skin of the Polish people in this regard; a fear that a Poland situated between Germany and Russia is not a secure country. I think the majority of Polish people live with this sort of feeling of insecurity. That is one of the sad aspects of the present thinking and feeling of many Poles.

Warsaw, as I mentioned, also felt the onslaught of the Nazi armies of Adolf Hitler. They bombed Warsaw and burnt it to the ground. There was not one building left standing. However, to the credit of the Poles, their architects succeeded in preserving the architectural plans of old Warsaw and, after World War II, rebuilt the city to what it had previously been before it was demolished by the Nazi hordes of Adolf Hitler.

The next address on this petition is Toronto, Ontario. Toronto, as you know, is the largest city in Canada. I happen to have been born there in 1923 and had the privilege of representing Toronto Trinity riding in the House of Commons when I was first elected there in 1957.

Toronto, as honourable senators well know, draws a lot of tourists. Every year, the Caribana Festival is held in Toronto when black Canadians, black Americans and black people from Jamaica, Trinidad and Tobago, and even blacks from Nova Scotia come to Toronto to take part in the Caribana Festival every August. This Festival shows the culture of these people to Canadians and helps us to understand them and feel enriched by what they have to contribute to multicultural Canada.

The next address on this petition is Peterborough. As you know, Peterborough is the home of Quaker Oats in Canada. It is also the home of one of the factories of General Electric, where many Canadian electrical engineers contribute to the building of Canada.

The next address mentioned on the petition is Lakefield, Ontario. Lakefield is situated between Peterborough and Barry's Bay. As you know Barry's Bay is the heart of the Madawaska Valley of Ontario where the first group of permanent settlers from Poland settled in Canada in 1859.

Senator Corbin: That is correct. I know the area.

Senator Haidasz: I recommend that you visit the Madawaska Valley. It is one of the most beautiful areas of Ontario.

(*Reading of names from petition continued*)

There is an address here on this petition in Belleville, Ontario. We have heard a great deal about Campobello and other cities that have this prefix or suffix of "belle". "Belleville" is a french name meaning "beautiful city" and Belleville, Ontario is indeed a beautiful city on Lake Ontario, situated almost halfway between Toronto and Ottawa.

(*Reading of names on petition continued*)

There is an address here in Lindsay, Ontario. Lindsay, Ontario was the home and the riding of Premier Leslie Frost, one of the most popular and successful premiers of the Province of Ontario.

(*Names of signatories read*)

There is an address on this petition of Hudson Street, Peterborough. The founding fathers of Peterborough wanted to honour a famous Canadian and thus named one of their streets after the famous Henry Hudson, who was one of the original explorers of North America. His great feat was to explore that big body of water which we call today Hudson Bay, which lies between, on the one side, the North West Territories, Ontario and Quebec and Ungava on the other.

(*Reading of names from petition continues*)

Senator Cools: Senator Haidasz, might I interrupt you? I wanted to tell you that Lakefield is the home of a famous school called Lakefield School. One of Her Majesty's sons went to school at Lakefield.

Senator Haidasz: A very good point, Senator Cools.

Senator Gigantès: My daughter had a boyfriend from there. He was a charming boy with excellent manners. He used to pretend that he could not open a jam jar and would pass it to me to do it. He was really charming.

Senator Haidasz: I will continue with the petition.

(*Reading of names from petition continued*)

There is an address on this petition in Bancroft, Ontario. That riding was well served by the members of the famous Maloney family. Arthur Maloney, who was a famous lawyer, had a brother, Monsignor Maloney, who was the pastor of the Roman Catholic parish in Bancroft. His other brother was a member of the provincial legislature of Ontario for that area.

The original Maloney, Dr. Maloney, was a doctor from the Madawaska Valley.

Senator Murray: I think we can be certain, however, and I am sure my learned friend would agree, that none of those Maloneys, either living or dead, would have signed that petition.

Senator Gigantès: What was that?

Senator Murray: I said that none of those Maloneys, all of whom are known to me, would have signed the petition that my honourable friend is bringing to the attention of this House.

Senator Haidasz: I am not the prophet that Senator Murray pretends to be, but nonetheless—

Senator Murray: Well, you do not know the Maloneys.

Senator Gigantès: Are you saying that these signatures are forgeries?

Senator Murray: You weren't listening, Senator Gigantès.

Senator Gigantès: I do not listen when you speak. It makes me too angry.

Senator Haidasz: I will continue with the reading of my petition:

(*Names of signatories read*)

• (1230)

Senator Gigantès: How do you pronounce it yourself, sir?

Senator Haidasz: Well, in Polish it is pronounced phonetically "Haidasz".

Senator Gigantès: What is wrong with "Haidasz"? It is not difficult to pronounce.

Senator Haidasz: Well, for some it is, senator. You are a polyglot and a philologist. It is easy for you, but there are people who have difficulty.

Senator Gigantès: With Haidasz? Well, if they have difficulty with Haidasz, how would they manage "Protopadacopoulos"?

(*Names of signatories read*)

Senator Haidasz: I am asking myself why there are so many people against the GST in Peterborough. Well, I am afraid that those poor, hardworking people have enough of high taxes in Canada. The people of Ontario are now, today, the most highly taxed in all of Canada. I fear that the people of Peterborough feel it badly and fear the GST; and that is why they came and signed this petition.

(*Names of signatories read*)

Senator Haidasz: Well, I really sympathize with the people of St. Catharines. There is a lot of unemployment there at the present time. They fear that the GST will not only increase inflation in Canada, but also will cause the bankruptcy of still further small industries, many of which are situated in St. Catharines, Ontario.

(*Names of signatories read*)

Senator Haidasz: Oshawa is the home of the biggest GM automotive plant in Canada.

An Hon. Senator: Broadbent, Ed Broadbent.

Senator Haidasz: Yes, I hear the words Ed Broadbent.

Senator Gigantès: Has he signed the petition?

Senator Haidasz: Not on this one, but I am sure that he is against the GST.

Senator Gigantès: Despite the fact that they gave him patronage appointment which he accepted and which the Tories have the bad taste face of rubbing his nose into every time they speak about it in the House of Commons. Because if they thought it was a wrong appointment, to make, why the hell did they make it? Forgive me for the word.

[Senator Murray.]

Senator Haidasz: Well, Senator Gigantès, the Conservative government has made a lot of mistakes, a lot of bad appointments. So it is nothing new what they did with the appointment of Broadbent to that International Human Rights Institute.

(*Names of signatories read*)

There is one from Burlington. Now that is another place where the people will be hard hit by the GST as this government proposes. Burlington, Ontario, as you know, was considered suburb of Hamilton. Now, it is a city of its own. A lot of people that work in Hamilton commute and live in Burlington.

(*Names of signatories read*)

Since we have heard names from Warsaw, I just would like to add, at the present time in Warsaw is being held the International Chopin Competition. It is held in Warsaw every five years. It brings together the most famous pianists and many judges in the piano field to Warsaw where the competitors are to play any piece composed by Frédéric Chopin. His father was French, who moved to Poland and married a blue-eyed blonde in Warsaw and remained there and became the father of Frédéric Chopin who is one of the greatest piano composers in history.

An Hon. Senator: In Ontario or Warsaw, Poland?

Senator Haidasz: In the city of Warsaw.

Senator Cools: Warsaw, Poland.

Senator Haidasz: Warsaw, Poland, is about 50 kilometres from the birthplace of Frederic Chopin. The birthplace is called Zelazowa-Wola, which means the Iron Will.

(*Names of signatories read*)

Regis. I suppose that is the place of Regis College in Scarborough, which is a most eminent Jesuit school for boys. As you know, the Jesuits are an educational Order. They are celebrating their 450th anniversary at the present time. The Jesuits were founded by Ignatius Loyola who came from Loyola, Spain. There are more than 25,000 Jesuits throughout the entire world at the present time.

Ottawa was honoured by a visit of a former Jesuit last Tuesday and Wednesday. He name is Malachi Martin, the Reverend Malachi Martin, a priest who left the Jesuit Order after having taught at the Pontifical Biblical Institute in the Vatican.

An Hon. Senator: He would understand then the purposes of the value added tax and a broadly based sales tax. I cannot imagine why Father Martin signed that petition. I presume my friend is alleging that he did.

Senator Haidasz: Father Malachi did not sign this petition.

An Hon. Senator: Well, who did sign the petition? I think it rather out of order for my friend to give us a list of people who did not sign the petition. Perhaps he might tell us who did sign it.

Senator Haidasz: I am talking about Regis, where this signator comes from. Now, he comes from Regis, which is the

Jesuit College, I told you, in Scarborough. The Jesuits this year are celebrating their 450th anniversary; and one of these former Jesuits visited Parliament Hill last Tuesday and Wednesday. I had him as a guest for dinner just before he gave a speech on the faith.

An Hon. Senator: And you made him pay.

Senator Haidasz: No, I paid. The next day he spoke at the Ottawa public library about his 15th book the 15th book he has written. He wrote one on the Vatican, one on the Hostages to the Devil, about the exorcisms. He wrote one about the Bear. And this latest book, which is being sold in Canada and the United States, is entitled "The Keys of my Blood" and the sub-title is "A Struggle for Power by John Paul II, Mikhail Gorbachev and the Capitalist West". It is a 700-page book, which I have just finished reading last weekend. It has many interesting details and it has a very deep insight into that struggle for the world, for the soul of the world being fought now by John Paul II, Mikhail Gorbachev and the capitalist west.

An Hon. Senator: Who is winning?

Senator Haidasz: I think that so far, Pope John Paul II is winning because he had a lot to do with Solidarity and the liberation of Poland from the communist regime, which was then followed by the overthrow of the communist regimes in many other eastern European countries.

An Hon. Senator: Did he happen to mention how they deal with a question of privilege and point of order in the Jesuit congregation?

Senator Haidasz: In which congregation?

An Hon. Senator: The Jesuit congregation.

Senator Gigantès: Would you please answer his question? You were asked a question.

Senator Haidasz: I think that is a good question, but a question which probably can be better answered by a Jesuit or a Jesuit scholar.

Senator Gigantès: I was taught by the Jesuits.

An Hon. Senator: You do not need a Jesuit scholar, you have got my friend, Senator Gigantès; he is everything.

Senator Gigantès: Honourable senators, at general request and to applause that makes me feel extremely modest and humble, I must say that in the general congregation the rules that prevail are those of Plato's *Republic*. Everyone appointed to the general congregation is appointed by the Pope. So, there are two categories of people, as in the Soviet system, as in a bureaucracy. There are the dissemblers who lick books, but wait with a stiletto in their hand to stab their leader and take over. And there are the genuine believers. But, generally, if the head of such a system is agile and strong and well informed, there is usually information that is available to him. He can generally cut off people at the knees before they overthrow him.

There are wonderful examples of this sort of stuff.

An Hon. Senator: John Turner.

Senator Gigantès: I was going to go a little earlier than that, a similar example, with Cardinal Diez of France. At the famous conclave in a church in southeast France, where various factions wanted to move the papacy from Avignon back to Italy, they did not want to hold the meeting. And Prince Philippe of France, who later became Phillippe VI of France, lured them into the church and said they would get nothing but bread and water, which, of course, for Cardinals is a great hardship, until they elected someone. And one of them, Cardinal Diez, who was 72 years old—people who think that we are old should consider what happens next—pretended he was mortally ill. And the other cardinals thought they were going to be extremely sly, elect this moribund person and then get out, the doors would be open. Jean Diez would die. No, John XXII. The XXXIII is the one we had recently. So he became John XXII. They were hoping that he would die within a week, because he looked so very ill. But it was dissembling; he survived, and he lived to the ripe age of 93 as an extremely strong pope, who brooked no opposition whatsoever at all. He was into alchemy. He really believed that he could transform base metals into gold. And into numerology. And his opponents suggested he engaged in some sort of witchcraft now and then, but also demonology, but despite all these rumours he remained in power, and he is the one that made the greatest exploitation of indulgence letters in the church. So, the rules are different in a general congregation. They probably resemble what happens in your cabinet, rather than what happens in a democracy.

An Hon. Senator: Thank you, Senator Gigantès.

Senator Gigantès: Anytime.

Senator Haidasz: I have some more names.

(*Names of signatories read*)

Hastings. Well, we have the honour in this chamber to have a Hastings. One of his ancestors was, I guess, the one who owned the field of Hastings. You recall the Battle of Hastings? Tell us something about the Battle of Hastings.

Senator Gigantès: I was asked a courteous question by a fellow senator. The Battle of Hastings is a very important battle in the history of the world because it established, in effect, the political regime that formed modern England. The Saxons who were there and who had begun subjugating and integrating with the Gaelic population that, to this day, is downtrodden, although downtrodden—if you talk of the Scots they complain they are downtrodden, but they actually run the whole of Britain, but I think the Welsh with the exception of Lloyd George, who had 22 mistresses during the First World War, some of them concurrently; maybe that is why the war lasted so long.

The Battle of Hastings was extremely important because the Norman forces, which had Scandinavian blood—and there already was a well—established Scandinavian presence on the east coast of England, Norfolk, you know, and Lincoln, strong Scandinavian roots; Whitby. That is a Scandinavian name.

In that battle, the forces coming from France, Normandy and bringing, therefore, a strong element of the Latin culture which they had acquired there, and taste for French wine, battled the—unready king and won. Now, it is regrettable his plight was romanticized, but, you know if you are not able to properly prepare, to foresee, to know what the dangers are and know avenues of retreat and new positions, you will be defeated, and your people will suffer, as the people of Canada are suffering because Mulroney is a bad commander who does not know how to lead us out of the valley of darkness into which he has plunged us. Thank you.

Senator Phillips: Honourable senators, I am happy to interrupt the thesis of Senator Gigantès that Chopin was actually Greek and inform the house that there has been agreement between both sides that we shall have a lunch break from 12:30 to 1:30.

The Hon. the Acting Speaker: Honourable senators, I am informed that there is a mutual understanding that I should leave the chair at 12:30 and return at 1:30. Is there agreement on that?

Senator Frith: Precisely as we do under our rules, at 6 p.m. and 8 p.m.

Senator Haidasz: I would like to bring to your attention that I was standing when this motion was made. I have the floor. Thank you.

The Senate recessed during pleasure.

At 1:30 the sitting of the Senate was resumed.

Hon. Stanley Haidasz: Honourable senators, it is my privilege and duty to resume reading into the record petitions by the loyal citizens, subjects of Her Majesty, Queen Elizabeth II, the Queen of Canada, with regard to their supplication and prayer that the Senate do prevail on the government of Canada to stop the introduction of the proposed Goods and Services Tax.

This presentation of petition's is the right that we have in this hamber, enabling the loyal citizens of Canada, such as the men and women even in the public galleries of this chamber, to make such petitions to redress grievances. This is a fundamental principle of the Constitution which has been exercised without interruption since 1967 in Canada, and for more than 600 years, a tradition in the United Kingdom. These public petitions pray for an alteration of a general law or a proposed law, and they also may pray for redress of personal grievances. The reading of the petitions I began earlier and which were interrupted by our lunch break, and for us Liberals, by a meeting with the Pro-Canada Network, an umbrella organization of unions, farm organizations, consumer organizations and other organizations, who are here in Ottawa this afternoon while we continue this historic debate in this Chamber.

And so, I continue with petitions signed by citizens from Ontario. The next name on the list that I have in my hand is from Scarborough, Ontario. As you know, Scarborough used to be a suburb of Toronto. It is now one of the six boroughs of Metropolitan Toronto. It has a modern municipal building. It is one of the fastest-growing municipalities in Canada. It is diverse in ethnic composition, in the various small businesses and even big industry. These people feel that the proposed GST is going to not only harm their personal and financial status, but also may even lead to the loss of jobs because of possible bankruptcies of the many small businesses in Scarborough and the cut-down of staff in many large industries, some of which have already left Scarborough and gone to the United States or Mexico because of free trade, and that will be further menaced should the GST hit them.

The next name is from Westhill, Ontario. That is in Scarborough. The next petitioner is from Agincourt, Ontario. Agincourt, that is a glorious name of an historical event in England.

Senator Gigantès: No, no, it is in France, and it is called "Agincourt" in French.

Senator Haidasz: Would you explain that?

Senator Gigantès: This is a famous battle where King Henry IV encountered the hosts of France who had superior calvary and, of course, much superior numbers.

Senator Stewart: Perhaps more wine?

Senator Gigantès: I do not know whether the wine was a factor. What was a factor there was the arrogance of the ruling class, which really believed that because they were richer and they had armour, they were superior to the yeomen of England who were good, hard working farmers and terrific with a long bow. It was a fairly simple tactic that King Henry adopted. He arrived early and chose high ground surrounded by marshy meadows, through which the horses of the French knights had travelled in the past. He dug into the ground strong stakes which were then sharpened into points and which were not visible to the knights on horseback because in front of the stakes stood the bowmen. As the knights of France in their glorious raiments with banners flying rushed towards them, a cloud of arrows left the long bows and killed large numbers of them, and those who did not get killed suddenly found that their horses were impaled on the stakes. The lower orders from the bowmen, the ordinary peasants with their long skinning knives destroyed what was left of the French chivalry. The King of France was taken prisoner. So were the princes. This was a victory of Sweet Prince Hal, as he is called by Falstaff in *King Henry IV,* a young prince who was supposed to be dissolute but was in fact a reformer; a very liberal king he turned out to be, who showed flexibility; the flexibility that lacks in the Conservative mind. And that is a long lesson of history.

For instance, in Athens, there was a conservative faction, the rich Athenian who could afford armour. But so could the Spartans. The Spartans were professional soldiers. They were training eight hours a day, at least. Whenever the army of infantry of Athens met the army of infantry of Sparta, the Spartans won. If, perchance, the army of infantry of Athens

was engaged elsewhere and the Spartans invaded Attica and arrived at the gates of Athens, of necessity Athens sent out the peltastes. The peltastes were the rabble, the mob that came out throwing stones with slates, they may have had some arrows, and they stood away from the Spartans and they literally lapidated them to pieces. Now, every time the highly trained Spartan infantry met the unruly mob of Athens, it lost.

Now, would the good Conservative rich burghers of Athens understand the lesson? No. They felt that it was socially demeaning to let the poor actually show themselves to be better than the rich. They kept insisting on going out and getting cut to ribbons. It is a sad commentary.

The nadir of Conservative military thinking was the First World War, where you had these idiot generals fighting trench warfare and butting against one another like rams in rut, instead of trying some tactic of going around the lines, and millions of young men were slaughtered in senseless attack against barbed wire behind which were massed machine gun nests.

The folly of it is that the Conservative government that followed the Liberal government of Lloyd George—Lloyd George was otherwise occupied during that war because he had 22 mistresses, some concurrently during the First World War, which, of course, sapped his energy. Twenty-one, twenty-two, is a lot.

The Conservative government that followed Lloyd George's government actually gave an earldom to General Haig, the man who had said that the victor in such a war was the one in whose army one soldier was left standing, whereas in the other army no one else was left standing.

The nation of France statistically lost about an inch in height because of that. It had lost an inch of height in the Napoleonic wars. By the way, Napoleon is the one who made that absolutely intolerable reference when he was told at Austerlitz that he had lost 100,000 men dead; he said, "That's nothing. One night of love in Paris replaces them." Anyhow, this is the kind of mind that the military people have. They are a very conservative lot and they seldom, if ever, tolerate the innovators among them, like the great Lord Windgate, the fellow who founded the British Commandoes who were dropped behind enemy lines behind Burma and Thailand, and who tied down many, many Japanese divisions, each one being able to tie down a hundred.

[*Translation*]

Senator David: On a point of order. The person presenting the petition is supposed to do so briefly. This brevity, we have been enduring it since yesterday, since 1h00 yesterday morning, that is almost 24 hours ago. I suppose that according to the same regulations, the person giving an explanation should also be brief and not necessarily give us a wonderful lesson in history to show us how learned he is, but to give a reasonable explanation to Senator Haidasz, otherwise we will wonder which one of the two has the floor at the present time.

Senator Gigantès: The Honourable Senator could not find anything in the regulations saying that if the senator ask me a question I should answer in such and such manner; I cannot see the word "briefly" apply to the answer I am giving to Senator Haidasz, and the only application of the word "briefly" or rather "brief" deals with the content of the petition itself and not with the names written on it; so, reading the petition for instance, (do you have one? yes, the Senator has one here), the integral text of this petition is:

[*English*]

> "On the subject of the proposed national goods and services tax, the undersigned, your petitioners, humbly call upon Parliament to reject the proposed goods and services tax."

Now, our rule says that we must make a brief statement about that, and generally I say an anti-GST petition, which is an abbreviation of what the petition says, there is nothing in the rules that says that I must not read the names.

[*Translation*]

Senator David: There could be some logic.

Senator Gigantès: But there is absolutely nothing a Conservative can say about logic! There is nothing in the rules saying that my answers to Senator Haidasz should be briefer than you. Would you like me to give you a long dissertation for example on the battle of Hastings. I have not spoken yet about the Bayeux tapestry. But I could speak about the Bayeux tapestry for hours because it is a very interesting find.

Senator Haidasz: I want to thank Senator Gigantès for his explanations, which are not only interesting but also give us a lot of information about our predecessors' history in England and in France.

[*English*]

Senator Gigantès: The Bayeux Tapestry, yes, this is what I wanted to talk about. I forgot earlier when talking about Hastings, because we have this magnificent document.

Senator Doody: On a point of order, the gentleman knows very well the presentation of the petitions has absolutely nothing to do with the history discourses that we are being treated to here. If the object of the honourable gentleman opposite is to try the patience of the people on this side of the house to the extreme, then this place deteriorates to the state it was last week. If that is the object, the honourable gentleman has headed down exactly the right course, I can assure him this is flagrant abuse of the rules and will not be tolerated. Now, stick with the rules. Stick with the rules. Get on with the petitions and we will patiently listen to you; but if you are going to get off on this nonsense about the battle of Hastings and these other irrelevancies, then I think we are in for a different sort of a session.

The Hon. the Acting Speaker: I would like to answer Senator Doody. I am very sympathetic to your cause, but the Chair has no power; so having no power to limit the debate, I must listen.

An Hon. Senator: It is not a debate, sir, it is a presentation of petition.

Senator Haidasz: We in Canada have a parliamentary system, a system which allows us, as the word says, to talk. In other words, we have the freedom of speech. Anyway, in thanking Senator Gigantès, who gave the petitioner and signatory on this petition from Agincourt, Ontario, an explanation, how he feels, I am sure that the petitioner, too, is interested in the history of the town which carries the name of Agincourt, and as Senator Gigantès told us about the good and liberal King Henry IV.

Senator Gigantès: Fifth.

Senator Haidasz: Fifth. This reminds me of something opposite. The bad King Henry VIII, bad because of his marital misbehaviour—

POINT OF ORDER

Hon. C. William Doody (Deputy Leader of the Government): A point of order. When a member presents a petition, he may not make a speech nor present argument in support of the petition. He may speak to the petition. The bad King Henry V has got absolutely nothing to do with this.

Senator Gigantès: He said the bad King Henry VIII.

Senator Doody: Henry the VIII, I meant, sir.

Hon. Stanley Haidasz: Well, I should remind him that our sovereign, the Queen of Canada, Queen Elizabeth—

An Hon. Senator: She is not a king.

Senator Haidasz: —Queen Elizabeth II had an ancestor named Queen Elizabeth I.

An Hon. Senator: This is a coincidence.

Senator Haidasz: One of the daughters of King Henry VIII. Queen Elizabeth I, an ancestor to Queen Elizabeth the II, the Queen of Canada, at one time said something pertinent. Some bishop of the Church of England came to her complaining, and Queen Elizabeth I said, "Proud prelate, you know what you were before I made you what you are." This reminds me of something else, but I will continue with what she said. "If you do not immediately comply with my request, I will unfrock you, by God." Well, this applies to all of the patronage appointments, even to the appointment of the Speaker Charbonneau to this Chair, which, as you know, although not present, has some relevance to what we Liberal senators are conducting.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Stanley Haidasz: Anyway, I will go to the next name on the list, a person from Lakefield College. We heard about Lakefield before. That is where one of the sons of Queen Elizabeth II—one of the grandsons of Queen Elizabeth I—

Senator Gigantès: No, son.

Senator Haidasz: Son of Queen Elizabeth II, spent his high school days with his fellow-Canadian boys.

[The Hon. the Speaker.]

Then there is a petitioner from Lakefield, Ontario; another from Lakefield, Ontario; Highland Grove, Ontario, another Canadian citizen who fears the GST and its ruinous effects, of course, upon his family and our country.

The next page has the following signatories. From London, Ontario, the home of one of our colleagues, Senator Charlie Turner, London; former home of former Premier John Robarts.

Senator Bosa: And Peterson.

Senator Haidasz: And former Premier David Peterson. London, of course, was named after the capital city of England. London, England, which is the seat of the British Parliamentary System, of which we are an heir.

Then there comes another petition from North London, Ontario; have is one from Bancroft, Ontario. I told you that Bancroft is a place where the famous Conservatives like Arthur Maloney and his brother, Monsignour Mulroney, and then another brother of his, who was the Minister of Mines and Resources in the—

An Hon. Senator: Maloney.

Senator Haidasz: I mean Maloney. I am referring particularly to Arthur Maloney, whom I defeated in the federal election in 1962.

Here is another petitioner, from Oshawa, Ontario. Well, we know where Oshawa is. It is a suburb of Toronto.

Senator Bosa: Oh, no.

Senator Haidasz: The home of General Motors and the home of Ed Broadbent, who was the Leader of the New Democratic Party in the House of Commons and who was rewarded recently with an appointment by Prime Minister Brian Mulroney to be Chairman of the Peace Institute.

Another petitioner from Oshawa, Ontario—

Senator Cogger: I would like to know what has become of M. Broadbent. I did not understand the—

Senator Haidasz: I will repeat it: The Prime Minister, Brian Mulroney, appointed Mr. Broadbent to be chairman of the International Peace Institute of Canada.

Senator Cogger: I do not think you are right.

Senator Haidasz: What is the name of that institute?

Senator Kinsella: International Centre for Human Rights and Democratic—

Senator Haidasz: If we have human rights, we are going to have peace, not only here, but also in Canada and in the world, but we have to respect human rights.

An Hon. Senator: Even in this chamber.

Senator Haidasz: A petitioner from Toronto, Ontario. I do not think I have to repeat again what a great metropolis Toronto is. Many of us come from there.

A petitioner from Indian Grove, Toronto, Ontario. Well, Indian Grove is one of the nicer streets of Parkdale which I

represented in the House of Commons from 1962 to 1978. Indian Grove also comes—

Senator Bosa: It is in the west end.

Senator Haidasz: It should remind us that it is a street named in Toronto to bring memories of the Indians, our native people, our Canadian Indians who are our Aboriginal peoples and how they contributed to the building of Toronto.

Next to Indian Grove is a street called Brulé Gardens, and you know that Brulé is the surname of Etienne Brulé, one of those explorers and fur trappers who made a big name for himself.

Senator Gigantès: Senator Haidasz, would you allow me to take my leave of the Speaker as my shift is over?

Senator Haidasz: Thank you very much for your great contribution to this debate.

Senator Gigantès:

And now we go, sweet Lord
Adorned as if with rubies on our hose
By drops of blood that spurteth from our foes
To hard layings on the battle's floor.

Thank you. I will give the text.

Senator Haidasz: What a beautiful poem, and to the point.

An Hon. Senator: From whom was that poem?

Senator Gigantès: From one of my favourite authors.

An Hon. Senator: It is not acceptable. It is not in the proper form.

Senator Haidasz: The next signature on this petition is from Scarborough, Ontario. Even the Kennedy family has been honoured in Scarborough. It is a main north-south thoroughway in metro Toronto.

The next Canadian petitioner complaining about the GST is again from Scarborough, Ontario, followed by a petitioner from Toronto, Ontario, on Manning Avenue. Manning Avenue is the street upon which borders the great Honest Ed's Emporium. If you have never seen or heard of Honest Ed's, please come to Toronto to Bloor and Bathurst and Manning Avenue, where you will get real value for your dollar.

Senator Bosa: It is an Italian district.

Senator Haidasz: That is right. There are many Canadians of Italian ethnic origin who live on Manning Avenue. It used to be inhabited by Canadians of the Jewish faith, but they have moved north to North York.

The next signatory is from St. Clarens Avenue, Toronto. St. Clarens is another street in Parkdale which I represented in the House of Commons between 1962 and 1978.

Then there is another petitioner from Toronto; a petitioner from Peterborough, Ontario; a petitioner from Wolsley Street, Peterborough. Wolsley. Now, that brings to mind a very famous Englishman, Cardinal Wolsley.

Senator Cools: Thomas.

Senator Haidasz: Cardinal Thomas Wolsley.

Senator Cools: Yes.

Senator Haidasz: Is there someone who would like to give us a word on Wolsley? He served his king faithfully and then he regretted the fact. I guess he lost his soul.

Senator Cools: He lost more than that.

Senator Cogger: Who? The king or the cardinal?

Senator Haidasz: Cardinal Wolsley, just like Cardinal Richelieu.

There is a petitioner from London, Ontario; a petitioner from Cobourg, Ontario; a petitioner from Peterborough, Ontario, Brunswick Avenue. Brunswick, as you know, is named after Brunswick, who was one of the earlier settlers in New Brunswick, Senator Corbin, could you give us a little history of New Brunswick?

Senator Corbin: The Maliseet and the Micmac Indians are the original settlers of New Brunswick. I think we ought to give a good part of it back to them.

Senator Haidasz: Thank you, senator.

The next signatory is from Lakefield, Ontario, and the next signatory is from Lakefield, Ontario.

I come to the end of this page, and I see that it is past 2:00 p.m. two. I will like to yield the floor to the next senator who wishes to speak on this shift.

Hon. Colin Kenny: Senators, I, too, have some petitions that I have been entrusted to the attention of the Senate. The petitioners are very upset about the goods and services tax. They are generally from the Peterborough area. They call themselves "IRATE Citizens". I gather "IRATE" stands for "I'm Rebelling against Tax Excesses." They include a petitioner from Hawkstone; a petitioner from Barrie; a petitioner from Beaverton, Ontario; another petitioner from Beaverton, Ontario; another petitioner from Beaverton, Ontario.

Senator Bosa: Don't they have the streets?

Senator Kenny: No, these are rural routes which has a postal run.

An Hon. Senator: The post office was shut down, was it?

Senator Kenny: The post office was probably shut down.

There is another petitioner from Beaverton; a petitioner from Bracken; a petitioner from Beaverton; another petitioner from Beaverton; a petitioner from Birkfield, Ontario; a petitioner from Beaverton; a petitioner from Brechin, Ontario; a petitioner from Beaverton.

These are people who are unhappy with the GST and I have a petition that I am presenting on their behalf.

An Hon. Senator: Where are they from?

Senator Kenny: They are from the Peterborough area.

An Hon. Senator: They are working people?

Senator Kenny: I am sure they are.

An Hon. Senator: Ordinary people, working people?

Senator Kenny: I am sure they are ordinary working people.

A petitioner from Beaverton, Ontario; a petitioner from Beaverton, Ontario.

• (1400)

(*Names of signatories read*)

These are all members of the group of IRATE Citizens.

Honourable senators, I have here another petition on the subject on the goods and services tax. It is from a group of citizens from Ontario, the province that I represent, and they have asked me to convey to the government through this chamber that they are very unhappy with the goods and services tax and they would like the Senate to do whatever they can to stop that tax. They are also IRATE Citizens, IRATE, I gather, standing for "I am Rebelling Against Tax Excess." They include people from a little further north in Ontario.

(*Names of signatories read*)

Again, all these people are very unhappy with the GST.

Honourable senators, I have another petition from Ontario. The citizens are unhappy with the goods and services tax and are petitioning the Senate of Canada to intercede on their behalf to stop the tax from being introduced. A great deal of trouble has been taken to collect these signatures.

(*Names of signatories read*)

Honourable senators, I have another petition, from a group of people who are petitioning the Senate in the hope that the it can stop the goods and services tax. They have indicated they are very unhappy with this tax and at least we can do something to persuade the government not to pass it. They are from Peterborough, Ontario.

(*Names of signatories read*)

An Hon. Senator: Is there a postal code?

Senator Kenny: No; I don't believe there is a department or postal code and if there were a postal code, you will be sure I would communicate it to you.

(*Names of signatories read*)

Honourable senators, I have another petition from residents of Ontario who are unhappy with the goods and services tax. They have petitioned the Senate, entrusted me to convey their petition to the Senate in the hopes the Senate would stop the introduction of the proposed goods and services tax. The names include:

(*Names of signatories read*)

Honourable senators, I have another petition containing 31 names. It is from a group referring to themselves as IRATE Citizens. IRATE stands for "I am Rebelling against Tax Excess." They have petitioned the Senate in an effort to stop the introduction of the proposed goods and services tax. The people here seem to be principally from the Peterborough area.

(*Names of signatories read*)

Honourable senators, I have a petition that I have been entrusted with. The petitioners are very concerned about the goods and services tax and they are asking the Senate to use its good offices to ensure that the tax does not go ahead. The petitioners appear to be generally from the Peterborough area, and again the group that has worked so hard to develop the list calls itself IRATE Citizens. These people have chosen that name because it stands for, "I am Rebelling against Tax Excesses". Included on the list are:

(*Names of signatories read*)

Honourable senators, I have another petition here, it is on the subject of the goods and services tax. The petitioners are asking the Senate to do what it can to stop the tax and they also appear to be from the Peterborough area. They include:

(*Names of signatories read*)

Honourable senators, I have here another petition from IRATE Citizens. "IRATE " standing for "I am Rebelling against Tax Excesses". The citizens have entrusted me with this petition and they have asked that the Senate of Canada do whatever it can to intercede with the government to stop the introduction of the proposed goods and services tax. These people have gone through a great deal of effort, house to house, door to door, gathering the signatures, and I am forced to tell this chamber who some of these people are.

(*Names of signatories read*)

• (1430)

Honourable senators, I have here a petition that has been entrusted to me. It relates to the goods and services tax. The petitioners are upset with the proposed tax. They are concerned and are requesting that the Senate of Canada do what it can to prevail upon the government to stop the introduction of the tax. The petition itself was organized by a group of citizens who call themselves IRATE Citizens, which I understand stands for " I Am Rebelling Against Tax Excesses."

(*Names of signatories read*)

I have here a petition from a group of citizens who are upset about the proposed goods and services tax. They have entrusted this petition to me to bring it to the attention of the Senate of Canada. It is their wish that the Senate do whatever it can to ensure that this tax is not introduced. These petitioners are principally from the central part of Ontario.

(*Names of signatories read*)

Honourable senators, I have here a petition from people in the Peterborough area. This has been entrusted to me to bring it to the attention of the Senate. The petitioners are very unhappy with the proposed goods and services tax and have asked the Senate of Canada to intercede on their behalf and tell the Government of Canada not to introduce this tax. There are approximately 27 petitioners.

(*Names of signatories read*)

Honourable senators, I have here a petition on the goods and services tax. The petition was entrusted to me to bring it to the attention of the Senate of Canada. They are very unhappy with this proposed tax and ask the Senate of Canada to do whatever it can to stop the tax. The petition is organized by a group of citizens calling themselves IRATE Citizens,

which I understand stands for "I am Rebelling Against Tax Excesses".

(*Names of signatories read*)

Honourable senators, I have a petition from citizens living in Ontario. They are petitioning the Senate of Canada because they are unhappy with the proposed goods and services tax and would like the Senate of Canada to do whatever it can to intercede and ask the government not to introduce the tax. The petition has been organized by a group of citizens from Peterborough who refer to themselves as IRATE citizens. I am told that that stands for "I am Rebelling Against Tax Excesses".

(*Names of signatories read*)

Honourable senators, I have a petition that has been entrusted to me from citizens of Ontario who are very upset about the proposed goods and services tax. They are petitioning the Senate of Canada to do whatever it can to stop the introduction of the tax. The petition has been organized by a group of citizens from Peterborough, Ontario who refer to themselves as IRATE Citizens. I am told that stands for "I am Rebelling Against Tax Excesses".

(*Names of signatories read*)

Senator Fairbairn: Honourable senators, I am having difficulty hearing Senator Kenny.

Senator Kenny: I can hardly hear myself. Perhaps the sound system is not working, which might be a reason to adjourn.

Senator Fairbairn: You are coming through loud and clear now.

Senator Kenny: Honourable senators, I have before me a petition from residents of Ontario. They are unhappy with the proposed goods and services tax. They have asked the Senate of Canada to do what it can to stop the introduction of this tax. They are from a group of citizens who call themselves IRATE Citizens. I am told that it stands for "I am Rebelling Against Tax Excesses".

(*Names of signatories read*)

Honourable senators, I have a petition from citizens from Ontario who are upset with the proposed goods and services tax. They are petitioning the Senate of Canada because they are unhappy and want the Senate to stop this tax. They are organized by a group of citizens who refer to themselves as IRATE Citizens. I am told that stands for "I am Rebelling Against Tax Excesses."

(*Names of signatories read*)

Honourable senators, I have here a petition from citizens of Ontario, who are very concerned about the proposed goods and services tax. They are petitioning the Senate of Canada to do what it can to stop the introduction of this tax. The people who have gone to all the trouble to organize this petition and have gone from door to door getting signatures call themselves "IRATE Citizens." I am told that "IRATE" stands for "I Am Rebelling Against Tax Excesses".

• (1500)

(*Names of signatories read*)

Honourable senators, I have here a petition entrusted to me by some residents of the province of Ontario. These citizens are petitioning the Senate of Canada because they are unhappy with the proposed goods and services tax. They are asking the Senate of Canada to do what it can to stop the introduction of the goods and services tax. The petition is organized by a group of citizens who refer to themselves as "IRATE Citizens." I am told that "IRATE" stands for "I Am Rebelling Against Tax Excesses."

(*Names on signatories read*)

The last petition I am going to present today, Honourable senators, is from a group of citizens from Ontario who have petitioned the Senate of Canada to indicate that they are unhappy with the proposed goods and services tax. They would like the Senate to do what it can to stop the introduction of this tax. This is also the group which refers to itself as "IRATE Citizens." I understand that "IRATE" stands for "I Am Rebelling Against Tax Excesses."

(*Names of signatories read*)

[*Translation*]

Senator Lefebvre: Not very many people in Mascouche are in favor of the GST.

Senator Hastings: Is it near Quebec City?

Senator Lefebvre: No, the people of Mascouche are almost all opposed to the GST.

(*Names of signatories read*)

Senator Lefebvre: Honourable senators, I have another petition from the north of Témiscamingue county, an area not very well known by senators.

(*Names of signatories read*)

Senator Lefebvre: I have here a petition to the Senate of Canada. The petition is signed by residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in a certain assurance that your honourable Senate will therefore provide a remedy. Humbly sheweth Whereas the new universal 7% federal goods and services tax adopted by the Conservative Government will create serious, unjust and inhuman difficulties to Canadians; Whereas the implementation of this tax will constitute an unprecedented assault on the income of Canadians, not only by forcing them to pay higher taxes, but also by confronting them with a rise inflation, interest rates and unemployment. Wherefore the undersigned, your petitioners, humbly pray and call upon the Senate to reject this new goods and services tax. The Canadian producers are carrying out their job perfectly by flooding the market with products, but they cannot produce money. The government must therefore set up a national credit office to create the money required by the existence of new wealth and abundance. And your petitioners will never cease to pray.

(*Names of signatories read*)

[*English*]

These people are all signing to ask the Senate to do everything possible against the GST.

Honourable senators, I have another petition signed by a number of citizens from Winneway, Quebec, a small village in the north of Temiscamingue county.

(*Names of signatories read*)

● (1530)

This is a also petition from residents of the province of Quebec. I would like to read the heading which states:

To the Honourable the Senate of Canada

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your Petitioners in the certain assurance that your Honourable Senate will therefor provide a remedy.

Humbly Sheweth

WHEREAS the new universal 7% federal Goods and Services Tax adopted by the Conservative government will create serious, unjust and inhuman difficulties to Canadians;

WHEREAS the implementation of this tax will constitute an unprecedented assault on the income of the Canadians, not only by forcing them to pay higher taxes, but also by confronting them with a rise in inflation, interest rates and unemployment.

Wherefore the undersigned, your Petitioners, humbly pray and call upon the Senate to reject this new Goods and Services Tax. The Canadian producers are carrying out their job perfectly by flooding the market with products, but they cannot produce money. The government must therefore set up a National Credit Office to create the money required by the existence of new wealth and abundance.

(*Names of signatories read*)

[*Translation*]

Senator Lefebvre: Honourable senators, it is my privilege to present a petition, coming from the same area, signed by the citizens of Knowlton.

(*Names of signatories read*)

[*English*]

(*Names of signatories read*)

● (1600)

Thank you very much, honourable senators, for being so patient.

Hon. Keith Davey: Honourable senators, I have been asked to draw the attention of the Senate to 105 petitions which I have received from the Don't Tax Reading Coalition. The Don't Tax Reading Coalition consists of the following organizations: The Antiquarian Booksellers' Association of Canada, the Association of Canadian Publishers, the Canadian Booksellers' Association, the Canadian Book Publishers' Council, the Canadian Community Newspaper Association of Canada, the Canadian Daily Newspaper Publishers' Association, the Canadian Library Association, the Canadian Magazine Publishers' Association, the Periodical Marketers of Canada, the Canadian Teachers' Federation, and the Canadian University Press.

Each of these petitions is in respect of maintaining a tax rate of zero for books, magazines and newspapers. I propose to read some of these petitions at the present time.

(*Names of signatories read*)

I want to remind honourable senators that all these petitions are from the Don't Tax Reading Coalition. These are people who want to maintain a tax rate of zero on books, magazines and newspapers. So honourable senators can see the importance of this petition and how strongly these people feel.

(*Names of signatories read*)

I have a further petition:

(*Names of signatories read*)

Honourable senators, I have another petition from the Don't Tax Reading Coalition.

(*Names of signatories read*)

I have a number of additional petitions here from the Don't Tax Reading Coalition. I have 105 petitions. I obviously will not be able to read them all just at this moment, but I would like to carry on for a while, if I may.

(*Names of signatories read*)

● (1630)

I have a further petition, honourable senators, from the "Don't Tax Reading Coalition." While most of the signatures appear to be from Toronto, there are some from other parts of the country.

(*Names of signatories read*)

Hon. Noel A. Kinsella: I know that honourable senators are not following the rules too much; however, is there not a rule that states something to the effect that the honourable senator should speak from his place?

Senator Davey: I did not hear what you said.

[*Translation*]

Senator Kinsella: Is there not a rule saying that a Senator must speak from his place?

Senator Stollery: Senator Davey is in his place.

Senator Kinsella: No.

Senator Stollery: I am in my place, he is in his place, everybody is in their place.

[*English*]

Senator Davey: I will continue reading the names on the petition.

(*Names of signatories read*)

I have another petition containing signatures from the west.

(*Names of signatories read*)

These petitions I am reading, honourable senators, are all from the organization "Don't Tax Reading Coalition." This coalition is anxious to maintain a tax rate of zero for books,

magazines, and newspapers. As I mentioned, I have received 105 of these petitions and I have dealt with a few of them this evening. I will complete one more, but I hope I will have the opportunity to return and put some more names on the record.

(*Names of signatories read*)

Senator Stollery: I am not catching all of those names as clearly as I might.

Senator Davey: Perhaps you want me to repeat them. As a matter of fact, for the time being, this is my final petition and that is why I was perhaps being hasty.

(*Names of signatories read*)

I hope I will have time to read more petitions, and I thank you.

Senator Hastings: That was an excellent petition.

Hon. Len Marchand: Honourable senators, I am pleased to be able to take part in the presentation and reading of petitions, this most honourable of traditions in the democratic process. I have a number of petitions from the lower mainland of British Columbia, and a number from the City of Kamloops which are not in the proper form. I wish I could put them on the record. This petition is from a business called Lynne's Place. Lynne Aves is the owner of this small business. She points out in her letter that she collected approximately 900 names in her small business in a little less than two weeks. If I were able to put them on the record it would be interesting, because I recognize that many of the names are Conservatives who worked against me in previous elections.

Senator Stollery: So these are Conservative names you are putting on the record?

Senator Kelly: Not Conservatives opposed to the tax? Read the names slowly; I will take them down.

Senator Marchand: I will not give the Conservative names I recognize.

I have to apologize. I am fighting a cold and I may not be able to go on for very long, so perhaps Senator Stollery, if you are ready to speak, you can carry on. I will go for as long as I have some voice.

Senator Hastings: As long as you have breath, keep going.

Senator Marchand: I have lots of breath, but I might not have too much voice.

Senator Hastings: We will never give up.

Senator Marchand: I have a whole bunch of petitions that are in the proper form and they are concerned about the taxation of books and newspapers. They point out that the uninhibited dissemination of the printed word is the cornerstone of democracy, culture, education and a literate and productive society will be negatively affected by the GST applications. The undersigned petitioners humbly pray and call upon the Senate of Canada to reaffirm the historic principles embodied in tax-free status for the printed word by proposing amendments to Bill C-62 to include retention of the zero rate. As in duty bound, your petitioners will ever pray, and it is dated September 28, 1990.

(*Names of signatories read*)

That is about all that I have for this group. Perhaps Senator Stollery would like to carry on now.

Senator Stollery: Senator Fairbairn has some pressing names to read, and I would like her to continue at this point.

Hon. Joyce Fairbairn: Senator Stollery, I do have some names that I was quite keen to place before the Senate today. The people who have signed these petitions took the trouble to come to Ottawa and bring themselves and their signatures personally, because they felt so strongly about this issue. I should explain that all of them are, in a variety of capacities, part of the Pro-Canada Network. They met with us this afternoon and urged us to retain our resolve and our commitment to work against the passage of the GST.

The first petition simply asks to prevail upon the government to stop the introduction of the proposed goods and services tax as law. The first person on my list is Mr. Harvey Weiner of 99 Rochester, Ottawa, Ontario, who represents the Canadian Teachers Federation.

(*Names of signatories read*)

• (1700)

Mr. Weiner, I might say, has told us that a quarter of a million teachers—elementary and secondary school teacher—across the country are supporting this battle against the GST. He also noted—and this is something common in all of these petitions—that this a non-partisan battle in this country. These people certainly represent every political stripe and every region of the country.

(*Names of signatories read*)

Mary Boyd of Blooming Point, Prince Edward Island, also signed this petition and wants us to know about the force a small province can have in national battles. Prince Edward Island is the smallest province in Canada and has the smallest population, but nonetheless it has been involved in many battles since Confederation. Mary Boyd described to us her feeling that we in this chamber are dealing with an issue that has in it a great sense of history in terms of defending our democracy and the rights of Canadians and the rights of Parliament.

Mary Boyd was happy to hear the other day that there had been readings from the Bible as part of the deliberations of this house. She said the feeling on Prince Edward Island is so strong that parishioners are signing these petitions as they come out of Sunday Mass. She has been hard at work on this Pro Canada coalition. That completes petition numbered 110.

Petition numbered 111 urges us to defeat the GST. The first name on this petition is that of Larry Katz of 37 Craig Street, Ottawa. He is the Director of Research at the Canadian Union of Public Employees, possibly the largest union in numbers in Canada. They are actively supporting a campaign against the GST. They have also added their strength to the court challenge a number of senators have launched respecting the

appointment of eight extra Senators. Mr. Katz is also very supportive of our efforts.

Next on the list is a name that honourable senators have become familiar with over the years, that of Wayne Easter. Mr. Easter is the president of the National Farmers' Union and has appeared frequently before the Standing Senate Committee on Agriculture and Forestry. He is from North Willshire, Prince Edward Island. He indicated to us that the movement among the farming community from coast to coast against this tax has been, as he said, a little slow because of the harvest, but is escalating at a rapid rate as we deliberate on this issue in this chamber.

Another person who signed this petition is Sandra Sorensen of Laurier Avenue West, Ottawa. She is a member of the Committee on Policy Alternatives, which includes a number of independent economists. She underlines to us that the GST is the wrong tax at the wrong time for Canada and her colleagues are determined to bring forward progressive tax alternative that would help Canada instead of this tax, which, coming as it does, as we are into a recession, will, in her words, "destroy the country".

Barbara Byers of 804-2323 Hamilton Street, Regina, Saskatchewan has also signed this petition. She is on the executive of the Pro Canada Network and represents the Saskatchewan Federation of Labour, which has been engaged in lively opposition to the tax.

Next on the list is Arthur Kube. He is the director of Campaigns for the Canadian Congress of Labour. He resides at 287 Centerpoint Drive, Ottawa. The CLC, as Honourable Senators know, is a major national organization which has been very supportive of all efforts to stop this tax. Indeed, Mr. Kube and one of his colleagues brought a strong message of support to us from the CLC President, Shirley Carr.

John Doyle also put his signature to this petition. He is from Winnipeg, Manitoba. He represents the Manitoba Federation of Labour on the Pro Canada Network Executive.

Mike McBane also signed this petition. He resides at 251 Laurier Avenue West, Ottawa. He is Political Action Director of the Pro-Canada Network.

Maurice Smith also journeyed here. He probably lives the farthest from Ottawa. He resides at 8134 111-A Street, Delta, British Columbia. He is with the coalition in British Columbia, working under the umbrella of the Pro-Canada Network.

Geoffrey Johnston of Montreal also signed this petition. He represents the Ecumenical Commission on Social Justice.

The final name on here, one I am proud to see, is that of Lucien Royer from Edmonton, Alberta. Mr. Royer has been an extremely active member of the coalition. For many months he has organized groups in 85 communities in Alberta. Indeed, he told us that he had come in on Air Canada Flight 176 and that there were 120-odd passengers on that flight. He talked to all of them, and 102 signed their names so that they could be brought to the attention of honourable senators. They placed some comments on the document they signed. Mr. Royer wanted those comments presented to Senators.

[Senator Fairbairn.]

For example, Mr. Dale D. Mark of 1151 33rd Avenue, Edmonton, Alberta, wanted to register his complaint that this is an unfair burden on middle-income families, particularly those living in the prairie provinces where tax rates are already far too heavy.

George Bockwell of Post Office Box 581, Regina, Saskatchewan, gave us a message that he is against the tax. He also wanted to give special mention of commendation to the Chairman of the Standing Senate Committee on Banking, Trade and Commerce.

Also from Regina is Shauna Parent. She resides at 1528 Gregson Court North.

Allen Butler of Box 336 Stoney Mountain Manitoba suggested there should be a national vote so that Canadians can express their opinions on the GST.

A Dianne McCrae of Box 4136 Golden, British Columbia, told us that she feels the whole tax system is getting out of control, and that should the GST come into play, she would have to move back to Alberta where there is no provincial sales tax.

Mrs. W. E. Harris of 9212 118 Street, Edmonton, Alberta, expressed strong views about the regressive nature of the tax, the administrative costs of the new bureaucracy that has been set up to administer it, and so forth. She takes issue with the exemptions. She feels they are far too complex. She also suggests that a decline in Canadian interest rates would be much more useful than another tax.

Alice Bada from Box 1131, Cochrane, Alberta, also said that she would like this bill defeated.

I should tell honourable senators that most of these people are strong in their desires not to opt out of paying taxes, but that they want to see a fairer tax than the GST. They all express a desire to have the wishes of Canadians on something as personal as tax restructuring to be taken into consideration.

Bob Brown, 17 Stirling Close, Red Deer, Alberta, said that "enough was enough" and that governments should not proceed with the GST.

The views of S.M. Toner of Sturgeon-Thompson, Manitoba, where that the middle class was being taxed to death, and that the GST should not be proceeded with.

Stewart Robbins of Montreal feels the tax discriminates against entrepreneurs in Canada. He is against the tax.

(*Names of signatories read*)

I could go on and on, but I tender this petition which was organized by the Pro-Canada Network. We had that group visit us in Ottawa today. We sincerely hope they will continue with their work across the country. They urged us, on behalf of the millions and millions of Canadians they represent, Canadians from all political parties, to stay with our battle.

The next petition I have is similar to the one presented by Senator Davey. These people, one way or another, are in the education field. They are either students, administrators or teachers. They are deeply conscious of rising costs in education. They urge, as did Senator Marchand's petitioners, the

government to retain the zero rating that has always applied to written materials.

The names I wish to read out are of particular importance, because as I told Senator Simard last evening when he was asking where my petitions came from, I was able to tell him that a number came directly to me from the bookstore at the University of Lethbridge in my home town.

Today is Convocation Day at that University. As well, they are holding a ceremony to open new residences that have been named after the aboriginal tribes of southern Alberta. They are going to do that with the smoking of the pipe and prayers.

They are concerned because, for the first time since this university began to function in the mid to late 1960's, it is in a position of having to turn away students. The quota system is taking its toll across the country. Costs are rising. This is of great concern to students at a time when money is becoming harder and harder to get.

Honourable senators, Alberta has always been thought of as a province supported by its natural resources. Lethbridge is in the southwest corner of the province near the B.C. and Montana border. It does not have access to the resources that the cities of Calgary and Edmonton do. It is in a farming area. Part of the appeal of the small liberal arts university is that it allows students, who would have otherwise not gone on to post-secondary education if they had to go to larger centres and finance themselves away from home, to go to university in their home area. This university has, in a very sensitive way, responded to their needs.

In Ottawa, where people are now just discovering we are in a recession, that we are in dreadful economic straits, people on the ground have known that for some time. They live it every day. That is why there is an anger regarding a tax that will add to what is already an extraordinarily difficult burden. This tax is causing these people deep anguish. Some students have expressed to me the possibility that they will not be able to continue with their education because of this tax.

I spent a long time the other evening talking about learning and literacy in Canada. In this petition we are going from anxiety at a level where people have difficulty with even fundamental skills to what we are counting on for our future, the young people who are entering our universities.

• (1745)

(*Names of signatories read*)

Bow Island is one of those small communities I was telling Senators about.

Senator MacEachen: Is it an island?

Senator Fairbairn: No, it is a little gem of a community, a farm community between Lethbridge and Medicine Hat. A number of young people from Bow Island are getting their post-secondary education at the University of Lethbridge.

Senator MacEachen: How did you get that student's name on the petition?

Senator Fairbairn: I will have to research that when I continue with some other petitions another day, Senator MacEachen, but I would be pleased to do that.

My next petition is also from the bookstore at the University of Lethbridge. Again, it is focusing on the need for the dissemination of the printed word as a cornerstone of democracy, culture, education and a literate and productive society being uninhibited by the kind of taxation now proposed under the GST.

(*Names of signatories read*)

That concludes this petition. I certainly have a great many more that I will be prepared to read later.

Senator Hastings: Honourable senators, I am sure we join in commending the Honourable Senator Fairbairn for the excellent petitions she has presented to us this afternoon.

Your Honour, in consultation with the Honourable Senator Phillips, the Whip of the government side, I think we concur that Your Honour should now see the clock and return to the Chair at 8 o'clock.

The Hon. the Acting Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

The Senate recessed during pleasure.

At 8:13 p.m. the sitting of the Senate was resumed.

Hon. M. Lorne Bonnell: Honourable senators, at noon today I had the pleasure to meet two prominent Prince Edward Islanders, who asked me to present petitions on behalf of Maritimers this evening. One of those Prince Edward Islanders was Mary Boyd, an activist from Charlottetown. She has been up to the Senate many times in the past protesting the GST, protesting the unemployment insurance bill, protesting the Patent Act, protesting much of the legislation that this government has brought forward since 1984.

I also had the privilege to meet the president of the National Farmers' Union, Wayne Easter. He is a fairly prominent Canadian and a fairly prominent islander.

Senator Petten: What part of the island does he come from?

Senator Bonnell: He comes from the western part of the island, but he represents all of the farmers' unions in that province and all of them in all of Canada, even Saskatchewan.

The National Farmers' Union represents the farmers, whereas the Federation of Agriculture is a federation of different types of farmers, such as hog raisers, dairymen, egg producers, chicken producers, and so on.

Senator Lewis: Are hogs the same as pigs?

Senator Bonnell: No, hogs are not quite the same as pigs.

Senator Simard: What's so funny?

Senator Cools: Hogs are not the same as pigs.

Senator Simard: I didn't hear anything funny.

Senator Cools: Senator Simard, we don't have to laugh at the same things. I can laugh.

Senator Simard: One of these times we may, I suppose. Carry on, sir.

Senator Bonnell: Thank you, Senator Simard. I know you are a real Maritimer. Senators realize that Senator Simard is from New Brunswick.

POINT OF ORDER

Hon. William M. Kelly: Honourable senators, may I raise a point of order?

Senator Bonnell: Certainly.

Senator Kelly: Thank you. Let me first say that I do not want to offend Senator Bonnell because of his roots in the Maritimes, Prince Edward Island. My family comes from Prince Edward Island, as well, from Charlottetown.

My point of order is this: I have not attended for the last day or so and I am alarmed at what the proceedings have descended into. Page 57 of our rules, on Presentation of Petitions—and I do believe we are on Presentation of Petitions—states:

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.

Honourable senators, we are ten or fifteen minutes into this sitting.

Senator Petten: We were late starting.

Senator Kelly: Perhaps we are six minutes into it, then. While I find this whole discussion on the geography of the Maritimes, and so on, interesting, I do believe we should try to adhere more closely to the rules. I would draw Senator Bonnell's attention to page 57 of our rules.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. M. Lorne Bonnell: Honourable senators, I want to thank the former Prince Edward Islander for bringing me to the point. We Prince Edward Islanders have that great ability to remind each other sometimes if we go astray just a shade.

Honourable senators, I have the petition in my hand. Are you not going to listen, Senator Simard?

Senator Simard: I will listen from over here.

Senator Bonnell: That's good, as long as you listen.

Senator Kirby: Did Senator Bonnell suggest that Senator Kelly is a former Prince Edward Islander? I know a lot about Senator Kelly but that is one of the things I did not know. I wonder if you might elaborate on that, because I think it is part of the Senator's history that many of us would like to understand.

Senator Bonnell: I always knew there was something good about Senator Kelly; I just didn't know exactly what it was.

Senator Petten: He is an easterner; he is a great fellow.

[Senator Simard.]

Senator Bonnell: Yes, since he told us that he is a former Prince Edward Islander. Even if he was only there for the weekend, that is good.

At any rate, I have a petition which I would like to present. The petition states:

TO THE HONOURABLE SENATE OF CANADA

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable Senate will therefore provide a remedy.

HUMBLY SHEWETH

WHEREAS, the Conservative Federal Government is acting against the will of the people by introducing a regressive G.S.T. (Goods and Services Tax);

WHEREAS, the manufacturers tax may not disappear from manufacturers prices as the Government projects;

WHEREAS, the proposed tax may not be visible as the Government predicts;

WHEREAS, the proposed tax may increase inflation beyond the limits set by the Government;

WHEREAS, the imposition of this tax will create an onerous burden on small business and thus the economy;

WHEREAS, the Taxpayers Council on National Issues, on behalf of Canadians, strongly oppose the Goods and Services Tax which will do nothing to address the current deficit problem;

WHEREFORE, the undersigned, your petitioners, humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed Goods and Services Tax;

AND as in duty bound your Petitioners will ever pray.

They are going to pray forever, or until the government stops this tax.

Senator Steuart: Is that a relative term?

Senator Bonnell: These signatures are handwritten in ink.

(*Names of signatories read*)

• (2015)

Senator Steuart: I wonder if Senator Bonnell would permit a question? Could you give us a little background on where some of these places are? I know that you are very familiar with them.

Senator Bonnell: As you probably know, senator, Halifax is the site of the first responsible government ever held on this continent. We had responsible government first. We seem to be loosing responsible government now. The government no longer goes by the wishes of the people. It was in Halifax, Nova Scotia, where responsible government came to this continent, not just to what we now know as Canada. Of course, Prince Edward Island was very close behind, as was New Brunswick with responsible government. They led this nation

in terms of responsible government. That is why the addresses on these petitions are so important and why the views of Haligonians, as we call them, should be heard.

Senator Hays: Would Senator Bonnell follow up on the question asked by Senator Steuart? Is there some specific reason why these people would sign a petition, in particular the petition you are reading now? Could you explain what that reason might be?

Senator Bonnell: Most of these people feel that the manufacturers' sales tax may not disappear from the manufacturers' price after the GST is in effect. The manufacturers' sales tax will stay on the price of goods and the goods and services tax will be added on top. Many people are upset because they feel that this tax might not be visible, as the government has been predicting. Others feel that it might cause inflation beyond the limits set by the government. If the economy is in a recession, or perhaps I should say depression, to add the goods and services tax onto the backs of the consumers will cause more inflation and be harder still for the people.

They also feel that this tax will create an onerous burden on small business by having them do all the paperwork that will be required. Some will have to hire accountants to fill out all the forms. This must be taken in the light of the fact that 20 per cent of Canadians are illiterate and that they will have to fill these forms out. As well, they will have to try to understand the complications of provincial taxes and federal taxes, as well as the health tax, tobacco tax and excise tax. Trying to keep it all straight for most business people is more than they can stand. They do not have the kind of profit which will allow them to hire people to do this accounting for them. A great many small business people in the Halifax area will probably be in trouble.

Senator Hays: Could I follow up a little bit further on your comments? What is the main business in that area? Are these people engaged in some kind of special business, perhaps the fishery, manufacturing or agriculture?

Senator Bonnell: Most of the businesses in Halifax are small businesses, such as restaurants and clothing stores. Halifax is a central area in Nova Scotia for goods and services. People come to Halifax to buy their clothes, their cars and to eat in restaurants and to see entertainment. There is not that much manufacturing in Halifax. It is pretty well a service city which is built on other areas which buy from Halifax. It will hit Halifax very hard because there are so many services there. There is of course some shipping in Halifax. There are some ship repairs when there is work, but there is mostly none.

Senator Lewis: May I ask the hon. senator a question? Is Halifax not also a university seat?

Senator Bonnell: Yes, it is.

Senator Lewis: How will that be affected by the GST?

Senator Bonnell: It will affect transportation costs for students who must go back and forth to university. They will have to pay tax on their transportation to go back home to see their parents on weekends. Their books will be taxed. If they go to the theatre the price of admission will be taxed. The popcorn that they eat at the theatre will be taxed, as will the butter that they put on the popcorn. When they write home to their mothers and fathers even their stamps will be taxed.

Senator Lewis: By how much?

Senator Bonnell: By seven percent, the same as everything else.

Senator Lewis: What will that mean for a 39-cent stamp?

Senator Bonnell: I would say for a 39-cent stamp it will probably mean about four cents. They will have to pay about 43 cents to get a 39-cent stamp. I am told that the Post Office intends to increase the price of the 39-cent by one cent.

Students go to the laundromat to wash their clothes. They put in a quarter to wash their shirts. They will now have to put a second quarter in to pay for the tax on the first quarter. It will now cost them 50 cents to get a 25-cent wash.

Senator Olson: Do they not get any change?

Senator Bonnell: No shirt, no change. They are paying 100 per cent on getting their shirts washed. This will happen to all students, whether they are in Halifax, Toronto or Ottawa. Many of the poor people in the Halifax area have to use laundromats because they can't afford to buy washers. Consequently, they will see a 100 per cent increase in taxes. That is the reason why they have signed these petitions asking us to stop the GST.

There is the name MacDonald on this petition—

Senator Olson: Is that not an unusual name for that area?

Senator Bonnell: It is not that unusual. It means son of Donald. They had quite a few of those in Prince Edward Island and Cape Breton. Some even got over to Nova Scotia, to Halifax. At one time Cape Breton was a province unto itself, and Prince Edward Island was part of Nova Scotia. Then Prince Edward Island became an island unto itself, and now it is about the only island left. They then connected Cape Breton to it. Cape Breton is now a peninsula of Nova Scotia. There is a causeway connecting the two together. It stops the fish coming over to Prince Edward Island. We lost all our mackerel and other fish which used to go through the causeway. There should be a petition about that.

Some of the tuna of course were stronger. They swam around the causeway. The largest tuna in the world are caught off the coast of Prince Edward Island.

I would like to tell honourable senators an interesting story. Governor General Michener, who was one of the Speakers of the House of Commons, came down to Prince Edward Island to visit at one time. At the time I had the privilege of being the Minister of Tourism. I said to Mr. Michener, "There is a Stanley Cup from Governor General Stanley for hockey players. There is a cup from all the Governors General, but there is no Michener Cup. Why don't you give us a trophy called the Michener Cup for the largest tuna caught in Prince Edward Island's waters?" He thought about it and returned to Ottawa from where he wrote me a letter. He told me that he would do

it. He got a lovely trophy made up and sent it down to me asking me what I thought of it. I sent it back to him saying that it was lovely, "But perhaps it should state 'The Largest Tuna Caught in Canadian Waters' because you are the Governor General of Canada, not just of Prince Edward Island". He agreed with me. He changed the trophy to another design with the emblem of Canada on it and the words "For the largest tuna caught in Canadian waters". He sent that down to me and I approved it. We now have the Michener trophy—

Senator Carney: Would the hon. senator permit a question?

Senator Bonnell: I certainly would.

Senator Carney: You are telling us a charming story, but what does it have to do with the petition?

Senator Steuart: Nothing.

Senator Bonnell: Nothing in particular to do with the petition. I thought especially for Senator Carney who perhaps knows the former Governor General since he was a Speaker of the House of Commons and since she was a member of the House of Commons that she would love to hear the story of how a good Conservative Speaker of the House of Commons could do such a great thing for Prince Edward Island.

Senator Carney: It is very thoughtful of Senator Bonnell to think about my regard in this matter. However, I really would prefer that he stick to the issue of petitions, unless of course he wants to move on to debate the bill which we are so anxious to get to.

Senator Bonnell: Honourable senators, let me say that I do not think that tuna have much to do with the bill either, or petitions. I thought that since Senator Carney looked so interested in what I was saying that she would like to hear about that trophy. Since it came from Governor General Michener I thought it would be good to put it on the record just to give him thanks. I think that this is the first time in the history of the Senate that Governor General Michener has received honour and recognition for sending us the Michener Cup. I bet not one senator knew that Governor General Michener instituted such a trophy.

Senator Carney: We know enough about it now.

Senator Bonnell: Does that mean that I can go on? Do not forget it. It might come in handy to remember it.

Senator Lewis: I wonder if I could ask you a question, senator? You were talking about Prince Edward Island being an island. You mentioned the straits and the fish. With reference to the promise of the connecting link being established between Prince Edward Island and New Brunswick, there has been some question about the possibility of this link actually being established. There is some question of it stopping the fish flowing through the passage between New Brunswick and Prince Edward Island.

Senator Carney: I should like to point out, honourable senators, that the missing link has even less to do with petitions than does tuna. Could the discussion be confined at this point to petitions, as set out in the rules of the Senate?

Senator Lewis: When you interrupted me, Senator Carney, I was just getting to the link.

Senator Steuart: You have to give these chaps from the Maritimes a bit of time.

Senator Lewis: I was wondering if you could explain the connection between the connecting link and the petition.

Senator Bonnell: Honourable senators, tonight for the first time I heard from government sources that it is a missing link. I thought it was to be a permanent link. The connecting part is that they have procrastinated with a fixed link. We will now have a 7 per cent sales tax on all the material and equipment being brought in as of January 1, if this bill ever passes.

To be serious and to the point, honourable senators, a fixed link would be one of the greatest assets for Prince Edward Island, if it did not destroy or hurt the fisheries or the environment. Perhaps we should be thinking about a tunnel instead of a fixed link. In that way we would not affect the fish or the temperature of the water. Since the government has procrastinated in this matter it will now cost the company which builds the link at least another 7 per cent, and perhaps a great deal more, since as time goes on the price of everything goes up, especially the price of fuel. However, I am getting away from my list.

Some Hon. Senators: Shame!

Senator Carney: Could I ask the honourable senator another question? I have a cousin in Halifax, and I would like to know if her name is on your list.

Senator Cools: What is the name of your cousin?

Senator Carney: Frick.

Some Hon. Senators: Frith?

Senator Kirby: There are certainly a great many Friths who would have signed a GST petition. It seems to me that it is probably true that the entire Frith clan has their names on the list. I will be delighted when the honourable senator gets to their names.

Senator Bonnell: I knew that Senator Carney was interested in something about this list. Now I know it is her relatives. I would also be interested in knowing if my cousins had signed it.

Senator Carney: I want to know if cousin Bonnie signed it.

Senator Bonnell: How do you spell her name?

Senator Carney: "F" as in Frank, "r" as in Romeo, "i" as in India, "c" as in Carney, and "k" as in kilo.

Senator Cools: Her first name is Bonnie.

Senator Bonnell: Senator Petten tells me that he cannot understand me because I talk too fast.

(*Names of signatories read*)

Senator Steuart: I like it better that way. Keep going.

Senator Bonnell: I will try to take my time since no one seems to be in a hurry anyway. Another fellow said that I have

a potato in my mouth. He is probably right because I had potatoes for supper.

There is now the name of K. Spicer—

Senator Perrault: Is it Keith Spicer?

Senator Bonnell: No, it is not Keith. It is K. Spicer. It could be his sister Kate.

The next signature has the place name Whycocomagh, Digby County, Nova Scotia.

Senator Murray: Whycocomagh is not in Digby County, it is in Victoria County.

Senator Bonnell: It says Digby County on the petition.

POINT OF ORDER

Hon. William M. Kelly: On a point of order, thas been a suggestion made that there is a false address on the petition which the honourable senator is reading. That sheds a very great shadow on the whole petition. Is it possible that there has been some funny business going on?

Senator Perrault: It could be honest confusion.

Senator Kelly: Could that petition be set aside for further investigation? You could then go on with your next petition.

Hon. H.A. Olson: I would like to speak to Senator Kelly's point of order. One learns things from certain people. I think that right now Senator Bonnell is following what I may call the "Kelly rule". I first learned about it in committee. I have seen it happen several times since. A very serious point of order was raised in committee. There was a discussion about carrying the hearing on by Senator Kelly. We convinced the Chairman that he was out of order and that he should change course. He acknowledged that that was the proper thing to do as a result of the good and substantial arguments made by a number of people. Everyone then decided that we should get on with the business and Senator Kelly carried on as if he had not heard the discussion at all. I think that is what we are doing now.

Senator Murray: I have an apology to make, honourable senators. I made a statement a moment ago for which I humbly apologize. I said that Whycocomagh was not in Digby County but in Victoria County. I had a moment to sit back and reflect on that comment. I have come to the conclusion that Whycocomagh is in Inverness County. I apologize to all.

Senator Bonnell: Everyone is entitled to a mistake.

Senator Murray: That is mine for this year.

Senator Bonnell: That is yours for this evening.

My eyesight is not so good since I turned forty years of age. I look at this petition and see that this person lives in Digby County in Weymouth. Her writing was not so good and I took it for Whycocomagh. Senator Murray was right that Whycocomagh is in Cape Breton, in an altogether different county.

Senator Lewis: Could I interject? Is there some question as to what the proper address is on one of the petitions?

Senator Bonnell: No, the address is correct. It is Weymouth.

Senator Lewis: I was thinking that if it is not correct then we should adjourn for a few hours while the matter is investigated.

Senator Carney: Let us vote on it.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. M. Lorne Bonnell: There is the name of a person on this petition who has signed the address Arbutus Avenue. I do not know where it is. Does anyone know where it is?

Senator Murray: Arbutus Avenue. Senator Kirby knows where it is.

Senator Bonnell: Do you know where it is?

Senator Kirby: It is in the north end.

Senator Cools: Senator Murray said you would know, Senator Kirby. He has great confidence in you.

Senator Kirby: As Senator Murray knows, that particular street happens to be in a riding which was represented from 1977—in fact starting 20 years ago today on October 13, 1970—until 1978 by the Premier of the province. The reason Senator Murray knows the name quite correctly is because that street is in the riding of what was the provincial riding of Halifax North. As we all know, twenty years ago today Halifax North was the riding in which Gerald Reagan was elected Premier of Nova Scotia. I thank Senator Murray for bringing that point to the attention of the house.

POINT OF ORDER

Hon. Pat Carney: I rise on a point of order, honourable senators. Senator Kirby said that today is October 13. I want to remind him that in this chamber it is still October 9. I think I should bring that to his attention because it is his side of the chamber which is keeping the calendar on October 9.

Senator Kirby: Thank you, Senator Carney. I am glad you did that. I think it shows that one of the fundamental differences between your side of the house and ours is that our side has a tendency to be up to date, which is why of course I used the date, and as you pointed out your side of the house is still three or four days behind.

Senator Carney: Four days of lost debate.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. M. Lorne Bonnell: At any rate, we certainly found out where Arbutus Avenue is.

Senator Perrault: Do you not have any western names on that list? Those names all seem to be from Nova Scotia.

Senator Bonnell: These are all from the Maritime Division.

Senator Perrault: Is this one of the divisional constituencies?

Senator Bonnell: No. Halifax is not a divisional area. It is one of the first places in Canada where there was responsible government. It is not one of the divisional areas, although we do now have a senator from Dartmouth. He came to Prince Edward Island for a short time to help our veterans but then left very quickly for a better place in the Senate of Canada. He was an excellent MP for Dartmouth for many years. The last time, the way the ball bounced was not in his court.

• (2045)

Senator Kirby: Precisely!

Senator Bonnell: The dice were rolled again. Somebody rolled the dice and got it wrong. Instead of getting seven they got "snake eyes".

(*Names of signatories read*)

POINT OF ORDER

Hon. William M. Kelly: Honourable Senators, I am just going to keep on raising the same point of order. Can we please get on with presentation of petitions? This is all very interesting, but this is not really what the rules say you should be doing. You are supposed to present the petition and make a brief statement about the content of the petition. The rules say nothing about giving the CVs of the people and saying nice things about the villages and towns and cities they live in. There is supposed to be just a brief explanation of what the petition is about and then you should get on with it.

Senator Carney: Are you asking for a ruling?

Senator Kelly: I think I have to remind honourable senators. I just want them to get on with it.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. M. Lorne Bonnell: I have a petition that I would like to present on behalf of those names that I read out, and I would ask the messenger if he might just take the petition.

Senator Murray: Honourable senators—

Senator Bonnell: Perhaps Senator Murray has one he would like to present.

Senator Murray: I have an article from the Ottawa *Citizen* entitled "Jean Chrétien's handling of the GST battle in the Senate has left observers wondering Who's in charge?"

Senator Bonnell: I guess we are all wondering that. Right now, I am in charge. I have the floor.

Senator Murray: I commend this article to honourable senators.

Senator Bonnell: We had a saying in the Prince Edward Island Legislature that whoever had the floor was in command. I have the floor at the present time, but I will give it to Senator Carney.

[Senator Bonnell.]

POINT OF ORDER

Hon. Pat Carney: I would like to have a ruling from the Speaker on the point of order raised by Senator Kelly, if the Speaker is prepared to give a ruling at this time.

The Hon. the Acting Speaker: Honourable senators, I have listened to the point of order, and I serve as the humble servant of all honourable senators when I am in this Chair. We have all had our attention drawn to page 57 of our rules, and, of course, the critical term is the term "brief". Since it has, as has been pointed out, a certain relative nature to it, I can only leave it in the hands of honourable senators to interpret the term "brief", unless an argument is made as to whether or not, in the order of time, that term is to be defined. I do draw the attention of honourable senators to the classical dictum that we find inscribed on the walls of Rome that says, "tempus, tempere, tempore" which means that time ought to be tempered by time. So I would perhaps remind honourable senators that the term "brief" might be tempered by time.

Hon. M. Lorne Bonnell: Thank you, honourable senators. I want to thank the Honourable Speaker for at least looking to the red book and following the rules of the red book. It was a good decision and I am glad to know that you are reading the rules from this book and not making up your own. That is a big improvement in this place.

Senator Simard: Which red book are you referring to?

Senator Bonnell: He read from the *Rules of the Senate of Canada* and he ruled according to the red book, and he did not make up his own rules. We have to respect that ruling. So I must try to get to the point quickly. I tabled that petition but now I have another petition, and I will be brief.

Senator Simard: Smart Alec!

Senator Bonnell: I was told by an honourable senator, Senator Petten, that being brief was between three minutes and an hour and three-quarters. Somewhere in there would be brief, as far as he was concerned. Since Senator Kelly raised the point of order, I will try to live within that ruling. I thank you for it.

Senator Ottenheimer: In Latin, please.

Senator Bonnell: In Latin? Well, I can do a little bit of Latin but you might not understand it.

Senator Ottenheimer: The Speaker will.

Senator Bonnell: That is good. I speak in many languages. In the Pentecostal Church, where I come from, they speak in tongues, and perhaps we could do that here.

Senator Ottenheimer: When it becomes Sunday, after midnight, that may be appropriate.

Senator Bonnell: Perhaps it might be a good idea if we stopped at 12:00 o'clock tonight and, by unanimous consent, went home and prayed a little bit—prayed like the petitioners are praying. We could take Sunday off and give the staff Sunday off.

Senator Carney: Are you asking for unanimous consent?

Senator Bonnell: Perhaps the Leader of the Government in the Senate could do that. We would all come back at 2:00 o'clock on Tuesday and start at the top of the Order Paper. That would give the staff a break, the clerks a break and the constables a break.

Senator Simard: Sure, you really care about the staff.

Senator Bonnell: That would give us a chance to pray with the rest of the petitioners. Even the Lord took the seventh day off and rested on Sunday, but we senators will have to continue working until, perhaps, July.

Senator Oliver: We have to give unanimous consent.

Senator Carney: Why not ask Senator Murray?

PRESENTATION OF PETITIONS ON BILL C-62

Hon. M. Lorne Bonnell: Honourable senators, I have another petition which reads:

TO THE HONOURABLE SENATE OF CANADA

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable Senate will therefore provide a remedy.

HUMBLY SHEWETH

WHEREAS, the Conservative Federal Government is acting against the will of the people by introducing a regressive G.S.T. (Goods and Services Tax);

WHEREAS, the manufacturers tax may not disappear from manufacturers prices as the Government projects;

WHEREAS, the proposed tax may not be visible as the Government predicts;

WHEREAS, the proposed tax may increase inflation beyond the limits set by the Government;

WHEREAS, the imposition of this tax will create an onerous burden on small business and thus the economy;

WHEREAS, the Taxpayers Council on National Issues, on behalf of Canadians, strongly oppose the Goods and Services Tax which will do nothing to address the current deficit problem;

WHEREFORE, the undersigned, your petitioners, humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed Goods and Services Tax;

AND as in duty bound your petitioners will ever pray.

(*Names of signatories read*)

I would ask one of the messengers to take this petition and lay it on the table so it will be kept in the records. That way, these people who went to all this trouble will know their petition has been read.

Senator Steuart: One of your better readings!

Senator Bonnell: I hope the government will take heed and try to do away with this goods and services tax, to relieve those people. They are probably not sleeping at night, worrying about what is taking place. I am glad that Senator Murray brought to our attention that I was in charge while I had the floor. I want to thank you for it, and now, somebody else can have charge of it.

Hon. Michael Kirby: Thank you, honourable senators. In rising to continue presenting a number of petitions I have received from Nova Scotia in the past several months, I perhaps might pick up where I left off several hours ago. I will be mindful of Senator Kelly's and the Speaker's comments on the need for only a brief introduction. Indeed, I will attempt to be reasonably brief—as, of course, honourable senators know that I normally am—in presenting only a half dozen petitions this evening, and I will save the rest for another time. In so doing I should point out that one of the interesting things about the petitions that we have received on this side of the house with respect to the GST, in comparison with other petitions we have received over the years, is the wide diversity of people who have signed these petitions, not just in terms of where they live, geographically, either within a province or across the country, but also in terms of the diversity of ages, the diversity of incomes, the diversity of communities, and the diversity of backgrounds that has accompanied these petitions. I think one of the most striking observations one could make about the petitions we have seen on the GST is the rather wide-spread, broad-based public support for these petitions that exists.

I see that Senator Kelly looks as if he is momentarily to stand up.

Senator Kelly: Would Senator Kirby accept a question?

Senator Kirby: I would be delighted as always to answer a question from Senator Kelly.

Senator Kelly: I just want to be sure that we do not misinterpret the last observation that Senator Kirby has made. The wide-ranging nature of the petitioners could perhaps be the result of the process by which the petitions were gathered, a little like polling. You are not suggesting that all these people, from all these various walks of life, came together at the same time to create that piece of paper. It is likely that the person was carrying the piece of paper around and decided to try to build the picture you are presenting.

Senator Olson: It was spontaneous all over Canada!

Senator Kirby: I want to thank Senator Kelly for his question because, as he knows, the subject of polling and public opinion is near and dear to my heart. I am delighted to have the opportunity of saying a few words about the nature of polling, and indeed, the nature of the public opinion polls that have been done with respect to the GST.

POINT OF ORDER

Hon. William M. Kelly: May I raise a point of order? I am not trying to close off Senator Kirby in response to my

question, but I do not want to induce him into making a speech on another subject entirely. I was asking about the way in which these petitions were gathered, and the relationship between that piece of paper and those particular petitioners. It might be interesting for another time, Senator Kirby, but not tonight.

Senator Olson: We want you to understand!

Senator Kirby: Senator Kelly, I was not attempting to launch into a speech. I was merely attempting to respond to your question. I did not go to the trouble of writing a text on polling because I did not expect you to ask the question. However, it does seem to me that, if you have asked the question, it warrants a reasonably full and complete answer. You always seem to ask thoughtful questions and I was going to attempt to give you a thoughtful answer.

Some Hon. Senators: Hear, hear!

Senator Kirby: That was really why I was beginning to answer your question from a polling perspective. However, I am quite happy to answer in another way.

Senator Simard: Would you allow me a comment or a question? Last night we had a very interesting debate, and I thought it was the start of an improved situation and possibly an end to this filibuster, but obviously, you are back in the fold. You are back in charge of this filibustering. As part of my question, I would like to use an article in the *Citizen*—

Senator Steuart: Be brief!

Senator Simard: —from Saturday, October 13, 1990, written by Mark Kennedy. I will not read the whole article right now, although I might do that later on, at three o'clock in the morning.

Senator Kirby: Honourable senators, I have not read the article but I would be delighted to read it.

Senator Simard: I will have it sent it over to you, but in the meantime, for the record, I should like to read this. My comments might cause you to change your mind and improve your behaviour. This article says:

> A month had passed since Jean Chrétien captured the leadership. He was keeping a low profile, trying to solidify cracks in party unity, devise a plan to clear the party's debt, and prepare for a two-week summer vacation in Italy.
>
> It was a strategy which came under criticism for its naiveté in a summer of crises on nation unity, Indian uprisings, and a Persian Gulf crisis.
>
> It was also a strategy, some Liberals privately complain, that might have cost Chrétien control of the party's powerful Senate wing.

Now I am coming to you, Senator Kirby. I am getting to my question here.

> The high-stakes showdown in the Senate has grown in intensity, but the question remains: who's in charge?
>
> Chrétien has made every effort to appear as the leader in the GST battle. But his early public comments suggest he's either made a remarkable conversion or been swept along by the rebellious "Trudeaucrats" in the Senate.

Some Hon. Senators: Oh, oh!

Senator Simard: Reading on:

> Chrétien would like it to be perceived as his first skirmish with Prime Minister Brian Mulroney. Instead, it's become known as The Last Stand of a dying regime.
>
> Among the Liberal senators at the helm: former cabinet minister Allan MacEachen (now the Grit leader in the Senate); long-time Ontario Grit Royce Frith; Joyce Fairbairn and Michael Kirby, both former assistants to Pierre Trudeau; and former MP John Stewart.
>
> As a team, they have set the Senate tactics and run the show.

I will put the whole article in the record later on, but I want to ask Senator Kirby if what I have just read is true?

Senator Cools: Why should he know?

Senator Simard: Is he really in charge of, or part of, this group that makes decisions and is responsible for this filibuster? I have my doubts as to whether you are really one of the four in charge because of the comments you made last night indicating that you were eager and ready and hopeful to debate the content of Bill C-62. Would you unequivocally deny that you participated? Would you ask your colleagues that they revert to something that resembles more a responsible wing of this Parliament.

• (2115)

Senator Kirby: I thank Senator Simard for the observation on the point he and I both shared during our discussion earlier this morning between 2 a.m and 3 a.m. when we had what we both felt was a lengthy but nevertheless instructive discussion on the whole issue of the GST and both the economic and philisophical underpinings of consumption taxes in general.

I would be delighted to respond to questions on the substance of the petitions. The point that he and I made this morning was that in the preamble clauses, in relation to many of the petitions that we have received, there are comments that deal with the administrative complexities and the impact on the average Canadian's ability to pay a consumption tax like the GST. It was in that context that Senator Simard and I got into that discussion, and I would be absolutely delighted to continue that discussion.

Senator Simard quoted from an article that was handed to me, but which I have not yet read, which suggested that a number of us on this side of the house are "in charge" and it goes on to imply that, because a number of us were associated with the Honourable Senator MacEachen or were in the cabinet of the Honourable Pierre Trudeau, that is assumed to be a pejorative state of affairs.

I have said publicly for many years that I am enormously proud to have had the opportunity of working as closely as I did with Pierre Trudeau and I feel very honoured to have been involved in the patriation of the Constitution and, above all else, the inclusion of the Charter of Rights in the Constitution

and thereby providing Canadians with a significant degree of protection from the tyranny of government. Perhaps I should make the observation, in light of the Speaker's ruling last week, that it is unfortunate that the rights of senators were not included in the Charter, because perhaps it would have solved some of the problems we had last week.

Senator Simard: Were you there when the War Measures Act was put into effect?

Senator Kirby: To return to the discussion we had last night, I was involved, as Senator Simard was, with provincial politics, I in Nova Scotia and Senator Simard in New Brunswick, during the fall of 1970. We were both in the process of coming into government while the War Measures Act was put into effect and we both had the experience of going through a change of government in our respective provinces. At that time there was a pall of gloom and doom in the country because of the state of Quebec separatism, the FLQ and the War Measures Act. I was not involved in any way, shape or form with it.

POINT OF ORDER

Hon. William M. Kelly: May I raise a point of order?

Senator Kirby: I thought I was responding rather briefly compared to what I did last night to Senator Simard's question.

Senator Kelly: Senator Kirby, my point of order involves both yourself and Senator Simard. If those two gentlemen have a matter that they would like to discuss further, I think it should be done somewhere else and the presentation of petitions should be continued. The discussion is very interesting, and if all senators are interested then I think there should be some time when a meeting is convened outside the chamber to discuss this history of politics in Canada. Why can we not get ahead with the presentation of petitions?

Hon. Michael Kirby: Senator Kelly, I was in the process of beginning to deal with my first petition when you asked me a question which prompted Senator Simard to ask a question. If you do not mind, I would like to answer your first question.

Senator Kelly: Let me preempt that and apologize profusely for raising the first question.

Senator Kirby: I am absolutely delighted that you raised the question.

Senator Kelly: I know.

Senator Kirby: I really appreciate the fact that you have raised the question and it would be rude of me not to respond to the question, which is what in fact that I was trying to do in the first place.

Senator Kelly: Please be rude.

Hon. Jean-Maurice Simard: Senator Kirby, Senator Kelly is withdrawing his question. I do not intend to withdraw my question. The question has been put and, of course, you can always decide on the length of preamble, but I would hope that you could get to your answer shortly. My question was, are you one of the four in charge of these tactics and filibustering that we have witnessed in the last ten days? Yes or no?

Senator Kirby: The short answer to your question is, no, I am not. I don't know if that is the answer you would like to hear, or whether you regard that as a good sign or a bad sign. It is merely the state of affairs. I will come back to Senator Kelly's question. He withdrew the question, but I cannot withdraw the answer because I have not yet given the answer. I will be happy to give the answer and then withdraw it, if that will make the situation any simpler.

Senator Bonnell: Senator Kirby, you gave us a short answer, but we would like to have a long answer because we do not quite understand the short answer.

If you and Senator Simard go outside and confer together in a corner, you might start more gossip than if you actually give your answer in here. I would suggest that you not discuss this matter together in a corner but that you stay here and give all of us the answer.

Senator Kirby: Given the fact we are both Maritimers, I can assure you there would be no misinterpretation of the fact we were talking together in the corner.

Briefly, in response to Senator Kelly's question, I might make the observation that I think the point he was raising was how these were names collected. It is my understanding that the names on most of these petitions, received by those of us on this side of the house, were in some cases collected when people went door to door; but in large measure they were collected in shopping centres, church halls, and public places across the country where passers-by were invited to fill in a name and address.

To address the technical point raised by Senator Kelly which he will understand from his business career, in market research terms it would be fair to describe this sample as a mall intercept interview rather than a telephone interview or a personal door-to-door interview. Statistically, if the sample is large enough, small intercept interviews are every bit as accurate as statistically random samples. Those of us on this side of the house have been inclined to believe that these petitions are a reasonably true reflection of public opinion across the country. I think that answers your question. If it helps matters, because you withdrew your question, I am now happy to withdraw the answer, but I thought I ought to put it on the record before I withdrew it, because I did not see how I could do otherwise.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Michael Kirby: Having said that, I will return to where I was a few moments ago, which is on the first page of the petition. There is an interesting feature about these petitions which was reflected in the testimony we heard before the committee this summer. The comments on the GST contained in the *Whereas* clauses of the petition do not only deal with the impact of the petition on the average Canadian in terms of the difficulty of being able to actually pay the tax. The petitions

also talk about the onerous burden which the GST will place on businesses in general, but particularly on small businesses.

One of the things that struck many of us this summer was the number of small business organizations that appeared before the committee. I think specifically of organizations such as the St. John's, Newfoundland, Board of Trade, since I see Senator Cochrane present, which underscored the fact that small business organizations in Newfoundland were opposed to the GST. Small business organizations in general across the country have expressed concern about the practical problems of actually having to administer the GST and the implications that will have on the cost of doing business.

POINT OF ORDER

Hon. Pat Carney: I rise on a point of order. If Senator Kirby wishes to discuss this very interesting point, surely he will support our bid to move to debate this bill so he can bring forward these very important points. Last night Senator Olson brought forward points that could be discussed in terms of Bill C-62. Those of us on this side of the house are very anxious to move to debate. Surely, if he wishes to bring these matters forward he will support our bid to move to the debate on this issue.

Hon. Michael Kirby: I thank Senator Carney for her comments. It is always delightful to hear from Canada's west coast maritime province.

I should point out that I was not trying to debate the GST. As I understand it, there will be time down the road to debate the committee report at some point, and presumably to debate the bill itself. What I was attempting to do was explain the bill a little bit, and perhaps I was not being Senator Kelly's definition of brief. I was merely commenting on the introductory clause of the bill. In case that is causing some problems, since I talked about the geographic distribution of the names, let me give you some flavour of that from this particular petition I have in my hand.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Michael Kirby: The first name on the petition comes from Kemptville, Nova Scotia. It is spelled the same as Kemptville in the Ottawa area. However, Kemptville, Nova Scotia, is a small rural inland community outside of Yarmouth. It is in the middle of Yarmouth County in the southwestern corner of the province. It is an agricultural area with some logging and forestry and mixed farming. The next name on the petition is from Shubenacadie, Nova Scotia, which is up towards Truro. I think we talked about Truro in one of Senator Bonnell's petitions.

We then move on to a name on the petition from Halifax, so we then move from Kemptville in the western part of the province to the centre of the province in Shubenacadie and on to Halifax. There is another name from Bedford, which is just outside of Halifax. There are a number of names from smaller communities within half an hour or 45 minutes of Halifax. This address is on Purcells Cove Road in Halifax, which is not very far from Senator Buchanan's house which is just off Herring Cove Road. It is the same general part of town.

There is another name from Brooklyn in Queens County. Queens County is part way along the south shore of the area I am most familiar with. I spent a great deal of time in the part of Nova Scotia. Brooklyn has always been near and dear to my heart, in part, because it is a lovely community. I was born and brought up in Montreal in the days when Montreal did not have a major league baseball team, but a team called the Montreal Royals became famous because it was the first team in organized baseball on which Jackie Robinson played, the first black to play professional baseball. The Montreal Royals were the Triple A farm team of the Brooklyn Dodgers. One of the reasons I have always been fond of Brooklyn in Queens County is that I am an old Dodger fan.

Senator Kelly: It is getting late in the evening and I lost track of what you were saying. Did you say that the whole baseball team were on that petition?

Senator Kirby: It is quite right that the development of these petitions was certainly a hit. It does not necessarily follow that the entire baseball team signed the petition, although frankly had we gone to members of baseball teams most of them would have signed it. The problem was unless it was a slow pitch league there would have been a tremendous male skew to the sample. You may not know, but in this day and age slow pitch teams are largely mixed teams; baseball teams are not. For the reasons you pointed out in your opening question, Senator Kelly, it was desirable to get a cross-section of Canadians representing all ages and incomes, and obviously both sexes. Therefore, there was no attempt merely to sign up baseball teams. There was an attempt to get a cross-section of Canadians, although I repeat that I am sure baseball players would have signed.

I raise that only in the context that one of the addresses I read was from Brooklyn in Queens County and I was merely pointing out to members opposite, including a number of the members from the province of Quebec who would recall with fondness as I do the old Montreal Royals when they played at Delorimier Downs on Delorimier Street and that is a clear linkage to what were then the Brooklyn Dodgers and are now the Los Angeles Dodgers. It was, therefore, with some fondness that I was recalling the name Brooklyn.

Since Senator Buchanan raised the issue this morning, I perhaps ought to make one other observation. Some 19 years ago he and I were involved in a provincial by-election campaign in Queens County in which he had just become Leader of the Opposition in the Nova Scotia Legislature and I was the campaign manager on the other side. We had a very famous rally in Brooklyn in Queens County which Senator Buchanan and I were reminiscing about around four o'clock this morning. I am sorry Senator Kelly was not present to hear that, but it was an interesting piece of Nova Scotia history.

Senator Bonnell: In this day and age, Senator Kirby, if the baseball team had signed the petition they would have been mostly males and therefore you would not be getting a female

viewpoint. However, is it not true that in 1990 female reporters want to go in the dressing rooms when the males are changing and you would therefore get the views of the females in the dressing room.

Senator Kirby: That is a subject which I do not think I should touch, honourable senator. It is certainly a topical subject for discussion, but since I was talking about baseball teams and not football teams, and as I understand the current popular issue is a football issue, I think perhaps I ought to leave that issue alone. Aside from my remarks, in light of Senator Kelly's admonition, I have been trying to stick fairly close to the substance of the petition.

I am on petition Number 45. Lest honourable senators think we are starting to run out, my office told me this morning that there were something like 101 so there will be plenty of time yet to talk about petitions. The people who signed this petition come from all over Nova Scotia. The next name is from Chezzetcook, Nova Scotia, and for those senators who do not know the province I have moved from Halifax up the eastern shore toward the Strait of Canso and then into Cape Breton.

There are several names on here from Greenwood. Greenwood is in the Annapolis Valley and where there is one of the few military bases that the government has agreed to leave open. I say that in light of the fact that there are two Prince Edward Islanders in the house tonight and I notice that the issue of the closing of air bases, in particular the closing of the Summerside base, is an issue of considerable concern to them.

Senator Bonnell: Do not forget our new senator from Prince Edward Island.

Senator Kirby: You mean Senator Kelly. To that extent, I guess that one could argue that Senator Kelly has mixed allegiances. I would be delighted to welcome him as another Maritime senator, although of course it is somewhat difficult to do that since it appears that the Maritimes already have one too many as a result of recent decisions by senators opposite. Nevertheless, as an honorary senator, I am delighted to accept Senator Kelly certainly as an honorary Maritimer.

The list covers other parts of the province. It covers Tantallon—Senator Kelly, were you about to ask a question?

Senator Kelly: No, senator. I am terribly anxious, since you stated that you had half a dozen petitions and you are still on the first one.

Senator Kirby: I thought, Senator Kelly, in order not to take too much time in the house tonight, I would only bring half a dozen with me. I pointed out these are numbers 45 through 50 and I left approximately 100 in my office. On a Saturday evening, it seemed to me that I ought to take only a modest amount of time tonight.

Senator Teed: Nice way to spend the evening.

Senator Kirby: It is an important way to spend the evening. I would not necessarily describe it as nice, although goodness knows I enjoy the company of members opposite; there is no question about that. That has been obvious from the comments we have all made. Aside from the camaraderie and the pleasantness and delight of spending a Saturday night with all of you, it seems that the important part of this evening, and indeed the important part of the last several evenings, has been the tabling of petitions and the reading of names into the record sending a very clear message to Canadians across the country, whether or not they support the GST, that if Canadians go to the trouble of signing a petition and sending it to the Senate, whether it is sent to senators on this side of the house or senators on the other side of the house, there is an important message, that it really matters, that it counts, and there is an element of the democratic system where if you take the time to send a petition it will in fact wind up getting tabled in one of the Houses of Parliament. That is an important message which goes beyond the GST and merely being Liberals.

I thought something I said might provoke Senator Kelly to ask another question and I would be delighted to answer.

Senator Kelly: Senator Kirby, I agree totally with the comments on the importance of people understanding that this is a right they have to sign petitions and send them in. However, can you imagine if you were unfortunate enough to be one of the persons who signed a petition that is being handled by Senator Kirby tonight. You would sit with your family and wait all night to hear your name. He would go on and on and the person would get more and more tired, the grandparents would go to bed, the parents would go to bed, and the poor little gaffer who signed the thing—probably not knowing what he was signing as these people Senator Kirby says are against it may not necessarily be against it. By the time the poor little chap has gone to sleep Senator Kirby comes up with the name at the last minute at 12:15 which is the end of that particular petition and the person missed it.

Senator Simard: And he has missed all the good shows on television.

Senator Kirby: I must say, Senator Kelly, you have obviously lost an element of your Maritime heritage when you suggest that, at ten o'clock at night, people in the Maritimes might be starting to fade. I could perhaps give you an excellent example. I remember a person at one social occasion describing 5:30 in the morning to me not as early in the morning but merely a little late at night. I would have no fear speaking in this chamber at midnight or one o'clock and it would never occur to me that Maritimers, particularly on a Saturday night, would necessarily be asleep. I know some of them might have some difficulty understanding or comprehending at one o'clock in the morning, if I could put it somewhat more delicately, but I have no fear that they would be asleep. I see the three New Brunswickers agree with me that, my goodness, on a Saturday night it would be absolutely unheard of to be asleep.

As an interesting aside, I perhaps ought to point out that one of the names on this particular petition is from Camelot Lane in Halifax. One of the points I suspect that this petitioner was attempting to make in signing this petition was that the GST will certainly ensure that Nova Scotia and Halifax in particular do not become a Camelot-type environment. That is why, clearly, people from Camelot Lake Lane decided to sign the petition.

• (2145)

The last three names on this petition—and I think that Senator Kelly will be pleased to know that this is the end of my first six petitions for this evening—are all from Hubbards.

Any of you who have ever gong to Halifax to attend conventions have, inevitably, gone to Hubbards because that is frequently where lobster parties are held. Hubbards is one of the best places in the province to get lobster.

I should now like to move on to my next petition. Again, I notice, from looking at this quickly, a good cross-section of communities.

Senator Simard: May I ask a question?

Senator Kirby: Certainly.

Senator Simard: I know that some honourable senators on this side tried to convince Senator Bonnell that he was wrong, but let me try the same on Senator Kirby.

Senator Kirby is obviously a very devoted citizen and senator. He is respectful of the rules of this place. As a matter of fact, we have had a week-long debate on the need to protect the rules.

Senator Steuart: Who is going to protect the rules?

POINT OF ORDER

Hon. Jean-Maurice Simard: I am rising on a point of order.

Because rule 57 states that presentation of petitions be brief, does the honourable senator not think that he has been rather lengthy, to put it mildly?

I do not care if you present 105 petitions if the purpose is only to use up time, but I think we are setting a dangerous precedent in this chamber. When this is all over, when the GST is passed next year or the year after, I think some honourable senators will be able to say that the debate that has taken place over the past few days has been in order and today's precedent would set future rules.

Would you like to comment on that?

Hon. Michael Kirby: I would be delighted to respond to that specific point. For the record, I point out that although to the rest of the world it is October 13—and indeed in 13 minutes from now it will be October 14 in Newfoundland—the fact of the matter is that in this chamber it is still October 9. Those people in the gallery will think that the Senate is out of touch in that the calendar on the table reads October 9.

The Honourable Senator Simard has raised a valid point respecting a dangerous precedent. I point out that it is precisely that issue of the danger of the irresponsible precedent which has caused all the trouble in this chamber dating back to last Thursday.

I have no difficulty dealing with the fact that if what I am doing is a dangerous precedent, is an unwise precedent, or however you wish to describe it, it is nothing near as dangerous as the assault on democracy which took place in this place last Thursday when a vote was taken when members on this side of the house were in fact prevented from voting, were locked out of the chamber because the government was attempting to railroad the democratic system.

I have no difficulty in using the rules as they are defined, and they are very clear. I think Senator Simard is absolutely right that the rules respecting presentation of petitions call for a brief introduction of the petition. I would be quite happy to simply read into the record the names contained in these petitions, if that is what is desired, rather than educating honourable senators opposite on the history of the various communities of Nova Scotia.

Senator Simard: May I have a 30-second question which I should like to have answered?

Senator Kirby: If the honourable senator would like to ask a 30-minute question I would be more than delighted to respond to that.

Senator Simard: I will see how much success I enjoy before asking a 30-minute question. I certainly do not want to participate in this filibuster. I should like to know whether it is now the philosophy of the Liberal Party of Canada that two wrongs make a right.

Senator Steuart: So you finally admit that you were wrong!

Senator Simard: I ask the "little bugger" to wait a minute. Let me finish.

Senator Steuart: You can't call me that.

Senator Simard: I am referring to you as you were described and pictured by the *Ottawa Citizen.* I am not calling you a "little bugger" tonight. I won't do that tomorrow either, but that is what the *Ottawa Citizen* is now calling you.

To Senator Kirby, I hope that the Speaker will not resign because I do not think he has done anything wrong. You have said that what happened last Thursday was wrong. You have almost admitted that what you are now doing is wrong.

Are you telling me that the new philosophy of the Liberal Party is that two wrongs make a right?

Senator Olson: No.

Senator Steuart: I am saying that two wrongs make a Tory. That is what we are all saying.

Senator Kirby: I think that Senator Steuart deserves all of the labels he has been given, and I think he ought not to be proud of them.

Respecting the honourable senator's question—

Senator Simard: A 30-second question.

Senator Kirby: I could not even get through a preamble in 30 seconds. I could not even get through an opening sentence in 30 seconds. I could not even get through saying that I want to respond to your question in 30 seconds.

A number of those in this chamber have been in the academic community. The notion that a professor would answer a question in 30 seconds, or that a student would ask a question in 30 seconds is unheard of.

Senator Kelly: I am reading the rule book. I know I will find a rule that will slow you down.

Senator Kirby: That will take some searching. I have read the rules carefully. There is no gag rule of the form you would like to find in our rules. I apologize for that. That is not in our rule book yet, although I am sure the Speaker would like to find a way to put one in.

I should like to respond to Senator Simard's point about there being two wrongs. I truly appreciate the fact that he has at least conceded that the first point was wrong.

Senator Simard: No, I did not concede that.

I raised this matter to say that the Speaker and I will never agree that we did something wrong. You have taken it for granted that tonight's proceedings and the proceedings of a week or so ago make things right, although you are wrong on both occasions.

Senator Kirby: We ought to be clear on this. The people in the gallery ought to understand what the fundamental issue is; it is that in any and all legislative chambers there are rules and the members of those legislative chambers are entitled to operate within those rules to achieve whatever objective they want to achieve. Those of us on this side of the house have made no bones about the fact that what we would like ultimately to achieve is the defeat of Bill C-62 respecting the goods and services tax. In fact, that is what caused all of the problems on September 24. The only difference between senators on this side and the Speaker is that senators on this side believe that the rules should be respected. As Liberals we want to operate within the rules. As Liberals we believe that the game ought to be played fairly and that due process, as is set out in the rules, ought to prevail.

The difference between senators on this side and the Speaker is clear: the Speaker believes that the rules ought to be what he unilaterally interprets them to be from time to time; our view is that that is not due process, that is not the way this institution or any other institution can legitimately operate. It is precisely that issue on which we have had a disagreement.

As for the honourable senator's point respecting how senators on this side are tabling petitions, if the public were not so annoyed at Bill C-62, if they were not so frustrated, if they were not telephoning us and writing to us and pleading with us to defeat the GST, we would never have these petitions in the first place.

We did not go out looking for these hundreds of petitions. I did not go out looking for these, nor did Senator Perrault. These petitions were presented to us because Canadians are upset, mad, infuriated and totally disgusted with Bill C-62. All that we are doing is attempting to read those names into the record.

Senator Kelly: Would the honourable senator entertain a question?

Senator Kirby: Absolutely.

Senator Kelly: At the end of honourable senator's explanation—

Senator Kirby: Just so that we are clear, that was my preamble.

Senator Kelly: The honourable senator talked about due process on what Canadians expect. I wish the honourable senator would spend some time discussing whether what we are doing now, carrying on a filibuster respecting the GST, is accomplishing what Canadians expect of us; or does the honourable senator want us to get into the debate on the bill itself and debate the legislation on the floor of this chamber.

Some Hon. Senators: Hear, hear.

Senator Kelly: Is this really what the Canadian people expect?

Senator Kirby: What the Canadian people expect is crystal clear; they expect that the government will withdraw the bill.

Some Hon. Senators: Hear, hear.

Senator Kirby: That being done, the debate will be over in this house. That is what Canadians expect.

The fact that honourable senators opposite are not prepared to withdraw the bill—to be more precise, the Prime Minister and Minister of Finance are not prepared to withdraw the bill—all we can do, since we are now outnumbered because of the British eight, is to try to use the rules in a way which allows us to achieve the objectives the Canadian people want, and that objective is that the bill not be passed, that it be withdrawn, that it be killed, that it disappear.

Senator Murray: You are preventing Parliament from making a decision.

Senator Olson: We are going to try to persuade you to change your minds.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Would the Honourable Senator Kirby answer the question. Are honourable senators opposite going to prevent Parliament from coming to a decision? Is that the strategy?

Senator Kirby: Those on this side of the House have never said that. We are happy to recognize that it may be some time, though, before Parliament makes a decision.

Senator Simard: Honourable senators, I have a supplementary question for Senator Kirby. The honourable senator has talked about the rules and how they should be respected. I respectfully submit that Canadians have a right to petition the Senate. Since the time this procedure was introduced, petitions have been tabled, and no discussion took place respecting them.

I think honourable senators opposite would accomplish what it is they wish to accomplish by simply tabling these petitions. They are now twisting the rules and saying that two wrongs make a right. That seems to be the new Liberal philosophy.

Is the Honourable Senator Kirby, being one of the quartet, telling us that he has made up his mind respecting this legislation?

We have had a filibuster on questions of privilege. Now we are on a second phase. I suppose there will be a third phase and a fourth phase. Is it the ultimate end of the honourable Liberal senators opposite to kill this bill?

My second question is: Since the honourable senator seems to be well-versed in the rules of this place, would he say that there should have been a different set of rules to apply to the meeting of the Banking, Trade and Commerce committee of September 24?

Senator Kirby: I would be more than delighted to reopen the debate on the meeting of September 28—

Senator Simard: September 24!

Senator Kirby: My apologies, September 24. It is difficult to know what day it is when October 9 is staring at us from the Clerk's Table.

I thought it was clearly established that the Speaker had ruled that the procedures used at that meeting of September 24 were within the rules, or at least that is my understanding.

Respecting the honourable senator's question regarding whether the rules can be used to slow down the coming vote on the GST, the answer is that one has to wait to see what happens.

I do not pretend to be an expert on the rules of this place. Frankly, I have just recently read those parts of the rules that pertain to presentation of petitions.

I read the rule found on page 70, which made it categorically clear that there are to be no votes in the Senate until both whips had gone into the chamber, which was clearly violated last week.

There is a set of rules and we try to operate within those rules, but each side uses the rules in whatever fashion they can to achieve their objective, as honourable senators opposite did on September 25 and 26.

We have not concealed our attitude towards the GST. I think what started the filibuster on September 25 was our position, our desire and objective was to see the GST not come into effect. That continues to be our objective.

As I understand what we are doing, we are simply using the rules to achieve that objective.

Senator Murray: Then why not have a debate in this finely-balanced house and try to persuade those honourable senators who sit here as independents, and who have said that they have not made their minds up, to the rightness of your point of view, and then we will hold a vote on the GST and see then whether it lives or dies.

The honourable senator's party can take their chances with that, and we on this side will take our chances. That is the way Parliament is supposed to work.

What I find unconscionable—

Senator Steuart: Unless the Senate is stacked with eight British senators.

Senator Murray: —is the proposition, especially coming from senators with some experience in public life, that Parliament should be prevented from reaching a decision.

[Senator Simard.]

Some Hon. Senators: Hear, hear.

Senator Kirby: Just so that the Honourable Senator Murray is clear, I am sure that in due course that will occur, although there is some legal debate as to who is eligible to vote in this place. Indeed, as we all know, there was a hearing in an Ontario court in Toronto yesterday in which considerable time was spent discussing the issue of whether or not some senators opposite are eligible to vote.

I cannot resist making the observation—since it has appeared in newspaper clippings several times over the past few days—that I have some difficulty with Senator Murray's making the observation that there is a need to bring this issue to a vote.

I am going to quote from an article written by Frances Russell in the *Winnipeg Free Press* of Thursday. To set the context, it states:

> In 1982 the fertile and furtive mind of Senator Lowell Murray devised the most serious threat ever posed to the survival of parliamentary democracy, the tyranny of the bells.

It then goes on to talk about the opposition Conservatives objecting to the omnibus nature of Liberal legislation to implement the National Energy Program. The Conservatives then called for a recorded vote and let the bells ring for 14 days before reaching a compromise with the government.

I have no idea, frankly, whether the Honourable Senator Murray was the architect of the bell-ringing strategy or not, but he has certainly achieved the notoriety that goes with such actions.

Senator Perrault: How many days did the bells ring then?

Senator Kirby: They rang for 14 days.

I have a little difficulty, given the fact that you have been associated with that particular event, with your admonishing us that it is important to let things come to a vote fairly quickly.

Senator Murray: I was absolutely astonished when I read that article. I thought briefly of writing the author a letter, because that was the first time I had seen any reference anywhere holding me responsible and suggesting I had the slightest connection to that incident. I was a member of the Senate at that time.

It is not that I disassociate myself from my friends down the way who were involved in that—

Senator Olson: That is not what they have told us.

Senator Murray: —I simply say for the record that I had absolutely nothing to do with that.

Senator Kirby: I thank the honourable senator for clarifying that.

Senator Steuart: We believe Senator Murray as we always have.

Senator Kirby: In fairness to the author, and her opening description of Senator Murray as having a "fertile and furtive

mind" I noticed the leader did not disassociate himself from that. Most of us sitting on this side of the house would not do that either. I think the problem is that when you have that kind of a mind, and such events occur, people have tendency to put cause and effect together and assume there is some kind of linkage.

In any event, I note that there are a number of other honourable senators on this side who wish to speak on presentation of petitions, so I yield the floor; but in so doing I should like to pass my petition to the clerks at the Table and let them know that this is petition No. 47 and that I have 111 in case honourable senators opposite want to learn more about Nova Scotia.

During the coming weeks and months I will be delighted to do what I have done tonight and recognize that we have only another 60 to 70 hours to go before I have completed my presentation of petitions.

Some Hon. Senators: Hear, hear.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Dan Hays: Honourable senators, I rise to present petitions. As a preliminary comment, I followed with interest the exchange on the orderliness of the way in which these petitions are being presented.

I have many petitions to table. I will try to keep order, and, if I do not, I am sure honourable senators opposite will react in the appropriate way. If questions are asked, I will try to answer them. In the course of presenting these petitions I will make some remarks. I hope honourable senators bear with me as to why I think the petitioners are presenting these petitions.

I am not sure whether, during the course of my time on my feet, there will be questions about the role of the Opposition; however, if there are, I would be happy to discuss that in the context of what is happening here, which is a delaying procedure, which is a proper use of the rules, and which will undoubtedly be characterized as an abuse of the rules by honourable senators opposite.

Where we will fit in the spectrum between use and abuse is going to be an interesting question and one to which we will probably not find the answer to this evening.

In any event, I will start by reading petitions that have been entrusted to me. I have some petitions from my home province of Alberta, which I will leave until later, but I start by filing a number of petitions—

POINT OF ORDER

Hon. Nancy E. Teed: In the honourable senator's preamble he indicated he would be following the rules closely. I think I just heard the honourable senator say that he was going to read the names on the petitions. On page 77 of the rules it says, clearly, that the petition itself is not to be read.

I posed this question the other evening but did not receive an answer. Perhaps we should ask the senator in the Chair for a ruling on this specific point.

Hon. Dan Hays: Honourable senators, I think the honourable senator is raising a point of order, to which I should like to respond.

If I said I was going to read the petitions, and that is not strictly in accordance with the rules, let me say that I would be quite happy, in summary form, to give a brief explanation of what the petition sets out. It may be that I will not read every single word, but I will likely follow the tenor of the petitioner.

We should be speaking to the Speaker on this, and I will address the tenor of what it is I see in these petitions. What I have to say may be somewhat repetitive because some of them are in similar form; nonetheless, that goes to the point I made earlier as to whether I will be using the rules, or as members opposite may think, abusing the rules. As I said, that is going to be difficult to draw a conclusion on because it goes to the heart of the role of the Opposition and the role of government. Things will not happen as they should happen unless both play their roles, and those of us in opposition have to oppose.

We have to use whatever means are available to us, in some cases to delay, and in some cases to expedite, and to serve what we think is the proper role of the Opposition.

In any event, I will take my seat for a moment. I do not know whether other honourable senators want to address this point.

Senator Teed: Did I understand the honourable senator to say that his role in Opposition is to oppose? Forgive me, but I thought our role as senators was one of responsibility, and that we respect the rules of this chamber, and if the rules do not exist for this chamber, that we respect the rules of the chamber down the hall.

As a newly-appointed senator, I find it difficult to hear the honourable senator say that he was specifically appointed to oppose. I should like him to clarify that.

Senator Hays: I will, and with pleasure. I am a member of Her Majesty's Loyal Opposition. You are a member on the side of Her Majesty's government.

I am fairly new to Parliament myself. I do not have a long background in Parliament. I am a lawyer and am familiar with procedures of the courts. It seems to me that they arise out of what happens in Parliament.

In that context we seek the truth through an adversarial means, and the government and opposition are adversaries. I must say that one of the things which concerns me most about the events of the days of the bell ringing was that after the vote, without the Opposition being present, it seemed that with too great haste there was a willingness to get on with Orders of the Day, the business. Had not that business been stopped, then it is conceivable that those senators present in this chamber would have gone through the Orders of the Day and dealt with all of the business, which they said they could have done. That would have been an incredible abuse of Parliament.

● (2215)

I do not know whether that would have happened, because that is hypothetical, but it is a good illustration of the reason why the role of an Opposition is a necessary one in a parlia-

mentary body. If there is no Opposition, then Parliament is like a car with no brakes—it only goes in one direction.

Oppositions are just that—they are there to oppose. They do not always oppose; sometimes they agree, sometimes they do not. This was my point, senator, when I talked about our role being that of opposing. I will not always oppose; I will sometimes agree, but it is extremely important that the judgment of the Opposition as well as that of the government be brought to bear on a piece of parliamentary business. That piece of parliamentary business cannot be properly conducted unless those roles are properly played. Justice is not done unless, in our adversarial system, adequate representations are made for both sides of the issue.

As I said, that is the way we determine the truth. We ask questions and we use—some would say misuse—rules.

Honourable senators, that is the additional comment I would like to make in the context of the point of order that was raised.

Senator Teed: I do want the Speaker to rule on my original point. But, following through on your comment that you believe in the rules and you look to the rules, if indeed you had been serious about the situation that occurred last week, why, then, did you not look to page 71 of the rule book and exercise that rule? It reads:

> If there is confusion, a mistake or irregularity in the conduct of a division, the Speaker interrupts the proceedings, puts the question again and orders that the division be taken again.

At that point you could have asked for another go. Before you answer my question, however, I would ask for a ruling from the Speaker.

Hon. M. Lorne Bonnell: On the point of order, last week we could not ask the speaker to rule under the rule at page 71 because we were locked out. We could not even get in to speak to the Speaker. The doors were locked. How could we get in when the doors were locked?

Senator Teed: Your Honour, could we have a ruling on my question on the reading of the petitions?

Hon. Anne C. Cools: The order of business before us is Presentation of Petitions. It seems to me that we are quite in order to be presenting petitions.

SPEAKER'S RULING

The Hon. the Acting Speaker: I first remind honourable senators of what I had to say somewhat earlier this evening, that the senator in this Chair is but the humble servant of all honourable senators.

In reply to question raised by the Honourable Senator Teed, I shall first read from page 57 of the rules:

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.

It would appear to me that it might be helpful to look at the french version of the same rule which provides:

> Un sénateur qui présente une pétition publique fait une brève déclaration dans laquelle il informe le Sénat du contenu de la pétition, sans en faire la lecture intégrale.

If the "statement" in English or "declaration" in French leads us to understand that what takes place is a form of explanation, that the honourable senator presenting the petition has the right to provide an explanation of it, then perhaps we are also assisted in understanding the different kinds of explanations possible.

There are, of course, nominal explanations, which would merely mention the name, or the title of the petition. The mere reading of the name or the nominal explanation, might not be sufficient to meet the test of "statement" or "declaration."

Then there is the essential explanation. The essential explanation would involve going into the detail, or the essence, of the petition. Perhaps that would be almost equivalent to the reading of the petition, for which our rules do not specifically provide.

Perhaps it is the third sort of explanation, the descriptive explanation, which might be most helpful to us. I leave with honourable senators the suggestion, with reference to page 57, that in presenting a petition, the petition itself is not read but a descriptive explanation would be very much in order.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Dan Hays: Thank you, Your Honour.

Having made those preliminary comments, I will now come to the petitions. As I said, they are from two areas of the country, one being my home province of Alberta and the other Nova Scotia, which has featured prominently here. I will begin with the first petition, which is signed by some 45 petitioners.

It is addressed to the Honourable Senate of Canada. Of course, it makes reference to the ancient and undoubted rights about which we have heard so much in points of order here. The petition is one that relates to the goods and services tax, which honourable senators will recognize as Bill C-62 in this context, a bill which has been, and will continue to be, controversial. This particular petition mentions problems that these petitioners see with Bill C-62; in particular, problems related to the fact that savings under the MST, the manufacturer's sales tax, might not find their way through to consumers if the tax is implemented.

Another concern of these petitioners is the visibility of the tax.

Also of concern to these petitioners is the fact that inflation has not been dealt with in a frank and adequate way by the government. They fear that inflation will result from the goods and services tax to a greater degree than the government has anticipated.

The petition goes on to explain that the imposition of the tax would create an onerous administrative burden on small busi-

ness and thus the economy. It explains also that the petitioners are concerned that because of what the government has said, the goods and services tax will do nothing to address the deficit, which might have been a reason to bring in the tax.

Finally, the petitioners pray that the Senate do everything that it can to stop the Government of Canada from introducing the goods and services tax.

This petition is dated July 2, 1990 and is signed by a group of people. I do not intend to read all of their names, in the interests of time, because I have a large number of petitions here; but I would like to give some indication to honourable senators of where these people are from.

As I look through this list, I see a number of addresses, to begin with, in Halifax, Nova Scotia. Other addresses are shown as: Sackville, Nova Scotia; various regions of Halifax; Porter's Lake, a subdivision of Halifax; Bedford, which from my few and all too brief visits to Nova Scotia, I know is actually part of Halifax.

As I continue reading this, I see an address at what looks like Mt. Uniacke and Windsor, Nova Scotia. The rest of the addresses on this petition are essentially those of petitioners from either Halifax or Sackville, with the exception of the last, which is from New Glasgow.

The next petition I would like to present is in similar form. Honourable senators, I may repeat some of the things I say, but I will not do so with respect to this petition. Rather, I will simply do as I did in the case of the first petition, which is try to give honourable senators some idea of who has signed it by stating where they live.

These 45 petitioners are from: Halifax, Dartmouth, and Wolfville, Nova Scotia. Several petitioners are from Newfoundland. Another is from Dartmouth, another from Bedford.

In the interests of time, I will go on to the next petition. This also contains 45 signatures and is dated July 2. It is in a form identical to that of the first two petitions I presented. In this case, a number of petitioners are from the same general area, Sackville and Dartmouth. As I look through it, I see a number of other cities mentioned: Truro, Nova Scotia; Bedford; Coldbrook, and Sackville.

The fourth petition I wish to present this evening is dated July 2. It is in a form similar to that of the other petitions. The people who have taken the trouble to sign this petition are, for the most part, from Halifax. However, some of them are from Shubenacadie, Waterville and New Glasgow. Also represented are Halifax, Wolfville, Moncton, and Dartmouth. It is interesting that there would be some addresses from other provinces on these petitions. People must have been visiting these areas over the summer.

This petition is again dated July 2 and it contains the names, addresses and, in most cases, postal codes of 45 petitioners.

The next petition is again in similar form, dated July 2. The petition is signed by petitioners from Sackville, Halifax, Bridgewater, Centreville, New Glasgow, Pictou, Shelburne, Bras d'Or, Windsor Junction and Wolfville.

Honourable senators, here nestled in among the names of all of these Maritimers is a petitioner from Calgary, Alberta. I see names of people from New Waterford, Elmsdale, Newport, Nova Scotia and Windsor, Nova Scotia.

Senator David: May I put a question, senator?

Senator Hays: Yes, Senator David.

Senator David: I am a little surprised that 99 per cent of all of the petitioners seem to come from Nova Scotia. If I remember well, you are from Alberta. How do you explain this? Did you make a special trip down there to receive all of these petitions or were they given to someone else to be transmitted to you?

Senator Hays: That is a good question. I would like to present petitions from my own province, Senator David, but in the interests of trying to assist my colleagues I am presenting petitions from Nova Scotia.

They have come to my hand having been addressed to the Senate of Canada and are sent by a group which I gather has been involved in collecting the names of petitioners. This group is called the Tax Council on National Issues. It has an address in Dartmouth, Nova Scotia. I can only assume that these petitions come to my hand more readily than the petitions from my own province because of the domination in this chamber of people from the province of Nova Scotia, both on the opposition side and on the government side. It seems that they play a remarkable role. It is something that you and I, Senator David, should note well and try to remedy so that in future we will have other provinces and other regions of Canada represented in the leadership in this house.

This does not reflect on the quality of the leadership we presently have, it is simply a desire that in the future we have more people from other regions playing a role.

Senator David: If my understanding is correct, then, if you receive a box of petitions from anywhere, it is distributed between all of you on the other side so each of you have a couple of dozen or perhaps a few hundred of them and will read them one after the other?

Senator Hays: Yes, Senator David, you have more or less got it. However, I should like to elaborate somewhat. There are not hundreds or dozens but thousands and perhaps tens of thousands. I do not want to take a lot of time on this, but what is remarkable in itself is the fact that so many Canadians, perhaps in unprecedented numbers, although I am not sure of that, have taken the trouble to sign these petitions. They are encouraged by groups like the Taxpayers' Council on National Issues.

This leads into the kind of discussion I had earlier with Senator Teed about the role of government in opposition. These petitions tend to find their way into the hands of opposition senators because opposition senators are representing a point of view they want made.

Senator David: The way I see it, and I do not think I am wrong on this, is that this gives you the occasion to continue your filibuster as long as you wish.

Senator Hays: That, again, is not an unfair characterization Senator David. Filibusters are not unknown in the Canadian Parliament. I would like to know more about them, particularly those in this chamber. I gather that a filibuster in the House of Commons is not possible due to changes in the rules, although I do not know that for certain. But, yes, I think that in answer to your question it is fair to say that we are taking an extraordinary amount of time.

I am aware of filibusters in the second chamber of the United States. They have been used on many occasions. I do not know why upper chambers seem to have rules that allow this to happen, but they do. Here we see some considerable delay, as I look at the date of October 9 on the Clerk's Table.

I do not deny that extraordinary time is being taken. I give as my reason an extraordinary circumstance. That is how I see it. You may not agree.

My next petition, then, is similar to the previous ones and is also dated July 2. It is from communities in Nova Scotia. I see Moncton, New Brunswick; Dartmouth, Sackville, Lower Sackville, Shubenacadie, Truro and Windsor. I think it is a good thing, having regard to what we are trying to do here, to give senators some ideas of the breadth of concern in terms of where these people have signed these petitions.

Senator Bonnell: Would Senator Hays permit a question?

Senator Hays: Yes.

Hon. M. Lorne Bonnell: Does he think the fact that so many names are coming from Nova Scotia and the Maritimes stems from the fact that those areas of Canada away from the centre are being effected harder than the centre itself? Does he not agree that, consequently, most of the people from Nova Scotia, Newfoundland, the Yukon, Alberta and British Columbia are going to protest harder and more often than those in central Canada?

Senator Hays: That is a similar question, Senator Bonnell, to the one put by Senator David. I will just recap that.

I suspect that the tax is unpopular throughout the country. We have heard expressions of concern in the form of petitions from everywhere, but it seems to me that because we have such a dominance in the Senate of Senators from Nova Scotia, it is easier for these petitions to find their way into our hands than it is for petitions from other areas to do so; but that is something that we will try to remedy in the future.

Senator Bonnell: May I put another question? I know that we have good representation from the province of Nova Scotia in this chamber. We have from all of Atlantic Canada the very best people on both sides of the house. But it seems to me that most petitions are coming from this side of the house. Is that because in Atlantic Canada the other side of the house has less than 15 per cent national support and consequently can't get anybody from those areas to support them?

Senator Hays: That is an excellent question, Senator Bonnell. I suspect that the reason is quite simply that in our party structure and in the parliamentary system we have a ferocious party discipline. Those on the government side, and those on this side who have been on the government side at other times, tend to be supportive of government issues. I suspect that senators who represent the government, particularly recent appointments, because they are extraordinary, controversial and questionable, may be picking up on some unhappiness with the government initiative. But I think there is also a genuine concern on the part of people on our side, and it has been demonstrated, and will be demonstrated here tonight, at this late hour on Saturday evening—officially October 9 but actually October 13—for these petitioners. Would that answer your question?

Senator Bonnell: Partially, but I would think that if the people of Atlantic Canada, Alberta, British Columbia or the Yukon were so strongly in favour of the goods and services tax, they would be sending petitions to the other side in support of it. Surely senators opposite must have received petitions of support. It would be nice if they could bring forward some of those petitions. If they do not want to waste time, they could simply table them, but at least we could look at them and see who those people are. I cannot find a soul in Nova Scotia who really supports this tax.

• (2245)

Senator David: Can you give me an example in the history of Canada where a senator has received a petition in support of any tax?

Senator Bonnell: Yes, honourable senators. In fact, I have a letter in my briefcase from the mayor of the town of Summerside in support of the GST, but he was the only one. The reason he supports it is because he hopes to get the GST offices there. I do have examples of people who write in support of it.

Senator Hays: I should like to reclaim the floor.

Senator Cools: If you could defer, Senator David's question is illogical. A petition is something whereby the supplicant petitions, prays before us, and beseeches us for a remedy; so it is unlikely that there would be petitions in favour of an unpopular measure.

Senator Hays: Honourable senators, if I may, I should like to continue. I will not be much longer, and I know, since our intention is to sit a long time this evening, that other senators will have an opportunity to rise in their place with questions or, in fact, with petitions.

My next petition is in similar form to the previous one, again from July 2. It was a busy day.

Senator David: Coincidence?

Senator Hays: Yes. I am looking forward hopefully to a different date. The people who signed this petition are again from Nova Scotia communities such as Sackville, Truro, Dartmouth, Halifax, Bedford and Musquodoboit. It is a petition with 45 names.

My next petition is in similar form. This, however, is from July 9, a later date. Again, it has the same prayer, and the communities represented here are, again, Sackville and Dartmouth, and there is an address from the community of Kings-

ton, Ontario. This is a petition with the names of 45 petitioners.

I have another petition for presentation in similar form, dated July 2, and the communities represented here are, again, from Nova Scotia: Bedford, Sackville, Halifax, Waterville and Waverley.

I have a further petition dated July 2, in similar form, that is again representative of Nova Scotia communities for the most part, such as Bedford, Sackville, Halifax, Kennetcook, Trenton and New Glasgow.

I have a further petition, honourable senators, dated July 9, with the names of 45 petitioners, in similar form, representative of Nova Scotia communities such as Halifax, Sackville, Musquodoboit, and Upper Musquodoboit.

I have a further petition in similar form, dated July 9, again with Nova Scotia addresses in Halifax, New Bedford, Dartmouth, Waverley, and so on.

The next petition I have to present is, again, in similar form. I will not go through that again. This one is also dated, as are many of the others, July 9, and it contains the names of 45 petitioners from Halifax, Dartmouth, Sackville, Lunenburg, Waverley, Musquodoboit, Sydney and others.

I have a further petition, honourable senators, in similar form, with the names of 45 petitioners, and it is dated July 9, again representative of Nova Scotia communities of Dartmouth, Sackville, and so on.

The next petition is in similar form and is dated July 9 and contains the names of 45 petitioners from Nova Scotia communities that I have already mentioned, although there are some exceptions. There is a petitioner from Ottawa.

The next petition that I wish to present, honourable senators, is in similar form to the ones that I described earlier. It is dated July 9 and is from petitioners from Nova Scotia. I will look through to make sure that I have already described the communities. These are wider-spread communities. We have here Lunenburg, Eastern Passage, Hacketts Cove, Bridgewater, Shubenacadie.

The next petition, honourable senators, is in similar form. It is dated July 9 and is from petitioners whose addresses are in Nova Scotia, mainly in communities that I have already mentioned. The only community that I have not seen for a while here is the community of Yarmouth.

The next petition, honourable senators, is in similar form. This one has an earlier date, February 26, and is signed by petitioners from Nova Scotia and is representative of a number of different communities, principally the communities of Halifax and Dartmouth.

As I said earlier, I have some petitions from Alberta and I will take advantage of an opportunity under this order to deal with those petitions later on this evening or tomorrow morning.

Hon. B. Alasdair Graham: Honourable senators, perhaps I could just take a moment, in speaking on the question of petitions, to explain perhaps why there are so many petitions from my part of Canada, namely Nova Scotia and Atlantic Canada. I think everyone would agree that there are serious regional economic consequences in moving to a GST, because, in the transition to a broad-based tax, the service and primary sectors will be hit particularly hard. The inherently regressive nature of this kind of tax ensures that those hit hardest by the GST will be the poor, the disadvantaged, the elderly, the single-parent families, and so on, and we have many of those in Atlantic Canada.

Many honourable senators surely know that the provincial sales tax rates in Atlantic Canada are already the highest in the country.

POINT OF ORDER

Hon. William M. Kelly: Honourable senators, may I please raise a point of order once again, with great respect to the senator speaking? This is perfectly reasonable material to be handled at a time when the bill is being debated.

Senator Murray: Hear, hear!

Senator Kelly: But this is presentation of petitions. I have the greatest respect for the senator, as he well knows, but that is not the stage we are at, unfortunately, at this time. This is presentation of petitions, not debate.

Hon. B. Alasdair Graham: I am responding, in part, Senator Kelly, to the very proper question that was raised by Senator David—and perhaps you were not in the chamber at the time—as to why there were so many petitions from the province of Nova Scotia. I am just making the point that provincial sales taxes in the Atlantic area of the country are already the highest in Canada, and when they are combined with the GST—

Senator Murray: They will be able to lower them, Senator.

Senator Graham: —the taxes will be crushing to the people in our part of Canada. On your point, while I do not intend to get into debate now, I do want to make the point that this is a golden opportunity for members of this chamber to speak on behalf of the people they represent.

Some Hon. Senators: Hear, hear!

Senator Graham: The people of this country have petitioned us in an unprecedented way to try to stop this regressive piece of legislation.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): The people in the House of Commons represent the voters.

Some Hon. Senators: Oh, oh!

Senator Graham: As long as we are working under the present constitution, I am representing the people of my province, and under the Constitution I have a right to vote in this chamber. I was denied that vote last Thursday.

Senator Murray: The people down the hall represent the voters. You represent yourself.

Senator Kelly: Honourable senators, please, I would like to get back to my point of order. I do not argue at all with the

point being made that there are many matters that have to be discussed at the time when we are debating, and I do not quarrel with the fact that there are totally legitimate arguments, many of which have been started now, but I am arguing that we have a process here that we should try to adhere to.

Senator Thériault: That is new!

Senator Kelly: Let us either present petitions in the way set out on page 57 or let us get at the bill and debate it.

Senator Thériault: When you follow the process, we will follow the process!

Senator Graham: Senator Kelly, that is exactly what I am doing. We have never had an opportunity like this before, and there has never been an issue facing this country where the people have expressed their opinions in such a very firm and positive way. They do not want this tax. Please give me the opportunity to list a few of the names of the people.

Senator Kelly: That is all I am asking.

Senator Graham: All I wanted to do was to answer the question that was raised by Senator David as to why there were so many people on these petitions from my part of the country, the province of Nova Scotia. I am here to represent their interests.

Senator Thériault: Hear, hear!

Senator Cools: That is right!

PRESENTATION OF PETITIONS ON BILL C-62

Hon. B. Alasdair Graham: For example, I am here to represent the following interests:

(*Names of signatories read*)

Senator Kelly, you mentioned earlier that you have roots in Prince Edward Island, but you should know, as a senator from Ontario, that there are regional disparities and that the Atlantic economy is dominated by small business firms. The cost of compliance for those smaller firms will be very burdensome. They will clearly have a greater difficulty in incorporating those costs. I should also make the point, Senator Kelly, that the Atlantic region is largely an importer of goods and services, and because of the distance from the originating manufacturing centres, prices in our region are higher than in other areas of the country. Indeed, that point was made by the Newfoundland and Labrador Chamber of Commerce and by other Chambers of Commerce in the area.

Senator Murray: I thought I should mention the mayor of St. John's who, by the way, I think, is a Liberal sympathizer, and he is strongly in favour of the GST.

Senator Graham: That makes two mayors in Canada in favour of the GST.

Senator Petten: And he is a businessman.

Senator Graham: Those people made the point that the purchase price of manufactured goods is already eight to 14 per cent higher than the prices in central Canada. Other Chambers of Commerce have made the same point.

[Senator Kelly.]

(*Names of signatories read*)

As I said earlier, provincial sales taxes in Atlantic Canada are already the highest in country, and these people are expressing serious concern, honourable senators, that the GST, combined with provincial sales taxes, will be too burdensome to carry.

(*Names of signatories read*)

Honourable senators, today the telephone calls continue to come in in support of our actions here, presenting petitions on behalf of, as Senator Sparrow said, extraordinary Canadians. This is a wonderful opportunity for us in this chamber to spend time on petitions, to register the names of those people before the people in this chamber, and to let them know that we really care. This is a way, honourable senators, for us to attempt to persuade the obviously intransigent members on the government benches to withdraw this terrible piece of legislation.

Some Hon. Senators: Hear, hear!

Hon. Anne C. Cools: Honourable senators, I rise to present several petitions, but before I do I should like to express concern that the senators on the other side seem to have very little interest indeed in listening to these petitions.

Senator Murray: With only six of your own Liberals in attendance? You ought to be ashamed of yourselves. There are 15 or 20 of us here and we are listening very intently.

Senator Thériault: You have to keep your quorum.

Senator Murray: Let the record show that there are a mere half dozen Liberals in the chamber.

Senator Cools: Senator Murray, I feel no shame. You are walking away. As usual, you start something and then you go running.

Before I proceed to these petitions, I should like to place something on the record that is not technically a petition but is certainly expressive of many thoughts that are around. It is something that I received in the mail. When I was a child, we called these "rubbers", but the word now is "erasers", and this is accompanied by a letter which I shall put on the record:

> Dear fellow Canadians,
>
> It is indeed with great pleasure that we enclose for your edification a wonderful new therapeutic device designed to relieve the symptoms of an over-taxed psyche. With the needs of the common man in mind, we have developed this magnificent new product so that, in times of anger and distress, he can vent his spleen.
>
> Governments have, for too long, been over-taxing our patience as well as our pocket books, and a universal rage is emerging.
>
> The proposed new Goods and Services Tax (GST) is the last straw for many upstanding citizens. Now we offer the opportunity to focus that frustration.

POINT OF ORDER

Hon. William M. Kelly: Honourable senators, I rise on a point of order again. Every senator in this chamber knows that

this is presentation of petitions, and they know that a letter written to a senator cannot be presented as a petition.

Senator Thériault: Why not? Explain.

Hon. Anne C. Cools: I was not trying to present it as a petition.

Hon. Raymond J. Perrault: It is part of the explanation.

Senator Kelly: It is not possibly receivable as a petition.

Senator Thériault: Explain!

Senator Simard: The rules, the rules, the rules!

Senator Kelly: I do not object to the letter being read, if you want to read it, but this is not the appropriate time.

Senator Thériault: How do you know that? Explain yourself.

Senator Cools:

> Governments have, for too long, been over-taxing our patience as well as our pocket books, and a universal rage is emerging.

Senator Kelly: Could I have a ruling on that?

Senator Perrault: Be fair! Let her be heard!

Senator Simard: Order, order!

The Hon. the Acting Speaker: I believe that Senator Olson wishes to speak to the point of order.

Senator Perrault: Stop trying to bully the Speaker!

Senator Kelly: I am not.

Hon. H.A. Olson: I want to speak to the point of order.

Senator Kelly: I want to apologize to Senator Cools if she feels I was being impolite. In normal practice, the Speaker suspends and waits until a point of order is described. I was reminded a moment ago of last week and I hope we do not return to that.

Senator Olson: Honourable senators, I should like to draw Senator Kelly's attention to the dictionary we have at the Table, *The Concise Oxford Dictionary*. The definition of "petition" is as follows:

> Asking, supplication, request; formal written supplication from one or more persons to sovereign.

There are several ways in which a petition, or a request, a supplication, can be made, and what Senator Cools is doing is one of those ways. Senator Kelly does not have a right to say that a senator, or even a Canadian citizen, is obliged to make a supplication to this chamber in some certain way and that he must not make it in another way. If he listened carefully to Senator Cools' explanation, and to what was in the letter, he would know that it is certainly a supplication. That is what a petition is. He should look in the dictionary once in a while.

Senator Kelly: I would point out to honourable senators that, last week, in reference to the definition of a petition, I believe I gave three references, one from *Bourinot*, one from *Beauchesne* and one from *Erskine May* describing the standards that must be met if a petition is to be receivable as a petition as opposed to a letter written to a senator with whatever comments the writer wanted to make. Such a letter can be read out, but during another stage of proceeding. When we are talking about presentation of petitions, it is a question of what is receivable as a petition. That is all.

Senator Olson: Honourable senators, this is one of those situations, again, where we are going to make up new rules, new interpretations of what a petition is. These dictionaries and these definitions have been around for years, and I do not think that Senator Kelly would like to try now to say that there are certain forms in which he believes a petition ought to be made, and none other. That is ridiculous. It is a supplication, a humble supplication, as it says in the dictionary, which is exactly what Senator Cools is doing. So she is completely in order.

Hon. Nancy E. Teed: Mr. Speaker and honourable senators, could I ask Senator Olson to read the rule on page 57 and to delete, in the third line, the word "petition" and replace it with the definition as he has just read it?

• (2315)

Hon. L. Norbert Thériault: The senator from New Brunswick has just broken the rules because she is supposed to address honourable senators, not the Speaker.

Senator Cools: Absolutely. She has been doing that all evening.

Senator Simard: How petty can you get?

Senator Teed: Honourable senators, I have been following several other speakers and I have heard it done both ways. I am sure you will forgive me that error and could we please ask the honourable senator—

Senator Cools: Please, honourable senators, I have the floor and I don't appreciate these somewhat feeble efforts. Our indulgence has been asked for, and I tell honourable senators across the way, especially the new ones, you are asking for indulgence because traditional custom in this place has it that when you are new you keep quiet for a few days.

Senator Simard: Don't you lecture her. How mean can you be?

Senator Cools: Not very mean, not nearly as mean as you. Honourable senators, I have the floor.

Senator Simard: Is this what you call "Saturday Night Fever"?

Senator Cools: I have never had it, honourable senator.

Senator Simard: Take it easy. Please don't lecture us.

The Hon. the Acting Speaker: Order, please. I don't think there is any need to go through what the rules state about petitions. That is on the record and it has been there for a long time. Quite a complete reading of it was given by Senator Frith when petitions started off, as well as citations from Beauchesne and Erskine May. There is hardly any need to go

through all that again. I will read three or four lines from page 57—

Hon. M. Lorne Bonnell: I rise on a point of order—

The Hon. the Acting Speaker: I will hear the point of order, but when the Chair is speaking and standing it is part of the custom not to be interrupted. It is not for myself, but for the office of the Chair, so perhaps the honourable senator will allow me to finish.

Senator Bonnell: I have a point of order I wish to raise.

The Hon. the Acting Speaker: A point of order was brought up by an honourable senator to my right and was commented on. I realize the Honourable Senator Bonnell has a point of order he wishes to raise, but I am dealing with one now and then the honourable gentleman can bring his up later. It is difficult to deal with two at the same time.

Senator Bonnell: What makes you think it is not the same point of order? You never waited to find out.

The Hon. the Acting Speaker: That could well be. As I say, the honourable senator will have time to speak. I wish to finish reading the three or four lines:

> A Senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition; the petition itself is not read.

All honourable senators know what that means and it is almost impossible for the Chair to interrupt every time. I ask honourable senators to guide themselves by the letter and the spirit, because in these proceedings it is up to all of us collectively to see that the rules are observed. It is not something any one person or the Chair can do. We have to do it collectively and responsibly, and that is all I am pointing out.

Senator Thériault: The Chair is obeying the rules.

Senator Teed: I appreciated Senator Austin's attempt—

Senator Bonnell: I have the floor, senator. If you want to say something you stand on your feet and do not do it from your seat.

Senator Teed: I really do not have to take orders from you.

POINT OF ORDER

Hon. M. Lorne Bonnell: On a point of order, it is my information, after 20 years here, that you as Speaker do not rule or say anything about a point of order unless you are asked to do so by the members of the Senate. The Senate rules this place and the Speaker has no authority. Unless he is asked to rule on something, he does not interfere. Honourable senators, if you have any points that you ask the Speaker to rule on, that is a different situation, but for the Speaker to rule before he is asked to is going beyond the power of his authority.

The Hon. the Acting Speaker: I may point out that I was asked to rule. The Chair was asked to rule by Senator Kelly at least, and perhaps by others. I did not volunteer. There is no extra pay for fortuitous action. Senator Kelly asked, as a matter of fact at least twice, and insisted that the matter be dealt with by the Chair. The record will show that and that is all I can say on that.

[The Hon. the Speaker.]

Senator Bonnell: On the same point of order, honourable senators, Senator Kelly did ask and he already received three rulings from the Speaker. The Chair has already ruled three times; therefore, Senator Kelly should be told he has already heard the decision and not to interrupt the proceedings of the house by asking, every time there is a new Speaker, for the Speaker to rule again, because we cannot be overruled in the form of the Chair, Mr. Speaker.

Hon. P. Derek Lewis: Honourable senators, before we finish this topic, I would like to draw the attention of senators to rule 5(*m*) on page 4, which states:

> "petition" means a written prayer presented to the Senate, and includes all petitions whether relating to public or private matters, matters of general policy, or to redress of local or personal grievances;

In Part V under Petitions and Bills, Rule 51 states:

> A petition shall clearly be written and signed by the petitioner.

As far as I can see, there is nothing in the rules which states a petition has to be in a particular form. It would seem that possibly the letter could be a petition in the definition under our rules.

Hon. William M. Kelly: Let us assume it is a petition. Could I ask honourable senators also to read page 57 where it states that a petition cannot be read in full.

Hon. H.A. Olson: Honourable senators, the Speaker has made a ruling and it is a reasonable one. It has been done twice before tonight and I know that Senator Kelly was present every time. I wonder if he could get it written out for him so he would not have to ask every hour for another ruling on the same matter, because he receives the same answer every time. Maybe he is tired, but it seems unreasonable that he cannot remember for more than 60 minutes what the ruling was. I do not think he would want to interrupt senators and receive the same ruling every hour on the hour.

Senator Kelly: Honourable senators, may I respond briefly. In my opinion, and it is only in my opinion, I believe that I am a most reasonable person. I really do believe, however, in the purpose of this book.

Senator Thériault: Why did you vote when we were not in the chamber last week?

Senator Kelly: I think this book was put together to guide us so we do not get into a jungle.

Senator Perrault: You did not follow it last week.

Senator Kelly: If we have a process for presenting petitions, all I am suggesting is that we stick to it.

Senator Perrault: Not to taking votes though?

Senator Thériault: Why do you not read a few of the letters that you have received, Senator Kelly?

Senator Bonnell: I wonder if Senator Kelly would read page 70 and see if he agrees that that should be followed exactly as written in the book and that the opposition should be in the chamber with the Whips when we have a vote.

Senator Kelly: I do agree with that totally and that is why I was puzzled that Senator Petten did not come through the door when the whole process commenced.

Senator Olson: Do you decide when he comes in the door?

Senator Kelly: No.

Senator Olson: Then he did not come in, so you did not have that decision to make.

Hon. William J. Petten: I already stated my position. It is on the record. You can read it in *Hansard* when we get it, or do you wish me to go all through the process again? I will be happy to if you want. I received the famous or infamous letter, as I said the other day, between 15 and 20 past 5. The doors were locked at 5:25 p.m., according to *Hansard* and I presume we all agree with that.

Senator Bonnell: That is the record.

Senator Petten: There was no way I could possibly inform 50 people in five or eight minutes. The doors were locked and they could not get in. If we had followed our rules, as you say, and the two Whips had entered and the vote had been held, or if we had been advised one and a half or two hours ahead of time, but five minutes, or I will even give you ten minutes, that is a little much and there is no way it could be done. I would appreciate it if that was not brought up all the time. I am happy to answer it every time anyone brings it up, but it seems a little redundant.

Senator Kelly: I did not bring it up. I was talking about rules, and I agree with all the rules.

Senator Petten: It is no trouble. I just want to keep the record straight.

PRESENTATION OF PETITIONS ON BILL C-62

Senator Cools: In the interests of brevity and in the interests of providing what I thought was a reasonable and brief preamble to the petitions, it was my intention to read a letter which was received, and I would like to so table it with the eraser that accompanied it. The purpose in mind in so doing is to demonstrate that people avail themselves of the tools in different ways and this particular letter is one statement. I have read most of it, but the essence of the letter was to ask politicians to heed the people and to register that objection by sending all of us these erasers, which I am pretty confident most of us would have received. The intention by so tabling this was to demonstrate that other good, solid outstanding Canadians have chosen not to take this route but rather to take the other route of presenting—in the interests of satisfying Senator Kelly—extremely formal petitions.

Senator Kelly, in this chamber we have the advantage of being able to speak to each other very directly, unlike in the Lower Chamber where we address the Speaker, I want you to be assured that I have taken the time and the trouble to scrutinize this entire petition. I have perused it very carefully to ensure that the signatures are all different, even sometimes that the ink is different and I have observed very carefully that this is not a fraudulent document. I have looked at it very carefully to be sure that the formal process has been observed.

With all due respect, Senator Kelly, you are exercising great insensitivity tonight when you are suggesting that the presentation of these petitions is somehow a boorish process we seem to be imposing upon you. Senator Kelly, there are many people who are going about in their daily lives taking these petitions to people for signature and I think you should think on that for a few minutes.

If I may continue, this is a petition to the Honourable the Senate of Canada.

> The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your Petitioners in the certain assurance that your Honourable Senate will therefor provide a remedy
>
> Humbly sheweth
>
> Whereas the new universal 7% federal Goods and Services Tax adopted by the Conservative government will create serious, unjust and inhuman difficulties to Canadians;
>
> Whereas the implementation of this tax will constitute an unprecedented assault on the income of the Canadians, not only by forcing them to pay higher taxes, but also by confronting them with a rise in inflation, interest rates and unemployment.
>
> Wherefore the undersigned, your Petitioners, humbly pray and call upon the Senate to reject this new Goods and Services Tax. The Canadian producers are carrying out their job perfectly by flooding the market with products, but they cannot produce money. The government must therefore set up a National Credit Office to create the money required by the existence of new wealth and abundance.

Senator Kelly, I want you to be assured that the people circulating these petitions—

POINT OF ORDER

Hon. William M. Kelly: On a point of order, page 57 of the rules states that the petition itself is not read. The Senate is informed of the contents with a brief statement, but the contents of the petition itself are not read. That is all.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Anne C. Cools: If I may continue, in order to give assurance to the other side, many of whom have been question-

ing the validity of some of these petitions, on the printed petition itself there are instructions to the good Canadians who are collecting these petitions to complete the forms properly, write the full name and to sign individually. This particular one is quite interesting. In the place of a stamp to mail it to us, it suggests writing O.H.M.S.,—On Her Majesty's Service.

Senator Kelly, the people who represent this particular petition do honestly and sincerely believe that they are "On Her Majesty's Service."

POINT OF ORDER

Senator Lewis: On a point of order, I would like the record to show, particularly in answer to a remark made by Senator Murray before he left the chamber when he made the terrible observation that there were so few members on this side of the house—

Senator Simard: Around five or six.

Senator Lewis: I would like to let the record show that it is only because these six, seven or eight senators are present there is a quorum. The government is not even prepared to have enough members here to have a quorum.

Senator Perrault: Disgraceful. There are only ten over there.

Senator Lewis: They are not here in the chamber and that is what Senator Murray said and I do not like the reference he made.

Senator Simard: Do you want to call a quorum?

Senator Perrault: There is a quorum, thanks to the Liberals.

Senator Cools: Senator Simard, there is a quorum here because of us Liberals.

Hon. Jean-Maurice Simard: I rise on the same point of order, that whenever another senator rises usually the one who is standing takes his or her seat. I think the visitors will testify that there have been 14 or 15 senators present regularly on this side, and too many times there were only four or five senators on the other side. That is their problem, if they are satisfied with having four or five to maintain a quorum. We know in the adjoining room there are a total of 18 or 20 Tory senators. We are here because the Liberals have decided to filibuster.

Hon. Raymond J. Perrault: Let Senator Cools be heard.

Senator Simard: You people have no concern. You don't care if this place sits for 24 hours a day at an additional cost of $70,000 or $75,000 a day. Four or five of you come here and go through the exercise. I maintain, Mr. Chairman, according to the rules that four or five on the other side is not a quorum. There should be a quorum of 15.

Senator Perrault: Senator Simard needs a restraint jacket. To interrupt a senator attempting to present a petition is totally undemocratic and inconsistent with the standards of this chamber. I would ask him to please attempt to keep his emotions under control.

[Senator Cools.]

Senator Simard: Senator Perrault, I will refrain. Other people have tried before and have failed, but that is okay. I will follow your advice, if Senator Lewis will do the same.

Senator Lewis: My only point was to reply to the snide remark the Leader of the Government made when he left the chamber about how few Liberals were present. Those senators who just came in from the reading room, can they tell us what the score is in the hockey game?

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Anne C. Cools: Honourable senators, if, for a moment, I have been sounding uncharitable or mean, I would apologize. There was an honourable senator, Senator David Walker, who sat on the other side. He was a former minister in the government of John Diefenbaker. Many of us were skinned by him, and when a new senator tried to speak he would call across the room, "New Boy!" Quite frankly, I was a little more clever than some of the boys, so he did not get a chance to call me "New Girl!" but I say to some new senators that they will get to hear a little bit of that. I want to put on the record that I am not a mean person and I am not an uncharitable person; however, there are certain things that have been done in this house. Granted, it is changing and it is changing rapidly. My point, honourable senators, was to be crystal clear that I was not trying to be mean or uncharitable. I was only reminding people on the other side that they have dosed out a lot of medicine, and that some of it is coming back to haunt them.

These particular petitioners have been very attentive to following all of the necessary probity and decorum and have chosen to use an extremely formal methodology. As I look through the names and addresses of the petitioners, I have observed that most of them are from the area of North Bay. In the interests of those senators who hail from other regions, and in the interests of providing a little balance to the rather large amount of petitions that have been presented from the other regions of Canada, I thought perhaps we could discover a little bit about the people who have presented and signed these petitions from the area of North Bay.

I took it upon myself to inquire a little bit about the area of North Bay. I am a quintessential Torontonian and, as Senator Frith described in one of his speeches, find myself frequently confined to my own region of Toronto and central Ontario. On viewing these petitions, I thought to myself that I really didn't know too much about North Bay and northern Ontario. I have never even been to North Bay. I took the trouble to look North Bay up in the Canadian Encyclopedia and I discovered the following facts.

North Bay is a small city that was incorporated around 1925. It is described as Canada's "Gateway to the North". It lies along an area where the fur trade portage connected the waters of Trout Lake and the Ottawa and Mattawa rivers with Lake Nipissing. So many of us from urban central Canada are not close to those areas, but I discovered that its development was very much a function of the railway. If Senator Sinclair were still here he would probably be able to tell us a lot more

about it. Apparently, it was dependent on the arrival of the CPR around 1882. It still remains a major fur centre. It did not "boom" in the manner of many northern centres, but it also avoided the "bust". So that is not the kind of language I would traditionally use.

• (2345)

Of particular interest is that this area is populated by the largest concentration of Finnish people outside of Finland.

Let me continue with the reading of the names on this petition.

(*Names of signatories read*)

Senator Cools: There are pages and pages to these petitions. I believe there are 150 names on these petitions.

With the indulgence of honourable senators, I should like to table these petitions in the sincere belief that honourable senators opposite will treat them with a modicum of seriousness.

Hon. Brenda M. Robertson: May I ask the honourable senator a question?

Senator Cools: After the last exchange I am not sure I should, but go ahead.

Senator Robertson: From time to time the honourable senator has made observations about communities she has not visited. I have noticed over the years that the honourable senator has been anxious to visit new communities.

Of course, the honourable senator is now familiar with the communities of Canso and Port Hawkesbury, Nova Scotia, as a result of a committee travelling to those communities last winter.

I did not notice the names of residents of Port Hawkesbury or Canso on the petitions, although I may have missed that.

The honourable senator should be aware that as the temperature and climate changes, people change. I am sure the honourable senator will be interested in knowing that this evening on a CTV television newscast a reporter interviewed many people in those communities, and without fail, the residents of those communities were practically unanimous that this Senate get on with the business before it. They said that they were fed up with the delaying tactics. They said they also wanted the Senate to get on with passing Bill C-21.

Some Hon. Senators: Hear, hear.

Senator Perrault: Then call an election!

Senator Cools: I said that I was prepared to enter a question, but I am not sure what the question was.

Senator Robertson: The question was: Do you have any names from Canso or Port Hawkesbury on those petitions?

Senator Cools: Perhaps I neglected to say at the outset that the petitions I was presenting were from the residents of Ontario.

Senator Olson: I have 6,000 here from citizens of Nova Scotia.

Senator Cools: Fine. Let me tell the Honourable Senator Robertson that I am flattered she thinks that I should be presenting petitions from Nova Scotia. Were they entrusted to me, I would happily do so.

Senator Simard: Are you going to go back and check?

Senator Cools: If I happen to encounter any names of citizens from Canso while perusing these petitions, I will be happy to share that with the honourable senator opposite.

Senator Robertson: The honourable senator should realize that those people want the Senate to stop this foolishness and get on and pass Bill C-21, and other legislation that is being stalled in this chamber.

Senator Cools: I really do not understand how the Honourable Senator Robertson can describe this as foolishness.

Senator Robertson: May I try to explain that to you?

Senator Cools: Certainly.

Senator Perrault: Senator Cools has the floor.

Senator Simard: Oh, come on!

Senator Cools: I would like Senator Robertson to explain why she thinks this is foolishness. Get up and tell us why this is foolishness. Let the honourable senator tell us why she thinks it is foolish for these people to have signed these petitions and presented them to us.

Senator Robertson: The honourable senator is going through this process to stall debate on the legislation. I believe honourable senators opposite are upset with a ruling the Speaker made. Is that not the bottom line?

Senator Simard: They are worried about losing their majority.

Senator Robertson: I believe it is because senators opposite have some problem with the Speaker that they are doing this. They are upset. I want Senator Cools to comment on this.

Senator Perrault: Stop filibustering and sit down.

Senator Robertson: I will sit down when I choose to, senator.

Senator Cools was a member of the committee that considered this legislation. What happened on that infamous September 24?

Senator Cools: It was Monday, September 24, 1990.

Senator Robertson: At that time every privilege of government members sitting on that committee was abused. Senator Cools never defended our rights. We sat there and listened to the chairman, and whatever he said was law. Senator Frith told the chairman: "We are the majority. What we say goes." He told us that there was no time to read the report, that the discussion had to be over by 7 o'clock.

Senator Perrault: We are tabling petitions. Let's get on with it.

Senator Robertson: Senator Cools sat there and agreed with that procedure. What does the honourable senator think a

member of a committee is supposed to do when their rights are taken away? The Speaker correctly ruled that he could not rule on what had taken place at that committee meeting.

Senator Perrault: This is nothing but a filibuster.

Senator Robertson: Why were we not treated properly by the chairman of that committee?

Senator Cools: Is that Senator Robertson's response to the statement that this process we are going through is foolish?

Senator Robertson: Of course it is. We had no opportunity to defend ourselves.

Senator Perrault: Wait until the GST debate to discuss that. We are now tabling petitions.

Senator Robertson: If honourable senators opposite want to debate the GST now, put it on the floor and we will debate it. Senators opposite are contradicting themselves all over the place. If we on this side had no rights at that committee meeting, why are the Liberal senators being holier than thou—

Senator Steuart: Is this foolish?

Senator Robertson: Yes.

Senator Steuart: That is always a Tory's answer.

Senator Robertson: My rights were taken away at that committee. Don't start swearing at me. If you want to swear, leave the chamber. I have had enough of your profanity.

Senator Perrault: You are out of order.

Senator Robertson: I don't care if I am out of order or not, because what you are doing is wrong.

Senator Olson: At that committee meeting Conservative senators went on for seven hours without getting to the substance. They simply raised points of order.

Senator Perrault: You did not debate the report.

Senator Robertson: We didn't have time to read the stupid thing!

Senator Simard: Can I make a connection here?

Senator Cools: Senator Robertson was putting a question to me.

POINT OF ORDER

Hon. Jean-Maurice Simard: I rise on a point of order.

Hon. Anne C. Cools: This is not a point of order. Senator Robertson asked me a question.

Senator Simard: I will take only 30 seconds.

Senator Robertson has made a good point. Senator Olson, who is always among the guilty parties, has raised an objection. September 24 was the darkest Monday in the history of the Parliament of Canada.

Senator Olson has said that we had seven hours. That report consists of 300 pages. We francophones had to read the French version, which consisted of another 300 pages. We got that at 11.30 a.m., and the meeting took place at 1.30 p.m.

[Senator Robertson.]

Let me tell honourable senators opposite that the *Ottawa Citizen* ran an article stating that Senator Buckwold did not care on September 24 whether we had seven hours or not. Senator Buckwold is quoted as saying that on September 11, 13 days before that meeting was held; the Liberals had made up their minds. They held a parliamentary caucus. They told Mr. Chrétien then that they were going to kill this bill. They had given Mr. Chrétien his marching orders. They said they were in charge and their recommendation was to kill Bill C-62.

The seven hours we were given was not sufficient, and we raised a point of order. The Speaker said in the Senate that because he was not at the meeting he could not rule on the matter, and we all understand that. The fact of the matter is that the decision, which was announced on September 24, had been taken on September 11.

• (0000)

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That is why we are talking about the mockery of this process. Please put an end to it, Senator Olson. You have been around for years. They have been good years for you. You were responsible for good legislation. In 1984 Canadians said no to the Trudeau regime, and in 1988 they said no again. But, from the lips of Senator Buckwold, you decided that, regardless of the will of the Canadian voters, from the Senate you were going to try to operate as a government in exile. That is what is wrong. I have heard in interviews and read in the press that people from Canso and the general area that Senator MacEachen comes from, have said they have had enough of you. Will you ever listen to Canadians and get the message and let the elected people run this country?

Senator Graham: I wish you people would listen to Canadians and get the message.

Senator Simard: There is another person from the Trudeau regime.

Senator Graham: And I am proud of it.

Senator Simard: We have a lot of respect for all of you, and I think the Canadian people will continue to have respect for you and these institutions if you listen to the elected will, regardless of the polls or whatever the opinion of the moment is. People know that the proof will be in the pudding. When Bill C-62 is implemented, they will adjust to it and understand that it is a good thing for Canada. Perhaps it will take several months or a year or two, but the people will make up their minds.

I am sorry I took so much time, and that may not be to your liking. Senator Kirby was saying that perhaps we should delay the bill by six months or a year. According to him, the timing was not right. Senator Hébert was telling us in *La Presse* this morning that, as far as he was concerned, Bill C-62 could take effect in February. Perhaps another senator will say it should take effect in April. That is not the way fiscal policy is implemented and handled.

Senator Olson: What has this speech got to do with petitions?

Senator Cools: Honourable senators, what does this have to do with petitions?

Senator Simard: People have to know what the rules are. Please conform to the wishes of the elected people. Thank you.

Some Hon. Senators: Hear, hear.

Senator Cools: Senator Simard and Senator Robertson, I have listened to you carefully. I am still trying to understand the argument about foolishness that was made by Senator Robertson, but we can return to that. As I was listening to Senator Simard, I was taking notes for responses to the issues he was raising. I kept writing no, no, no, and, after the fourth no, I decided to stop taking notes.

I would like to say one or two things. Senator Simard and Senator Robertson are the ones who have taken us off on this little frolic away from the petitions.

Senator Simard: We tried to get you off petitions. Don't you get the message?

Senator Cools: Since you have taken us off on this frolic, I would like to say, and I am sure my colleagues will agree with me, that we don't like to hear the name of our colleague, the Chairman of the Banking Committee, maligned in any way. He is not here tonight, but I would like the record to show that our chairman, Sidney Buckwold, acted properly on September 24, 1990.

Some Hon. Senators: Hear, hear.

Senator Cools: For the most part, I have remained silent on this matter because I thought this was the business of the chairman. But, honourable senators, the truth of the matter is that there was no conspiracy. All through those committee hearings, all summer long, I thought all of us had agreed that the intention of the committee was to table a report on the first day we returned, which was September 25. We agreed on that. Senator Simard, we know that you were given to terrific outbursts. You yourself said that it was hard to restrain you.

Senator Simard: I was given to what?

Senator Cools: Let me finish. Throughout the hearings, Senator Simard, you would have these outbursts on a daily basis. Sometimes we jested about them and other times hid from them. In any event, throughout that time you were urging us to speed up, telling us that the situation was urgent. Your colleague, Senator Barootes, would do the same thing. Day after day, the chairman would keep assuring you that it was his intention to present the report of the committee the first day we came back, or September 25.

I want to remind honourable senators that even when we were in Toronto—and I think Senator Robertson was there that day, but, if not, she was there that week—Minister Otto Jelinek came before us and begged us to report the bill immediately because it was so terribly urgent.

I would like to come to the date of September 24. Honourable senators, the truth of the matter is that there was no foolishness, impropriety or misconduct that day. The truth of the matter is that the government bungled again. This government is very proficient in the business of bungling. The truth of the matter is that they set out on their filibuster to delay discussing the report, and defeated themselves. That is what happened that day. Again, they bungled, as has been the practice of this government.

Some Hon. Senators: Hear, hear.

Senator Cools: While we are at it, we can say that this particular government, the Prime Minister and cabinet, govern by Triple-B, which is buffoonery, bullying and blackmailing. I have given the Rt. Hon. Prime Minister the name "Bungling Brian". Honourable senators on the other side engaged in a voyage to delay the discussion of that report because they were waiting for Section 26 to be invoked, and they failed in their mission. They failed miserably.

Honourable senators, having gone off on that tangent, I would like to return to the matter of petitions.

Senator Robertson: Honourable senators—

Senator Perrault: Let her finish. Give her a chance.

Senator Cools: I would like to present these petitions.

Senator Robertson: I would like to respond to the ridiculous comments you made—

Senator Cools: I don't call you ridiculous.

Senator Robertson: —on September 24.

Senator Perrault: Make your own speech.

Senator Robertson: I shall if she wants to finish, but she can't put that garbage on the floor without having it responded to.

Senator Cools: Senator Robertson speaks a different language from myself. She speaks of "foolishness and garbage." That is not my language.

Senator Simard: This is Saturday night fever!

Senator Cools: What is Saturday night fever? Perhaps someone can tell me.

Senator Forrestall: You should not talk to anyone about languages.

Senator Cools: We are having another outburst from Senator Forrestall. I am a social worker.

Senator Forrestall: I am talking about your language.

Senator Cools: No, Senator Forrestall, I was asserting the fact that I don't use the language that Senator Robertson just used.

Senator Forrestall: Direct that comment toward your colleagues. Show some shame for them. They are shameless!

Senator Cools: You seem to be doing a good job of "shamelessness". I will let you carry on.

Senator Forrestall: I will remember the vulgarity that came from your side of the chamber in this last week.

Senator Cools: If we want to go down this road, there is a lot to be said. We talked about this for a few days.

Senator Forrestall: I guess you did.

Senator Cools: If you want us to talk about it for another few days, I am sure there are many of us who will be happy to indulge you. We saw a lot of upset that day. We thought we had moved onto the next point. We thought we had moved on from points of privilege to presentation of petitions. However, if you want us to continue, some of us will indulge you. But I would like to continue reading these petitions.

Some Hon. Senators: Hear, hear.

Senator Cools: In closing, Senator Simard, I want to tell you that for a person such as myself—

Senator Simard: When you say "Senator Simard", is this just for me or can the other senators listen too?

Senator Cools: I am sure that everyone is listening, because you are. You are indicative of what is going on over there. All I have to do is to watch you. Let me say to you, Senator Simard, that with respect to this business of quoting the *Ottawa Citizen* that you have been engaging in for the last while, that newspaper is no authority.

Senator Simard: What is your authority, the *Toronto Star*?

PRESENTATION OF PETITIONS ON BILL C-62

Senator Cools: I don't quote such authorities. As a matter of fact, I rarely quote from newspapers at all. It is not my style, and it is not Saturday night fever, whatever that may be.

I would like to continue with my petitions. I have 262 petitioners on this petition. I perused it to see that some decorum and order has been followed. This petition is attentive to things such as signatures and addresses. Some of these petitioners are asking for different things. Some are asking for specific amendments on particular things. Some are asking that the bill be rejected. I do not understand the unenlightened view that suggests we should not inform the chamber as to what it is they are asking for. In any event, this petition says that the undersigned, your petitioners, humbly pray and call upon the honourable house to reject the proposed goods and services tax.

So this particular batch of petitions is clear as to what they are asking us to do. Again, if we look at these petitioners, we see the racial mix of the areas. That is important because, as one looks at different parts of Ontario, one sees reflected the mixes that are in Ontario. That is interesting because a lot of these names come from small towns and hamlets. I have several petitioners from St. Catharines. In the interest of those who have some love of horticulture, let me say that St. Catharines is the rose growing belt of Ontario. As a matter of fact, anyone who loves to grow roses would be better off to move to St. Catharines. This may sound somewhat sentimental, but I have several friends who have moved to St. Catharines so they could grow roses.

Continuing, I have the signatures of people from Vineland, Thorold and surrounding areas. I have another name from St. Catharines. This particular petition has 25 names on it. I will put them together and submit them. I have more names from St. Catharines, the rose belt of Ontario. Interestingly enough, these people continue to be sprinkled throughout Ontario.

I have another name from Oshawa, Ontario. Oshawa is known for its car industry, but it is also known for other reasons. It seems to me that when people live in different areas and regions, they acquire a psychological unconsciousness or what Carl Jung might have called the racial and the collective unconsciousness. They carry these things into their lives. For those who may be interested, Oshawa was tested early, in the 1840s, because cholera struck on the immigrant ships coming from Ireland. Most people did not know that, and those who did know have probably forgotten about it. Apparently, the situation was so bad that the people in the ports along the lake were faced with the terrifying problem of having dozens of dead and dying men and women deposited on the wharfs by captains who were anxious to rid themselves of the disease.

Senator Forrestall: What has that got to do with the petition?

Senator Cools: I have another factor about the background of these people. There had been some families living in Oshawa—and perhaps this explains the attitude of a lot of people there—who had suffered because of their liberal views and peace principles. Some of these families had assisted fugitives from the Mackenzie rebellion.

Continuing, there are several names of petitioners from places such as Lindsay, which is a small community that needs no explanation. It is the home of Leslie Frost.

Senator Kelleher: Who was he?

Senator Cools: He was a no-name Premier of Ontario.

Senator Kelleher: From which party?

Senator Cools: Not mine, Senator Kelleher. Continuing, there are people from Bracebridge and Gravenhurst, which was the birthplace of Dr. Norman Bethune, a famous Canadian who is unknown to most Canadians but well known to the people of China. I see names here from Burlington, which I personally have an interest in because I collect old Canadian glass and Burlington had a famous glass factory. I have names from Orillia, which is Stephen Leacock's birthplace. For those who need some levity, I looked up a work of Stephen Leacock. He too was not of my party. In one of his books called *Feast of Stephen* he humourously writes about the sort of processes we are going through. It says as follows:

> "There is no doubt," says one of the recent Outlines of the Sidelines of History, "that the adoption of legislative procedure marked a great forward step in the progress of government. It lent to debate an order and position before unknown; it clarified thought, and restrained the turbulence of argument by the dignity of formal address."
>
> Quite so. But did it? Let us see how it has worked out in some of the Meetings.

Then he proceeds to play with the points of order of various meetings.

I have another group of petitions that includes people from places like Chatham, which was one of the points on the

underground railroad that brought fugitive slaves from the United States to Canada. Honourable senators, I hope I have not driven too many of you away. What I propose to do is to close by saying that this right of petition is an extremely old and important right. I see life differently from some on the other side. I think if so many people have availed themselves of this right, perhaps they should be listened to. But, as I said before, we see life in different terms. So I thank honourable senators, and I hope I have done the people justice in praying for a remedy to the GST. I hope I have been of service, and I hope I have justified my existence in a small way. Thank you, honourable senators.

Some Hon. Senators: Hear, hear.

Hon. Nancy E. Teed: Honourable Senators, I would like to correct the record and address a comment made by Senator Cools earlier this evening. When I accepted my appointment to the Senate, there was not a caveat attached as to when I could or should speak in this chamber. I would like to advise honourable senators and you, Your Honour, that I have had parliamentary experience. I have had the honour of being elected to represent people, and I have also had the shattering experience of having been defeated. I come here with some experience and knowledge. Let me assure all honourable senators that when I wish to ask questions or to speak to this chamber, I will feel quite comfortable in doing so.

Some Hon. Senators: Hear, hear.

• (0030)

Hon. H.A. Olson: Honourable senators, I fully agree with the comments that have just been made. My only comment is that when someone has the floor, that right must be respected. I am sure the honourable senator will respect that right.

In the past hour or so a number of senators opposite—including Senator Kelly who is not here now—demanded that we get on to discussing Order No. 5 on the Order Paper. We would like to do that, but members on both sides of this chamber know that this is a filibuster. We must take into account that we have never had so many petitions in the history of the Senate, certainly not in the years that I have been here since 1977. Before that time I had some experience with some very contentious issues that were laid before Parliament, and even then I never saw such a volume of petitions. This indicates that Canadians are disturbed about Bill C-62 and the reason the Senate is receiving these petitions is easy to understand—we are the last resort.

Bill C-62 was passed by the House of Commons with the use of closure or time limitation. I do not know how many times it was used.

Senator Bonnell: More times than at any other time since Confederation.

Senator Olson: Yes, I have heard that closure, or some form of closure, has been used more times since the Conservatives took office than in all of Canadian history. So these disturbed citizens see us as their last resort.

I did not ask a lot of questions of the witnesses who appeared before the Standing Senate Committee on Banking Trade and Commerce. As Senator Simard will remember, I was fairly modest in the number of questions I asked, but one question I asked over and over again, because I wanted to know the thinking of the people, was, "Do you believe the Senate should defeat this bill?" and they all said "Yes". I would then instruct them that I wanted them to be clear on what they had said. I told them that the Senate has the constitutional authority to defeat this bill and that no bill could become law unless it was passed by the Senate. I indicated to a number of people that I was aware of what the honourable member for Calgary Centre, who is now the House Leader in the Commons, and who was on television almost every day while we were cross the country, was saying—that an unelected Senate has no right to interfere with—and I think I used the term "budgetary matters," although some people call them "money bills" and others call them "financial bills"—and that Bill C-62 is a bill of that nature.

I would then ask people why they wanted the Senate to defeat Bill C-62. I am not sure how many times I asked that question but the committee staff was asked to do an analysis of certain aspects of the testimony, and they came to the conclusion that 137 different groups had said that they thought the Senate should defeat this bill.

I wondered whether there was a new interpretation of the function of the Senate in 1990 vis-a-vis what happened prior to 1867 when the Confederation of Canada was in the making. There would not have been a Confederation had there not been an agreement to provide an institution called the Senate. Nova Scotia and New Brunswick said flatly—and you can find this in the debates—that they would not join Upper and Lower Canada in Confederation unless they had some regional defense against what they knew was a larger population in Upper and Lower Canada.

In any event, Bill C-62 was passed by the House of Commons with the use of closure. They even used closure in their committee hearings. The committee chairman, Mr. Blenkarn cut off people who had made application to be heard by the committee.

Therefore, it is clear why the Senate is receiving so many petitions, it is because people feel so strongly about this bill. The petitions are not ambiguous in what they say. In part, they state:

> . . . humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax; . . .

It is completely clear what these citizens want us to do. They are sending their petitions to the Senate because the bill has already been passed by the House of Commons. If it passes here, it will be proclaimed by the government, and the government has indicated that it is determined to do that in spite of all the opposition.

Senator Simard, did you have a question?

Senator Simard: The honourable senator mentioned my name, and, in doing so, he reminded me of some of the other Senators who attended those meetings. The honourable senator seems to be very proud and unrepentant when he said that he posed only one question in committee.

Senator Olson: Not just one question, but that was my main one.

Senator Simard: You came back to that question all the time—to kill or not to kill, to reject or not to reject. Of course, he knew, in most cases, the answer he would get.

Senator Olson: In almost every case, yes.

Senator Simard: He repeatedly asked that question, and on September 11 he joined with Senator Buckwold in approving the decision to kill the bill. That was 13 days before September 24. Would it not have been wiser and more productive if he, Senator Hastings and others of their party—with the exception of Senator Marsden, who asked deeper questions, and was obviously looking for ways and suggestions to improve the bill—had been more interested in asking for suggestions on how to improve the bill rather than polling people? I suggest that his time might have been better spent in inviting possible amendments.

Senator Olson: Get to your question, please.

Senator Simard: That is my question. Your party has a new Chairman of its Economic Policy Committee, Mr. Roy MacLaren. In an article of the *Financial Post* of October 12, Mr. MacLaren said that as far as he was concerned it was more important that the Liberal party offer new policies and suggestions and be more positive, as opposed to just saying no.

Senator Perrault: Is this a point of order?

Senator Olson: He is supposedly asking me a question, but he never gets to it.

Senator Perrault: He is making a speech. What is the question?

Senator Simard: He said that the mood of the country is being increasingly directed towards economic issues. He went on to say the following:

> People are seized with the major economic questions—our ability to compete abroad and our ability to produce at home.
>
> That has to be met by any political party that's interested in winning office. I don't think any longer a few slogans and a pretty face is going to win elections.

Senator Perrault: What are we talking about here?

Senator Simard: I am setting the stage for positive debate.

Senator Perrault: That is not a question.

Senator Simard: I am offering Mr. Maclaren's comments here as words of encouragements to stop your filibustering and to begin the debate on Bill C-62. Let me close with the last paragraph of this article which I would be glad to table with the honourable senator's permission. It reads:

[Senator Olson.]

> Maclaren said the party must stop looking back to the policies of its years in power before the Mulroney Era. The party has suffered somewhat in the past year from a tendency to look backward, to relate itself to the policies of previous decades.

That is good background material which will, perhaps, enlighten Senator Olson so he can tell us why they question he asked 95 per cent of the time, as he informed us earlier, was whether the Senate should kill or not kill Bill C-62.

Senator Olson: Senator Simard has a bad habit of misinterpreting everything, and he throws in numbers once in a while. I never said that I asked that question 95 percent of the time.

Senator Simard: That is my assessment.

Senator Olson: I must say, however, that I agree somewhat with what Senator Simard has just pointed out, that not only Roy MacLaren, but all Liberals have a keen interest in the major economic issues of the country. It is highly likely that we will be expanding our membership in the House of Commons such that we will have to deal with those questions very shortly, indeed, within two or three years. The mismanagement of the economy is one of the reasons why Canadians are so disturbed today.

The other day I saw the Minister of Finance on "Canada AM". As Honourable Senators know, there is no distortion on television. I have been in politics long enough to know that it is dangerous to believe everything you read in newspapers. On television, however, there is no reporter's interpretation of what was said. You hear the comments directly. I heard the Minister of Finance say that this slowdown in the economy of Canada was a deliberate action embarked on by him and by the Bank of Canada. They deliberately set monetary policy to create the stress that we have in our country today on the basis that it had to be done to fight inflation. That is what the Minister said and he did not apologize for it. In fact, he said that we were right on track and were only three tenths of one percent out in government spending for the period he was talking about.

Of course we are concerned, and that is why the people of Canada are concerned. I have been complaining in this house every chance I get and I am rather disappointed that we have not had a Question Period because I want to ask about the intentions of this government with respect to the economic future of Canada and what it intends to do with regard to monetary policy.

Let me come back to these petitions. They include people from Millicent, Rosemary, Brooks, and Sunnynook, most of which are small towns. Brooks is fairly big with nearly 10,000 people, but the others are small towns. I was born in that area and have lived there ever since. I know these places well. Many of these good Canadian citizens will lose their homes and their farms, farms that have been in the family for three or four generations, which is a long time in that area because no one was there prior to 1908. The area was not open for homesteading prior to that time, so it is one of the younger farming areas of Canada. Families came to what was then a wilderness area,

built farms, homes and communities, and all of that will be lost because of the policies of this government in trying to fight inflation in southern Ontario.

Senator Simard: Do you have the figures on the farms that were lost in 1989?

Senator Olson: No, but I can get them for you, and the Farm Credit Corporation can get them for you as well.

Senator Simard: That is because of your policies.

Senator Olson: It was not our policy. These people are frustrated because they feel that they have done nothing to contribute to inflation in Canada. Many of them did not borrow money to make purchases which would drive up inflation. I can tell you what happened as a result of the monetary policy embarked upon by the Minister of Finance and the Government of Canada: It raised farmer's costs on debt service charges by 50 or 60 percent. Some of them were paying debt service charges slightly under 10 percent when they initially borrowed the money. They cannot pay such debts off when the selling price of their product has gone down by half of what it was four or five years earlier, before this government came into office. These people cannot keep up. They are sinking.

The Farm Credit Corporation has had to take over a great number of homes. That is not to say that they are heartless, because they have tried to give the farmers and the borrowers every opportunity to pay. Some of them have been in this economic downturn for so long that they have given up. There are all kinds of farms in western Canada—more in Saskatchewan than in Alberta—where people have just walked off and left everything behind. They have left to find a job or some other means of income. That is sad. It is happening in other parts of the country as well.

As I said, these petitions come from all over southeastern Alberta. I have a whole block here from Burdett, Bow Island, and so on. Not all of these people are in the same kind of business. Southeastern Alberta probably has more land under irrigation than all of the rest of Canada put together. Major irrigation work was begun way back in 1912 when the Canadian Pacific Railway put in what was then the largest irrigation system in all of Canada. I believe that it is still pretty close to the largest one, with some 1,000,000 acres capable of irrigation. So, while the drought was a problem in parts of southeastern Alberta, it was not a problem in the irrigated areas. However, those people are now also facing difficulty. In fact, a recent news article I saw said that the people in the north of the province had had a good crop, but that they were claiming that they probably would have been better off if they had had a bad crop because the crop insurance they took out earlier in the year valued the grain at a price higher than it is today. If they had a clause in their crop insurance policies with regard to a reasonable yield, financially they would be better off if they had had a bad crop. If a famrer has an above-average yield for his district he cannot collect crop insurance. These farmers have the grain on hand in their granaries but they cannot sell it because there are insufficient sales to move large amounts of grain. Not only are there no sales, but the price is so low because of a number of factors, the main one being the subsidy war between Europe and the United States. Wheat now brings less than 50 percent in income to the farmer than it did in the mid 1970s.

Senator Simard: Are we still on the introduction of petitions?

Senator Olson: I am giving a brief explanation as to why there are so many people sending in petitions. I am only presenting petitions from a small area in Alberta; there are hundreds more from people all over Canada. Honourable senators opposite have been constantly asking why we are receiving all of these petitions, and all I am trying to do is explain. I shall not be very much longer if honourable senators have got the message. Parliament is a place to talk, discuss and persuade. Senator Simard should get to his feet and say, "I realize that Canada's economy is in a downturn and that there are people who are suffering great hardship because of that. I do not want the GST to further exacerbate the situation." I would be very happy if he were to say, "I have listened and listened well and I am now persuaded that I shall do everything I can to stop this measure."

Senator Simard: Obviously you and I have not listened to the same people, or, if we had, we did not get the same meaning from their testimony.

Senator Olson: I think I have the right impression: That honourable senators opposite will not prevail on the government to cease and desist from bringing in the provisions of Bill C-62.

Senator Simard: Are you prepared to submit amendments?

Senator Olson: We considered that.

Senator Simard: You made your decision on September 11.

Senator Olson: Senator Simard acts as if he were at the meeting.

Senator Simard: I read what Senator Buckwold said.

Senator Olson: That was a Liberal caucus meeting. Senator Simard is acting as if he heard the discussion that took place.

Senator Simard: I did not need to be there. Senator Buckwold told us in *The Citizen* what went on.

Senator Perrault: He did not.

Senator Olson: I am always suspicious of stories that are second and third hand, especially when they relate to politicians. I am sure that Senator Simard will understand. I could report a few things that he said in the halls outside the Banking, Trade and Commerce Committee meetings in Edmonton. Does he remember those?

I wonder whether he remembers the times we had coffee. He is a nice, social person. He implored us to do whatever we could to have this bill ready for passage. The government didn't even want us to go on the road, and I can remember, morning after morning, he would come in with a new question of privilege to try to disrupt the meetings. At the end of his

intervention he would say, "Let us conclude these hearings and move on as quickly as we can."

Senator Simard: When was that?

Senator Olson: It happened in St. John's, Halifax, Edmonton and, I believe, in Vancouver. I am now having some difficulty, because we acquiesced and said that we would have a report ready for the first day the Senate resumed, that being September 25. We met on September 24 to meet the commitment we had made to the government supporters on the committee.

May I be allowed to make a point here. Obviously, perhaps unintentionally, you have left out the fact that the meetings from Prince Edward Island to British Columbia took place in July.

• (0100)

We also had a few meetings at the end of August. Almost every morning we had to raise points of privilege.

Senator Olson: Yes, we did.

Senator Simard: The chairman did not call those steering committee meetings.

Senator Perrault: He is not here to defend himself. Don't attack him when he is not here.

Senator Simard: It is true that we tried to put pressure on you and your colleagues so the report would be completed for the first day of the session, which at the time we thought would be September 25. We have minutes of the last steering committee meeting in early August which state that the steering committee would be getting a first draft of the report. It was promised to us for September 11; then it was postponed until September 15. There is no record of the postponement to the 15th, but it is on the record that we would get it on the 19th.

You conveniently have left out these arrangements. We expected to have the report of the committee, proposed under the direction of Senator Buckwold, in time to read it before September 25 and be in a position to consider other alternatives.

Senator Olson: There are a few things that need to be said at this time for the benefit of people who were not on the committee. All the evidence that we heard was available to every member of the committee. The staff was doing a summary of that evidence. I did not see the so-called report or the draft of the report any earlier than you did.

Senator Perrault: That is correct.

Senator Olson: I had sorted out the evidence in my mind, and I believed that the bill was so badly flawed that it was almost impossible to make enough amendments to make it acceptable

When the committee first started this exercise, we attempted to take some of the administrative complexities out of the bill. However, when I heard the people from the south shore of Nova Scotia and the Trades and Labour Council, they convinced me that it was a discriminatory bill and that it would discriminate against the regions. When you add transportation costs to the products produced in central Canada, the farther away you are from central Canada the more tax you pay on the same item. It was no longer a substitute of the Manufacturers' Sales Tax for the GST because the calculation is done on a different basis. That is why those people on the south shore of Nova Scotia realized that they were taking on a significant additional burden of taxes and revenue that the Canadian government needs.

That is also true for western Canada. The farther away you get from the manufacturing plants, the more tax you pay. Senator Simard was not with us in Whitehorse, but there were people from Old Crow who appeared before the committee. That is not a big community, but it is an important community to the people who live there. They claimed they would be paying, on average, 158 per cent more federal tax on the same package of goods than people living in central Canada.

Senator Perrault: It is not fair.

Senator Olson: Honourable senators, that simply is not fair. That is an extreme case. It is slightly less in British Columbia and Alberta, because the cost of freight goes down as you travel east.

Senator Perrault: Now that the cost of gas and oil is up, it is going to be worse.

Senator Olson: That is another problem that will make this worse. It seems that we have to make a separate and new explanation every day as to why there are so many petitions coming in. I would think you would understand by now so we would not have to go through this exercise of explaining why there are hundreds and thousands of petitioners, who are making a last desperate attempt to impress on the government that they do not want this tax. It is regionally discriminatory.

I don't care if economics are going up or down, I would not bring in this kind of tax because I have sympathy for the people who will have to comply with the accounting aspect. Senator Simard knows about accounting; he knows what small businesses have to go through to look after accounts receivable and accounts payable and what the Income Tax Department requires them to do. Additionally, bookkeeping has to be done in connection with workmen's compensation and unemployment insurance. The government is putting a burden on these small business to collect the revenue in a very complicated way. Sales tax is bothersome also, but not quite as complicated.

Senator Simard: You are obviously well versed with Bill C-62. Why can't you convince the people on your side to put an end to this second phase of the filibustering—the petition stage—so that we can get on to Order No. 5. You and your colleagues have heard the testimony and read the report. We would like to have a good exchange with you. Surely an old soldier like you, a veteran politician, would know that there are times to debate something. We have to be on the right order of the day, and we are now on petitions.

You have been rather eloquent in the last twenty minutes, and I have been inclined to jump up more often in order to

have an interesting debate. However, we should be on the right order of the day. Would you agree that that might be more productive?

Senator Olson: I would be glad to give you the reason for that. No matter how anxious Senator Simard is to get on with the discussion of the details of Bill C-62, I am not willing to trample on the rights of Canadian citizens to petition their Parliament. I don't think I have persuaded you that you should do what you can do to stop this tax.

Senator Simard: I don't intend to stop it. I intend to support it. Perhaps we will entertain amendments.

Senator Perrault: You are not fighting for your people.

Senator Olson: I have to continue because I believe these people have a right to prevail on the government to stop the process of implementing Bill C-62. I therefore am obliged to try to persuade you and your colleagues. If I could get eight or ten of you to support us, we could stop this bill.

Senator Simard: Senator Olson, having heard all the testimony and looking at the polls, you say that 85 per cent of Canadians are opposed. You must know why they are opposed. You might want to move a motion now so we can proceed to Order No. 5, and then you can make those points. You could echo the wishes of the petitioners and take your chance on some of the Conservatives or independents changing their minds. If you should have more votes than this side, you could meet the wishes of the people who have told you to kill the bill. Why don't you take your chances?

Senator Olson: I have been in games of chance where you take your chances, but I don't roll the dice with people's rights. I want you to feel confident that we have, as the petitioners have been asking us, explored to the limit and attempted in every way possible to comply with their wishes. Until I have done that, I do not feel we have a right to run roughshod over their rights to petition their Parliament.

When we do get to a detailed discussion of Bill C-62, which I look forward to as well, we are going to have to make approximately 120 amendments where there are profound injustices in the bill. Senator Simard told me in Halifax that we need to correct a particular section. He knows that there are flaws in the bill because of the way it went through the House of Commons.

I hope you do not force us to make every single amendment, because it will take months to do so. The Department of Finance and the Department of Revenue have thousands of people who are skilled in tax law. When the politicians look over what they have crafted, such as Bill C-62, and it is presented to the people of Canada and they say "No thanks", and they are so aroused that they send in hundreds of thousands of names dealing with what is in Bill C-62, surely the sensible thing to do is to send the whole thing back to the bureaucrats. Why should we sit here in the Senate and craft a tax law when we have these bureaucrats who are paid to do that?

It is not difficult to understand why the petitioners tell us to defeat it and send the whole thing back to the House of Commons—and ultimately to the Minister of Finance—and say, "Start over again." This is a major bill. If the government had lost this bill in the House of Commons, they would be obliged to resign. I don't think they have to resign if they lose a bill in the Senate, but they could start a new session.

I would hope that Senator Simard, Senator Doody, or Senator Murray will be able to tell us soon that they have heard enough from the petitioners-the people of Canada—expressing their ancient and undoubted right to petition the government.

Senator Simard: We have heard from the petitioners again.

Senator Olson: It says that they humbly call upon the Senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax. I will not violate the rules by reading the petition in detail.

Senator Simard: Senator Olson, that is a serious condemnation of what your colleagues have done in the last few days, because they have read everything. I suspect they may have added a few things in their comments.

Senator Perrault: That is not fair.

Senator Simard: Are you telling me that the practice that your colleagues have used is contrary to Senate rules and you will have no part of it? If that is the case, that is good news.

Senator Olson: I hope Senator Simard is not speaking for all of his colleagues on the other side. If he is, it is a sad state of affairs that he is unable to grasp the message that we have been trying to convey to him. The brief explanations about these petitions is to try to impress upon you how profoundly these people feel with respect to Bill C-62. Apparently that is not getting through. What does it take to get through to the government? Two or three days ago I said it looks like we have a government that is immune to public opinion. That is a dangerous situation. No democracy can function if the government has no regard and no respect for public opinion. That seems to be what has happened.

In my part of the country, and in every place I travelled across Canada with the Banking. Trade and Commerce Committee, it seemed to me that a majority of the people wanted this bill stopped. That is what they told us over and over again.

The Minister of Finance says that if we do away with the Manufacturers' Sales Tax and use this as a substitute it will be good for the economy of Canada. Firstly, the people have demonstrated that they understand this is no substitute tax structure. It is a massive transfer of the tax from one group of Canadians to another. They do not want it that way, and they do not want the complexities, the bookkeeping, the accounting and the worry about compliance with the rules of Bill C-62. I hope that it will not take us many more hours to persuade some senators on the other side to agree that it is time we stopped this.

I would be satisfied to take another 12 months to work out the problems in this bill. We have to try to persuade you with

these petitions, which is a very direct way of people conveying their views to the Parliament of Canada.

In conclusion, I should like to present two petitions from places in northern Alberta. I have a petition with names from Rimbey, Alberta, and Ranchview Circle in Calgary. I even have a few from Edmonton. I would like to table these petitions. It is a matter of understanding how deeply people feel and how much they resent this.

Senator Bonnell: Do you have any names from Fort McMurray?

Senator Olson: I don't have any petitions with me from Fort McMurray, but there are many from there. I understand other senators are dealing with those.

I thank you for your attention. I hope I have been able to persuade some of you to take another look at this. In southern Alberta, 90 per cent or more of the people say they do not want to be governed like this and do not want Bill C-62 implemented. I plead with you to make some adjustments. The greatest adjustment you could make is to go back to the Minister of Finance and tell him that this is not acceptable to the Canadian people. The Canadian people know that they have to pay taxes and are willing to pay taxes, but not under the complex structure proposed in Bill C-62.

Hon. P. Derek Lewis: Honourable Senators, I take great pride in presenting a petition from 27 residents of Newfoundland on the subject of the proposed goods and services tax. The petition humbly prays that the Senate will prevail on the government sufficiently to stop the implementation on the proposed goods and services tax.

Senator Bonnell: It is now Sunday. Could we all pray?

Senator Lewis: You should start it.

Senator Bonnell: We have not had a prayer from the Speaker for at least three days.

Senator Lewis: I am pleased to see that there is new-found interest in the rules by the government. They seem to have great concern and interest to see that they are followed. This is quite a turn and is welcome.

In conformity with the rules, I intend to be quite brief. I will read the petitions but there are a few things I should like to say in answer to statements made not only this evening but earlier this day when I presented a petition.

On page 57 of the Rules of the Senate of Canada, it says:

A Senator may present any petition entrusted to him.

Earlier when I was presenting a petition, Senator Cogger wanted to know how the petition had come to be here and why I was presenting it. It is clear from the rules that a senator may present any petition entrusted to him. The petition is signed by people, they pass it along and the senator has a right to present it. How it actually got here, whether by courier or whether the petitioners brought it here, does not matter. I would doubt that it came by mail because if it had been entrusted to the post office, a post office run by the present government, we all know what might have happened. It might not have reached its destination.

Ten days ago I had occasion to send a cheque to someone who lives a few streets away from me in St. John's. As far as I know, it has still not arrived. If mail from my office in Ottawa is posted on a Wednesday or Thursday at the post office in the building, it is not delivered to me until the next Tuesday. Apparently the post office stops working on weekends.

Senator Bonnell: What about the House of Commons' post office?

Senator Lewis: Perhaps that is where we should post our mail, if we are allowed. I don't blame the individual workers in the post office here. It is the general operation of the post office.

Senator Bonnell: Do you mean Canada Post as a whole?

Senator Lewis: Yes.

Senator Bonnell: Is the price of stamps going to be raised from 39 cents to 40 cents?

Senator Lewis: Stamps are going to go up in price from 39 cents to 43 cents.

Before I deal with the petition, I would like to mention a point raised by Senator Murray a short while ago in the chamber. He beseeched members on this side to get on with the presentation of these petitions so we could get to the debate on Bill C-62.

• (0130)

What I find offensive is that it was government members who originally delayed debate on Bill C-62. Honourable senators will recall that it was on September 24 the Standing Senate Committee on Banking, Trade and Commerce settled on its report. On September 25, the committee chairman attempted to table it. What happened? There was a filibuster by the government members to delay the consideration of that report. Had they not done that, consideration of the report would have progressed. Now they berate the opposition for delaying consideration of the bill, and that is a bit much. The whole thing smacks of hypocrisy, along with a lot of other things that have gone on.

I feel I should get to the petition itself.

Senator Bonnell: What was the main purpose of the people signing the petition?

Senator Lewis: It is understandable why these people have signed this petition. These are people from around Newfoundland who are also consumers. I do not know if they have heard, through government progaganda, what the effect of the GST will be, what its purpose is and what the result is going to be, but they are not fools, they know they are being duped because they are the people who will pay the tax. The ultimate user and consumer will have to pay this tax. These are the people who will be affected.

Mr. Wilson estimated that this tax will bring in $18 billion. I wonder if that estimate is going to be like the other estimates

he has made in the last few months. These are the people who are going to pay that $18 billion, and they are concerned.

Newfoundlanders, in particular, exist in a depressed enconomy because—apart from general matters—of the downturn in the fishery. Thirty thousand people in Newfoundland make their living off the fishery which has almost been a complete failure because of the lack of fish resources. It is quite obvious to these people that the lack of the resource is due to mismanagement of the fish stocks by the present government. They are finding out that there are a lot less fish than they were led to believe by the government. The fish stocks are just not there. The government has also allowed foreigners to overfish off our borders and that has resulted in the terrible situation in Newfoundland which will be compounded by the planned downturn in the economy. This government is almost congratulating themselves because they have achieved their planned downturn. They are pleased that they have achieved a recession. The government wants us to congratulate it. Maybe it should get the Order of Canada.

As I said, honourable senators, these people will have to pay this tax.

Senator Bonnell: The other day I read in the paper that the government has allowed the Russian fleet to fish for capelin off our coast. It seems to me that cod feed on capelin so, if the government is selling the food source, to the Russians, how can we expect the fishery to recover?

Senator Lewis: You are quite correct. That is the utter stupidity of the whole situation. Fish are predators: One species feeds on the other. The capelin are the food source of the cod. In Newfoundland, we know that the cod follow the capelin; and if we have a good capelin run in the spring, the cod are not far behind. We know we will have a good season. But now the Government of Canada is allowing the Russians to deplete the capelin stock. Thousands of tons are being taken by the Russians with the permission of the Canadian Government.

Senator Bonnell: Is it true that foreign ships are taking the resource away, and that the seals are also taking food away from the cod? How will the fishery in Newfoundland ever improve with that kind of mismanagement?

Senator Lewis: We are facing disaster down the road unless something is done. Probably the only thing that can turn the situation around would be a change of government, but that is another matter I will not get into.

Early in the evening, Senator Murray made a remark about the Mayor of St. John's being in favour of the goods and services tax. Yes, he is. The Mayor, John Murphy, is a good friend of mine and I respect him. But let me tell you something: He is in the retail business and we all know how business operates. I am sure the Deputy Leader of the Government, who is sitting over there, has a lot of experience in business and in the retail trade. He knows exactly what happens. A businessman buys goods and resells them at a mark-up. That is how business is done. Out of the mark-up, he pays his costs, and what is leftover is his profit. It is done by means of a percentage charged on all of the costs. I imagine businessmen are wringing their hands in glee.

This reminds me of the story about the old businessman who did not have much education. He owned a retail store. He attended a seminar where costs and mark-ups were the subjects of discussion. He could not understand the discussion, so he interjected and said that he did not know much about percentages, but he knew that there were a hundred cents in a dollar. He said he never made more than 1 per cent. He said that he bought for 1 and sold for 2, making 1 per cent for himself. This is what people in the retail trade will be doing. The merchants of St. John's will buy their goods in central Canada. At one time, products were manufactured in Newfoundland itself, but after the great event of Confederation, our manufacturing went by the way. We now buy everything from central Canada.

The businessman buys his products in central Canada at a certain price. The goods are then shipped to St. Johns. Then the businessman sits down and adds up the price of the goods, the costs of the freight plus the taxes. He will have to calculate the costs associated with freight, insurance, off-loading from the ship and transportation to his warehouse, unloading the goods into his warehouse and the GST. He will also have to include the rental costs of his property, which is probably owned by some big corporation in central Canada, which will have to pay GST on its rent. On top of all that, he will add his mark-up which will be increased by the cost of the GST. He then determines what price he must charge for those goods. He puts the price on the product and then the GST must be added. Who will pay for that tax? The ordinary Newfoundlander who goes into that store.

Honourable senators, these people are not fools. They have not been fooled by the government's propoganda. They know how the GST is going to affect them, and that is why they were anxious to sign these petitions. Have you ever tried to get people to sign a petition if they are not particularly interested in the proposition you want to petition against? People just do not do it. Here you have petition after petition which thousands and thousands of people have voluntarily taken the trouble to sign. There is a reason. They are concerned, and let us hope you government members will show concern for these people.

Senator Bonnell: Do you think the average businessman will fill up his store with goods in November and December so that he will be able to make a bigger profit by claiming he has paid GST on those items?

Senator Lewis: I presume so. I have not bothered myself with the actual mechanics of it, but he will be lucky if he has not paid the extra tax on those goods. I gather that businessmen will receive rebates from the government. That is probably why some of them want this to go through. Some will get windfalls, and there will probably be a lot of cheating regarding overestimations of stock on hand. Thank you for bringing up that point.

Senator Bonnell: Since most manufactured goods now come from Ontario and not Newfoundland, do you think that the savings to be had by the reduction in the manufacturers' sales tax will be passed on to the consumers of Newfoundland? Is there any guarantee of that?

Senator Lewis: There is no guarantee of that. There have been remarks about how wonderful it will be because prices will come down. That remains to be seen. I would suggest you do not hold your breath.

I have a petition from 27 residents from various places in Newfoundland. The first person named on the petition is from Windsor, a town in the center of Newfoundland. It joins the city of Grand Falls where the Abitibi pulp mill is situated. The next person on my list is from Pasadena in western Newfoundland. I recognize some of these names. There is another person from Grand Falls.

Senator Corbin: Grand Falls, Newfoundland, or Grand Falls, New Brunswick?

Senator Lewis: All of these are from Newfoundland. There is another person from Port au Bras and a number of names of people from St. John's. I have other names of people from Robert's Arm, Mount Pearl, Windsor, Grand Falls, St. John's, Botwood and Grand Falls.

Senator Bonnell: Are there falls there?

Senator Lewis: Yes. The falls are used for power for the pulp mill.

Senator Stewart: Is there a ladder for fish on the river at the falls?

Senator Lewis: I have not been there recently so I cannot say that I have seen one, but my understanding is that the salmon left the river due to the dams and power plants and that they have now installed a fish ladder and that they are restocking the river with salmon.

Senator Stewart: Is this a salmon river? I ask that question because in my part of Nova Scotia we are not allowed to fish salmon commercially. At one time, there was an active salmon fishery—Atlantic salmon of course—but that has been closed down. Licences have been bought back. The salmon that is now commercially available is either aquaculture salmon or what we call "Newfoundland salmon." The Newfoundland salmon that appears on the Nova Scotia market is considerably smaller than the salmon that were caught in the waters in the Northumberland Strait area. I wonder if the river on which Grand Falls is located is one of these Newfoundland salmon rivers.

Senator Lewis: Apparently there has been a successful restocking of the river. I imagine it will eventually become commercial or that, at least, sport fishing will be allowed.

Senator Stewart: Would the GST have any impact on the sale of that salmon?

Senator Lewis: I suppose you would have to determine whether it would be regarded as food stuffs, in which case it would be taxable. It would be taxable if it were processed.

[Senator Lewis.]

I have more names from Grand Falls and Gander. I would ask that this petition be tabled.

Honourable senators, I have another petition that I was going to present tonight, but in the absence of Senator Kelly I am not going to present it because a matter arises from it that he referred to earlier today. I would like to hold on to it until he is present in the Chamber because I would like to hear his views on what should be done about it.

Briefly, I can tell you that earlier today we had a petition which contained an address outside of Canada. In this case, there is a similar situation. It raises an interesting topic on which I am sure there will be considerable discussion and on which a decision will have to be made. If Senator Kelly were here, I would suggest that we might adjourn for a couple of hours to consider how this could be dealt with. But seeing as he is not here, I will save this petition until later. Thank you very much.

Some Hon. Senators: Hear, hear.

Senator Stewart: Honourable senators, if no one else wishes to present petitions at the moment, I have a stack of them that I would like to present.

This is a petition relative to the proposed goods and services tax. The petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax. This particular petition is signed by Tim McNamara, 5270 Tobin Street, Halifax: It is signed by Wanda Bowen of Rocky Bay, Richmond County, Cape Breton Island. That village is across the Chedabucto Bay from places like Queensport, Fox Island Main, and Canso. Honourable senators, I am sure, have heard more about Canso than about the other places.

• (0200)

Senator Cools: Senator Stewart, you are absolutely right. In fact, Senator Robertson was asking earlier whether or not we had received any petitions from Canso, so perhaps you could address that matter.

Senator Stewart: This petition is from Rocky Bay, which is across the way. It is signed also by Michael Fitzgerald of Enfield, Nova Scotia. That is very close to the City of Halifax. It is signed also by Eric MacNearny of Windsor Junction, Nova Scotia. Windsor Junction takes its name, as one might expect, from the fact that there is a railway junction there. The CNR line runs from Truro to Halifax. At Windsor Junction there is a line that goes up through to Windsor, Wolfville, Kentville and down through the Annapolis Valley to Yarmouth. That railway was operated by the Dominion Atlantic Railway, a branch railway of Canadian Pacific. I knew the railway very well, because when I was an undergraduate at Acadia University in Wolfville I often travelled back and forth to the university over it. One could go two ways. One could go down to Windsor Junction, which is near Halifax, and then by the DAR to Windsor and then on to Wolfville. Alternatively, one could detrain from the CNR at Truro and take a train that ran down through Kennetook to Windsor. Many jokes were told about that particular line. It was a very slow train. One story is that one could pick a pail of blueberries if one got

off at the front of the train and got on at the back of the train. Nevertheless, it got us there.

Senator Gigantès: Was it very long or very slow?

Senator Stewart: Sometimes it was very long but it was always very slow.

The petition is signed also by Anne J. MacNearney, also of Windsor Junction; David Spears of Waverley, which is very close to Windsor Junction; Jo Ann Spears, also of Waverley; Dorothy Lutz of Halifax and then by Dora Chisholm, 41 Moirs Mills Road, Bedford. The connection there is Moirs Chocolates, and the factory was about half way up along the shore of Bedford Basin between Halifax and Bedford. It was signed also by D. Chisholm, also of Moirs Mills Road; alsy by A. Anderson of Shelburne, which is down in the southeast part of the province. At one time, after 1783, Shelburne was one of the largest towns in North America. Many of the United Empire Loyalists at the time of the American revolution, the time when the Americans broke away from the British parliamentary tradition, which we are attempting ardently to defend in this house, settled in Shelburne.

The petition was signed by Karen Nicholson of Halifax; Barry Clarke, Halifax, and Heather and Wayne Hillis of Lower Sackville. Sackville, Nova Scotia is very close to Halifax. It is easy for those who are not familiar with the area to confuse it with Sackville, New Brunswick. Sackville, New Brunswick, did not quite make it into Nova Scotia. It is just across the border in New Brunswick. Amherst is on one side of the Tantramar Marshes and Sackville, New Brunswick, is on the other side. There are many fine poems about the Tantramar Marshes. It is a staging area for birds as they migrate north in the spring and south in the fall.

Senator Gigantès: As they pass through, are they taxed?

Senator Stewart: They may well be exempt under the Migratory Birds Protection Act.

Senator Gigantès: At last, we have found something that is exempt.

Senator Stewart: Conceivably, the matter will be tried in the courts and lawyers will be enriched thereby.

Sackville, New Brunswick is the site of Mount Allison University. Mount Allison was established by the methodist denomination.

You cannot understand the post-secondary educational structure of Maritime Canada unless you realize that these institutions were founded on a denominational basis. King's College, which originally was at Windsor, Nova Scotia, is the oldest educational institution in the area.

Senator Gigantès: Does it have a school of journalism?

Senator Stewart: It does now.

Senator Gigantès: Is George Bain at that school?

Senator Stewart: Yes. I don't know his title, but he was the top person there. He may still be, because I have noticed articles in the Halifax *Chronicle-Herald* by him.

Senator Gigantès: I believe he has retired to a farm with his dog which, as he says in his articles, has only one testicle.

Senator Stewart: I am in no position to comment.

Senator Gigantès: Mr. Bain keeps telling me.

Senator Stewart: I go back to King's College. King's College has a very interesting history, a history that is intimately associated with Windsor, Nova Scotia and Halifax, Nova Scotia. At the time of the American revolution, there was in the City of New York an institution called King's College. Many of His Majesty's loyal subjects left the City of New York and came up, first, to Shelburne and then to other parts of Nova Scotia. They revived King's College in Nova Scotia. They claimed that, indeed, it was the true King's College and that the King's College in the City of New York was a kind of illegitimate remnant of the original college. A recent president of King's College, one Mr. John Godfrey, who is now active in publishing in the City of Toronto, went down to New York City at one time and presented himself to the President of Columbia University in the City of New York, which is the descendent of that illegitimate remnant from the original King's College, and said that he had come to take over the keys, the lands, and all the property owned by Columbia University in the City of New York. This created a list of a flap in the New York papers at the time. However, I am sorry to say that he was not successful in bringing home the bacon.

Senator Gigantès: What does bacon have to do with all this?

Senator Stewart: Perhaps I have the present Premier of Nova Scotia too much on my mind at this hour.

Senator Gigantès: Is he called Bacon?

Senator Stewart: He is called bacon. At that time Columbia University held the title to a parcel of land between Fifth and Sixth Avenues, the site of Rockefeller Centre. If Mr. Godfrey, on behalf of King's College, now in the City of Halifax, had been successful, it might have been the Canadians, not the Japanese, who would have acquired title to Rockefeller Centre. It is lamentable that he was not successful.

King's College was founded in Nova Scotia shortly after the American revolution. It was an Anglican institution. In order to take a degree there one had to take certain oaths which were offensive to persons other than those of the Anglican persuasion.

Senator Gigantès: I am sorry, sir. I am an Anglican and how could anything Anglican be offensive?

Senator Stewart: There are people who do not have what you regard as your omniscence in matters of religion.

Senator Gigantès: We are going to have discuss this at greater length.

Senator Stewart: I hope so. The other denominations, to make a long story very short, decided that they would have to make arrangements of their own. The Presbyterians in Pictou County put up their own institution called Pictou Academy and made a move toward establishing a genuine institution of post-secondary education. They soon transferred that facility

to Halifax. It was endowed with money from the Castine Fund. If Senator Hicks were still with us he would tell us all about that fund. Pictou Academy became a Presbyterian institution bearing the name Dalhousie University, as we would pronounce it, but the Scots would say "Dalhoosie" University.

The Baptists decided that they should have an institution according to the true faith. In 1828 they established Horton Academy. Then, in 1839, a college now called Acadia University in Wolfville. The Irish Catholics in Halifax, not to be left behind, established St. Mary's University in Halifax, and the Scots Catholics in the eastern part of Nova Scotia founded St. Francis Xavier University. Eventually the Acadians in what we call the Clare shore founded a college at Church Point called College Sainte Anne.

The result is that we are wonderfully endowered with institutions of higher education, but it must be said that by reason of this multiplicity of institutions the kind of specialization which probably would be desirable from a financial viewpoint has not been achieved. There are those who say that these small colleges are very good, that, indeed, some of them are the best in all Canada as compared to the factories in places like Toronto with which some of our colleagues have been associated.

Senator Corbin, do you have a question?

Senator Corbin: I am very glad to hear you mention Church Point and Sainte Anne College. In fact, it was 100 years ago this year that the Eudist Fathers came to Canada.

[*Translation*]

—the Eudist fathers of the Congregation of Jesus and Mary. Saint Jean Eudes was the founder of this congregation. His mother's name was Marthe Corbin.

Do you see the connection?

In any case, I was in Quebec City a week ago today. The Eudists had invited former students of the Charlesbourg seminary to a reception to commemorate the hundredth anniversary of their arrival in North America.

They were forced to leave France because of decrees issued by the government of the day and fomented by the Freemasons. They had been expropriated and had come to settle here, first in St-Anne-de-la-Pointe-de-l'Église. They also founded colleges in Caraquet in New Brunswick. The college was destroyed in a fire. They rebuilt it in Bathurst. They also opened a boys' college in Edmunston. The two colleges of Bathurst and Edmunston have since become affiliated to the University of Moncton.

The Eudists also founded colleges in Quebec. L'Externat classique Saint-Jean Eudes in Limoilou, for example, was founded by the Eudists. They had a seminary in Charlesbourg just outside Quebec City. They also founded a college in Montreal.

Finally, they helped teach several generations of French-Canadian Catholics. I am a former student of theirs and I owe a great deal to the Eudists for the work they have done in North America.

The Eudists are also very active in South America. They have colleges and seminaries there. In fact, they are missionaries in South America.

So, Senator Stewart, I am sorry to have interrupted but I did not want to miss this opportunity.

[*English*]

Senator Stewart: I appreciate that intervention, Senator Corbin. I am sure that if Senator Comeau were here he would be more than anxious to elaborate on College Sainte Anne because before he was summoned to the Senate he was closely associated with that institution. It is a fine institution serving a very splendid group of people.

I don't speak about them from mere hearsay. My original constituency in the House of Commons was Antingonish-Guysborough. It is found in the eastern end of the mainland of Nova Scotia, and not on Cape Breton Island, Senator Haidasz. Senator Haidasz keeps insisting that I live on Cape Breton Island, but I don't. I do not qualify. Antigonish-Guysborough is at the very eastern end of Nova Scotia—Antigonish on the Gulf side facing north towards Prince Edward Island, and Guysborough, named after Sir Guy Carleton, on the Atlantic side. That constituency disappeared subsequent to the census of 1961. It disappeared effectively in the election of 1968. It was gobbled up by Cape Breton-Highlands-Canso, by an act of imperialism by Cape Bretonners, Allan MacEachen being the principal villain in this case. I was invited by the Liberal Party in a new constituency called Southwest Nova, which includes Yarmouth, Digby, Shelburne, Saulnierville, and the like, to be their candidate. I was their candidate in the election of 1968. I had a good campaign, but I was not successful. I had the second best showing in Nova Scotia. While "Trudeaumania" was sweeping most Canada, "Stanfieldmania" was sweeping Nova Scotia in the election of 1968. I went down to defeat at the hands of one Louis Comeau, who was on the short list to be a senator this year. Certainly he deserves well of the Progressive Conservative Party.

As a result of being a candidate in that election in June 1968, I came to know many of the people in the Clare area where College Sainte Anne is located. I was greatly impressed by their quality. They are a God-fearing, industrious, frugal people, and it would have been a great honour to have been able to represent them in the House of Commons. If it had been up to them alone, I would have represented them in the House of Commons. I did extremely well in the Acadian sector of the constituency. The places where I did poorly were places where the anglophones were all too numerous, and I could not prevail upon them to vote for me. They still remember their Tory roots from before the American revolution. I don't hold that against them. So I say that College Sainte Anne is a great institution serving a very fine people, a people who are probably not surpassed in Nova Scotia. There may be others who equal them, but they are certainly not surpassed.

Senator Bosa, did you have a question?

Senator Bosa: Was the honourable gentleman elected in 1963 or 1962? Also, the honourable senator referred to Senator MacEachen as the principal villain in the redistribution that became effective in 1968 and in which the honourable gentleman lost his original seat. Would he clarify?

Senator Stewart: Perhaps I will start with the second question first. Antigonish-Guysborough was one of the smallest constituencies in terms of population in all Canada. That is not to say that it was not a very demanding constituency. Anyone who has been in the House of Commons representing what I call a "warm water" constituency will know what I mean.

Senator Gigantès: What do you mean?

Senator Stewart: As a member, you have wharves, breakwaters, dredging to get done in the spring before lobster season; you have rural routes. I had two canals as part of my responsibility. There was a great deal of work, much more than done by those members who represent the people of the City of Toronto. My seatmate in the House of Commons came from the second largest constituency in all Canada in terms of population, Jimmy Walker of York Centre. At one point we compared our correspondence; my constituents outdid his ten to one.

Senator Bosa: Perhaps he was receiving a lot of phone calls.

Senator Stewart: Then we analyzed the nature of the correspondence we received. What became evident was that I had many things dealing with those who go down to the sea in ships—fishing, navigation, light houses, harbour masters, you-name-it. When we looked at his correspondence and his phone calls, he discovered that one subject predominated all others—immigration. I had virtually no immigration cases. There were a few involving Chinese cooks who were coming in to work in local restaurants, but other than that, virtually nothing.

Senator Gigantès: Are there good Chinese restaurants in Antigonish-Guysborough?

Senator Stewart: The restaurant in Antigonish is reputed to be the best Chinese restaurant in Nova Scotia.

Senator Gigantès: Is it of the Szechuan or Cantonese persuasion?

Senator Stewart: I am not in a position to say.

Senator Gigantès: Is the food spicy?

Senator Stewart: That is a matter of taste. So that was the constituency I had the honour to represent in the House of Commons. Nova Scotia was due to lose one constituency after the census of 1961, and the people who drew the new constituency lines decided that the old constituency of Inverness-Richmond, which was Senator MacEachen's constituency would, for the most part, be merged with Antigonish-Guysborough, not all of Antigonish-Guysborough, but most of it. That is what happened. Perhaps I was unfair to Senator MacEachen when I said he was the principal villain. The villains who did this were the members of the redistribution commission which had been set up in, I believe, 1965. That was when the commissioners became operative for the first time. Prior to that, redistributions had been conducted by a committee of the House of Commons. While those committees were sometimes accused of engaging in gerrymandering, there was no doubt about their knowledge of the traffic flows or, you might say, the anthropology of the areas.

In 1965 we got these new electoral boundaries. They took over in a very lordly way with maps drawn here in the City of Ottawa, and they chopped up the country with, in some cases, total disregard for the way people lived, where people bought their groceries, where they went for services such as law, medicine and the like. I do not want to sound as if I am complaining—

Senator Corbin: That is a legitimate complaint.

Senator Stewart: Yes. Marcel Lambert used to talk about the same thing having happened in Alberta.

Senator Gigantès: What do these people in Ottawa know about where to go to find a doctor in Antigonish-Guysborough?

Senator Stewart: Quite right. The point is that the constituency vanished. As a consequence of that, in 1968 I was a candidate in the new constitutency—

Senator Simard: May I ask a question?

Senator Stewart: Yes, of course.

Senator Gigantès: We would be very pleased to hear from Senator Simard.

Senator Simard: Well, I have not missed you. I see that Senator Corbin is going back to his seat. I was beginning to wonder whether Senator Gigantès, Senator Stewart and Senator Corbin were sitting in the corner as a subcommittee to discuss electoral reform. Are you holding a subcommittee meeting, or are you addressing the chamber?

Senator Stewart: It has been repeatedly announced to the entire nation, by Senator Murray, that the Liberal senators in the Senate are opposed to the GST. Yes, the Liberals in the Senate are conducting what is called a filibuster against the GST. That is what is going on, Senator Simard.

• (0230)

Senator Gigantès: His credibility is so low that they would not believe it unless he gave absolute proof. It is out of generosity towards the man's reputation that we are carrying on like this.

Senator Stewart: If Senator Simard wishes to assist us in lending verity to Senator Murray's words—

Senator Gigantès: A difficult thing to do.

Senator Stewart: If Senator Simard were to participate, it would be a great help. It would confirm our efforts.

I should like to come back to Senator Bosa's question. The other tyne of his question was this: Was I elected in 1962 or 1963? I was elected in 1962, which was very fortunate for me. It was a great experience.

Senator Marsden: And for the voters.

Senator Gigantès: For the voters, in particular.

Senator Stewart: I don't know about that, but it was a great experience to sit in the House of Commons when John George Diefenbaker was Prime Minister of Canada.

Senator Gigantès: A true patriot.

Senator Stewart: Whatever else one might say about Mr. Diefenbaker, he was indeed a true patriot and he was a great House of Commons man. In 1962-63, my seatmate in the House of Commons was none other than a hockey player by the name of Red Kelly.

Senator Bosa: He was elected in 1963.

Senator Stewart: Are you saying he was first elected in 1963?

Senator Bosa: Yes.

Senator Stewart: I believe you may be wrong.

Senator Bosa: If the honourable senator would permit me to say a few words, I recall that period very distinctly. I was the special assistant to the Minister of Citizenship and Immigration and Superintendent General of Indian Affairs at that time.

Senator Stewart: Who was the minister?

Senator Bosa: The minister was the Honourable Guy Favreau.

Senator Gigantès: After whom that complex in Montreal is named?

Senator Bosa: That is right.

Senator Gigantès: An unfortunate architectural piece of work. It is technically very bad.

Senator Bosa: I am in no position to pass architectural judgment.

Senator Gigantès: The brick work is bad. It has had to be redone.

Senator Bosa: I should like to assist Senator Stewart in recalling that Mr. Kelly was elected in 1963. He served for one term, and in did not seek re-election in 1965. I recall very distinctly that I participated in a conference at Memorial University in 1964 when the honourable gentleman was also present in St. John's, Newfoundland.

Senator Stewart: I stand corrected, Senator Bosa. My memory has betrayed me. As the years march on that will happen more and more frequently. My seatmate was James Walker.

Senator Gigantès: Senator Alzheimer stocks these halls.

Senator Stewart: Is he one of the new senators?

Senator Gigantès: I believe there is one on each side.

Senator Stewart: In 1962 the House of Commons was an electrifying place.

Senator Simard: Are we still on petitions, Senator Stewart?

Senator Stewart: Yes.

[Senator Marsden.]

Senator Simard: This seems like a long detour. If you say you are on petitions, I will take your word.

Senator Stewart: Senator Simard, I have here a copy of the Oxford English Dictionary, giving the meaning of the word "filibuster". I will be more than happy to send it over to you for your enlightenment.

Senator Simard: That would not be on petitions; that would be phase three of the filibuster.

Senator Gigantès: What is the origin of filibuster?

Senator Stewart: Before I answer that, I should like to do justice to Senator Bosa's question. The 1962 Parliament was an important Parliament, not only because of the rhetorical displays in the House of Commons but because it was a political crossroad.

Senator Bosa: There was a minority government.

Senator Stewart: That is correct. After the pipeline debate of 1956, by reason of fumbles by the Speaker and the use of closure by the Liberal government, the Liberals, after having been in power since 1935, fell from favour.

Senator Gigantès: That was the election of 1957.

Senator Stewart: You are quite right. In 1956 the Liberals returned with a minority. Then Mr. Diefenbaker formed a government and in 1957 he won a magnificent majority.

Senator Bosa: Honourable senators, I have to correct Senator Stewart. Mr. Diefenbaker formed a minority government in 1957. He won 209 seats in 1958, which was a majority government.

Senator Stewart: I thank Senator Bosa. Mr. Diefenbaker was a great politician, but he has been blamed by many people—Progressive Conservatives, Liberals and New Democrats—for the failure of his government. That is quite unfair. There were many reasons why he was not able to continue to command the support of Canadians.

In the election of 1962 Canadians were scrambling for a government. They had lost confidence in the Progressive Conservatives, but they were not ready to vote for the Liberals. That experience of 1956 was still too fresh in their memories for a return to the Liberals. Nor were they prepared to vote strongly for the New Democratic Party, and the Social Credit Party was able to gather a great deal of support in certain rural parts of Quebec. It was an election such as perhaps we will see in the next two or three years.

Senator Corbin: Will the honourable senator allow a question?

Senator Stewart: Yes, but I have agreed to answer a question put by Senator Gigantès. For the sake of clarity and brevity, let me deal with his question first. What was your question?

Senator Gigantès: Senator Stewart, would you give us the origins of "gerrymander" and "filibuster"? You are an expert at such things.

Senator Stewart: The word "filibuster" seems to have had its origin with the people of the Netherlands. I will not attempt to pronounce the word, but it is spelled v-r-i-j-b-u-i-t-e-r. It was adapted to the English language, and came to prominence in the West Indies. In approximately 1884 the form "filibuster" began to be employed as the designation of certain adventurers who were active in the West Indies and central America. Then it was picked up by American politicians to describe those who defended their views vigorously against the tyranny of the majority.

We find a reference to filibusters in the U.S. Congress lasting for nine continuous calendar days. Bills were talked to death.

The word "gerrymander" has its origins in the Commonwealth of Massachusetts or, at least, a politician from the Commonwealth of Massachusetts is supposed to have been the first gerrymanderer. Congressmen were engaging in drawing up new constituency boundaries, what are called new district boundaries in the United States. Congressman Gerry was a smart politician. He knew how to hive his opponents and how to concentrate his friends. The product of his labours was a strange-shaped constituency. Someone commented that it looked like a salamander; then others said that it was a gerrymander. That is the origin of that term, Senator Gigantès.

Senator Gigantès: I am grateful to you for that information.

Senator Stewart: Senator Corbin, I believe I agreed to hear a question.

Senator Corbin: I wanted you to bring a precision to your definition of "filibuster" and its origin.

Senator Stewart: Senator Corbin, I am quoting from the Oxford English Dictionary, the new edition. That work is regarded as definitive. It may be that there are nuances that have not been caught in the Oxford University product, which American dictionaries would pick up. Perhaps you have some light from an American source to shed on the meaning of this word.

Senator Corbin: The origin of the word goes back to the French "flibustier". "Flibustiers" were men of the sea who interrupted navigation. It was more or less piracy.

Senator Gigantès: Filibuster has something to do with fire ships, self-sacrificing sailors that would put flammable material in their ships, attach it to an enemy ship, set their own ship on fire and try to escape in small boats.

Senator Stewart: Senator Corbin, we are not far apart because, as I look at the definition given in the Oxford English Dictionary, I find that the ultimate source is certainly Dutch. It is not clear whether the sixteenth century English form, filibutier, of which we have only one example, was taken from Dutch directly or through some foreign language. Late in the eighteenth century the French form was adopted into English and continued to be used with occasional variations of spelling until after the middle of the nineteenth century.

My definition added a subterranian layer to the provenance of the word. As I said before, in 1854 the form filibuster, which seems to have come through the Spanish, began to be employed for certain defenders of freedom in the West Indies and central America.

Senator Corbin: Which means that you are a defender of freedom, Senator Stewart.

Senator Stewart: I certainly hope so.

Senator Gigantès: You have demonstrated that, sir, with every word. Senator Simard would be happy to testify to that.

Senator Simard: You were doing very well, Senator Stewart, Senator Gigantès and Senator Corbin. I will not be a member of your committee tonight. Perhaps tomorrow I will consider the invitation.

Senator Corbin: Never wake a sleeping lion. Go back to sleep.

Senator Simard: I have not been sleeping. I have not missed a word.

Senator Stewart: I am happy to see that Senator Comeau is with us. When he has an opportunity, perhaps he will leave the Chair and help us with regard to the history of College Sainte Anne, which figured in our debate earlier this evening.

Senator Simard: He will do it after the GST bill is passed.

Senator Stewart: I am sure the GST will have a considerable impact on our institutions of post-secondary education, but I am not now in a position to spell out the damaging effect that the tax will have upon these institutions.

Senator Bosa: I have consulted two dictionaries as to the correct meaning and root of the word "filibuster". I have in my possession an Italian dictionary by Nicola Zingarelli. This is the eleventh edition. The definition of "filibuster" in the Italian dictionary gives its roots as an English expression.

In the Webster Third New International Dictionary, it says that the origin is Spanish.

Senator Stewart: Senator Bosa, that is taken into account in the Oxford English Dictionary.

Senator Bosa: I don't want to read the complete text, but it does say that it was used by the Communist Party in Italy to obstruct the adoption of a new Italian electoral law. It is interesting to see the connection.

The Italian dictionary does not admit that it has Italian roots. It attributes this expression to the English language, whereas the English dictionary states that it is a Spanish expression used by the Italians.

Senator Stewart: I would prefer to rely upon the Oxford English Dictionary rather than the Webster Dictionary.

Senator Gigantès: That is linguistic imperialism.

Senator Stewart: I am sure that the Webster people try to tell the truth as far as they can see it, but the people at Oxford University Press are good at preparing dictionaries on the English language.

Honourable Senators, I have here a petition relative to the proposed goods and services tax. The undersigned humbly pray and call upon Parliament to reject the proposed goods and services tax. This petition is signed by many people, one person being from Newellton, Nova Scotia. Newellton is in Shelburne County. If I am not mistaken, the ancestors of Stanley Knowles, sometime an M.P., came from the Newellton area in Shelburne County. His ancestors left there, and he was born in Chicago. That may explain why he carried a strong Republican flavour into his discussion of Canadian constitutional matters. Newellton, Nova Scotia, is a fishing community of considerable importance.

This petition is signed also by someone from Barrington Passage. Barrington Passage is the narrow strait which separates the mainland of Nova Scotia from Cape Sable Island. This is not to be confused with Sable Island, which is far out at sea and is part of the constituency of Halifax. Cape Sable Island is part of the constituency of southwest Nova Scotia. Senator Comeau could tell you about this much better than I could. Barrington Passage is not deep. There is a causeway going across to the island.

Another signatory on the petition is from Dartmouth, Nova Scotia, which is opposite Halifax. There is a signatory with the last name of Buchanan.

Senator Haidasz: Is that any relation to Senator Buchanan?

Senator Stewart: I have no evidence on that point. Certainly Frank Buchanan's views are similar to those of Senator Buchanan, as expressed in his address at Yarmouth, Nova Scotia, approximately one year ago. It is not inconceivable that there is a familial relationship there. Certainly Frank Buchanan's views on the GST are very sound, as were Senator Buchanan's when he spoke on this topic a year ago.

Another signatory is from west Chezzetcook. The Chezzetcooks are along the eastern shore, travelling east from Halifax in the direction of Canso. It is a splendid area. It is one of the areas of the province of Nova Scotia which retains its original 19th century charm. There are many beautiful parts of Nova Scotia, but if you want to experience the quality of the good old life in Nova Scotia, drive the eastern shore road. It is called the Marine Drive.

Senator Marsden: Senator Stewart, what were the charms of the 19th century?

Senator Stewart: One of the qualities of life was that people were not harassed by income taxes.

Senator Marsden: Or sales tax.

Senator Stewart: They did not have to pay provincial sales tax. Even though life was simple, it was probably very happy.

Senator Marsden: Were their petitions heard in Parliament?

Senator Stewart: Yes, petitions were heard in Parliament. They did have some complaints. I don't say that the people of west Chezzetcook were involved.

The presentation of petitions in Parliament was an important part of public life, particularly in the 19th century in Canada. Early in the 20th century—that is to say from about 1906 forward—there were not many presentation of petitions until recent times. In the late 19th century and the first few years of the 20th century it was common for loyal subjects to pray that Parliament would hear them on topics of importance to them. There were two great surges of petitioning to the House of Commons, which went on for years. The first topic was temperance, and there was a storm of petitions that went on for years.

Senator Gigantès: In favour or against?

Senator Stewart: In favour of temperance. That was in the 1870s and 1880s, which ties in with the development of Canadian Constitutional law, the local option case which took place in the 1890s.

Senator Marsden: West Toronto is still dry by reason of local option.

Senator Gigantès: West Toronto?

Senator Marsden: Not all of it.

Senator Gigantès: I studied in Toronto so I know all about it.

Senator Stewart: The second great topic of petitions had to do with railways. They were petitioning for the provision of cow catchers on railway locomotives and for other protective equipment along railways. This went on for years until about 1905. After 1905, the use of petitions died away. It is wonderful to read the Confederation debates and see how smug the Fathers of Confederation were. They boast about how definitive the line was between matters on which the Parliament of Canada could legislate under section 91 of the British North America Act and topics on which the provincial legislators had exclusive jurisdiction under section 92. They spent far less time agonizing over this line as compared with the composition of the Senate and the topic of the proposed clause 26. Much more attention was given to the Senate than to sections 91 and 92.

Senator Bosa is a great scholar in the Italian language and he knows all about Fortuna. Machiavelli tells us about Fortuna and how she intervenes to put aside the well-laid plans of constitutional legislators and other statesmen. It soon emerged that sections 91 and 92 were not as distinct as the Confederation fathers had thought. Predictably, the government of the Province of Ontario began to argue that under section 92 it had jurisdiction over traffic in alcoholic liquors or what would be called "ardent spirits." On the one hand the federal government contended that it came under the trade power, or, if not under that, under "peace, order and good government." Ontario argued that it came under section 92. So it went.

● (0300)

There was much litigation with respect to the control of traffic in ardent spirits in the 1880s and 1890s. Much of the jurisprudence on the interpretation of sections 91 and 92 was worked out in this spirited area.

The second topic of litigation which showed how Fortuna derailed the intentions of the fathers had to do with navigable

waters. The activity which brought on the litigation related to floating sawlogs down streams. The Government of Ontario insisted that it had exclusive jurisdiction, whereas John A. Macdonald, as he then was, contended that it came under federal jurisdiction. There was much litigation. Again, it was in dealing with these specific and, some would say, relatively minor topics that the groundwork for the interpretation of sections 91 and 92 was worked out.

One should never underestimate the importance of the temperance movement in the political history of this country, both with regard to its constitutional development and its politics. For instance, the influence of the temperance movement on the political history of the Province of Manitoba is important; and if Senator Roblin were here, he would explain how his ancestors were involved in that struggle.

There was excessive consumption of alcohol in western Canada. It was a different problem from what you would have found in Nova Scotia. In the west there was a large number of relatively young men who were away from home in construction camps. They were away from their sweethearts, wives and families. In this situation excessive drinking was common. After a time, women of the west rose up to put an end to the liquor traffic, or at least to moderate it. It was their desire—and I think Senator Marsden would agree—to influence the laws of the land that led many women to become interested in getting the vote. They figured that, if the liquor trade was ever to be brought under control, the women would have to get the vote because they could not rely on the men to do it. I see Senator Marsden confirming my view.

Senator Gigantès: But they did not control the dreadful drug. They got the vote.

Senator Stewart: They did for a time, Senator Gigantès.

Senator Gigantès: Then they restored it and now there is a lot of drinking among young women.

Senator Stewart: Let us not be anachronistic. We are talking about a problem of a specific period. I think it is fair to say that as a result of the enfranchisement of women there were considerable improvements in the law of the land regarding the consumption of alcohol.

Senator Bosa: But they themselves started drinking.

Senator Stewart: But that was in a later period and as a result of new social problems.

Senator Bosa: Drinking is always a consequence of some kind of economic or social situation.

Senator Marsden: Like the GST.

Senator Corbin: How do you explain Sir John A. Macdonald?

Senator Stewart: Let us not go into that. Sir John A. Macdonald had difficult family problems. The pressure of public life and not having a satisfactory family life caused him to retreat into the use of alcohol.

Senator Bosa: Would Senator Stewart elaborate on sections 91 and 92 and why the Fathers of Confederation were not more specific with respect to jurisdiction, but allowed these grey areas to remain which became areas of contention between the provinces and the federal government? Senator Stewart has given us a couple of examples, but he has not given us the reasons why this inadequate clause in the Constitution did not foresee these events. Senator Stewart also mentioned that the Fathers of Confederation spent 11 days establishing the Parliament of Canada. Why did they spend six days devising a Senate?

Senator Stewart: Those are two big questions, and if we are to have a filibuster against the GST—which Senator Murray says we are conducting—then these are topics that we can talk about as well as any other.

Senator Bosa, I think it is fair to say that the Fathers of Confederation thought that you could draw a clear line between what were topics of general importance on the one hand and matters of local and private interest on the other. If you look at the discussion as to the cost of the legislatures, you will see what they had in mind as the business of Parliament in contrast to that of the provincial legislatures.

One of the complaints against the Confederation scheme was that there would be a multiplicity of legislatures, but it was George Brown who asked politicians not to be misled. He agreed that there surely was going to be a multiplication of legislatures in the case of Canada—and I speak here of the old province of Canada, not the proposed Dominion of Canada. There would be three legislatures instead of one. There would be the Parliament of Canada, located here in Ottawa; there would be a provincial legislature in Toronto; and there would be a provincial legislature in Quebec City. Mr. Brown said not to be misled by this multiplication of legislatures because what would happen would be that many of the bills, those of a local and private nature, would be taken away from the Parliament of Canada and taken up by the people in their local legislatures who would know exactly what they were dealing with.

Senator Bosa, if you look at the experience of the Parliament of Canada in the years after 1867 you will find that what Brown anticipated, to a large extent, came true. You will find that the sessions of the Parliament of Canada were very short, comprising a few weeks or a couple of months, because they were only dealing with general matters. Matters of a local and private nature had gone off to Quebec City and Toronto. I think that is the distinction they had in mind.

What happened was that life became more complicated. Pressure was put on both the provincial legislatures and the federal parliament to deal with the liquor trade, the regulation of navigable waters and the like. Gradually what had seemed to be a simple distinction became very complicated.

But there was something else. Why was it that the jurisdiction went the way it did? Why was it that a provincial rights' views became dominant? There are many explanations for that, Senator Bosa. One of them is that the law lords, the members of the judicial committee of the Privy Council in Westminster, regarded the provincial legislatures as private persons. There is a rubric of legal interpretation which says

that you do not deprive the ordinary person of his or her rights unless the statute is explicit. Where there was a doubt that could be interpreted in favour of the provinces, some law lords were inclined to interpret the British North America Act in favour of the provincial governments. That is one of the lines of explanation. There are several others.

Senator Bosa: But there was the residue.

Senator Stewart: Two areas in sections 91 and 92 came to be interpreted. First, there were the enumerated heads under sections 91 and 92. They seem to collide on matters such as property and civil rights in the province in the case of section 92 and the trade clause in section 91. Second, there was the clause to which you now refer, namely, the "peace, order and good government clause" and the way that is to be interpreted in relation to the generality of matters of a local and private nature in the province, which is the final provision in section 92. Those two areas had to be sorted out.

I would now like to address your question with respect to why so much time was spent on the composition of the Senate. This is a topic in which we are all very interested these days. If you go back to the Confederation debates and read particularly the notable address given by John A. Macdonald in 1865, you will notice an interesting transition. He starts out by explaining how responsible government was going to work in the new dominion. By "responsible government" John A. Macdonald meant something very specific. He meant that the executive government would be responsible to Parliament. He did not bring in that layman's notion that, in turn, Parliament would be responsible to the people because he was far too smart to accept that nonsense. For example, he knew that a Prime Minister who has no intention of running again and, indeed, many members of an elected body who have no intention of running again have no great sense of responsibility to the people. This could be said of Prime Minister Trudeau after the election of 1980 when he knew he was not going to run again. This notion that responsible government is a two-phase concept is nonsense. It is a one-phase concept, namely, if the executive government is to remain in office, it has to continue to enjoy the confidence of the elected representatives of the people.

That principle was to be incorporated in the working constitution of the new dominion or the "kingdom," as they sometimes called it in 1865. It is also true that they accepted that the House of Commons would be elected on the basis of representation by population. Of course that meant that Ontario would dominate the House of Commons. In that period the population of Ontario was burgeoning. It had greatly exceeded the population of Canada east, or what is now Quebec.

Initially, back in 1841, when the union of Upper and Lower Canada took place, Quebec had had the bigger population, yet each of the two parts was given the same number of members in the assembly and in the legislative council. That was fine for the people west of the Ottawa River as long as their population was smaller than that of Canada east. But, as the years went by, the population west of the Ottawa River grew rapidly, and they began to think the system was unfair. They came to demand "rep. by pop." so that democracy would prevail. The good people west of the Ottawa River, being more numerous, would then be able to control the politics of the entire province of Canada. That is the origin of the great zeal for "rep. by pop."

At the Confederation conferences some representatives from the province of Canada pressed for responsible government and representation by population in the new Constitution. Some of them actually thought that it would be fine to have a uni-cameral legislature with "rep. by pop." and responsible government. But, as George Brown said, if they had persisted in that position, there would have been no possibility of a new dominion. It had to be modified. Consequently, the federal principle was introduced, which found its expression in the Senate of Canada where the new province, Quebec, was to be equal to Ontario, notwithstanding that the population of Ontario was already larger and growing rapidly. The lower provinces, as John A. Macdonald liked to call New Brunswick, Prince Edward Island, Nova Scotia, as a division, would have equal representation in the Senate with Ontario.

Senator Bosa: There were two provinces. The three divisions were Upper Canada, which was Ontario, Lower Canada, which was Quebec, and New Brunswick and Nova Scotia.

Senator Stewart: Initially, yes, but they anticipated that Prince Edward Island would join. Indeed, when it did join in 1873, it was assigned four of the 24 senators given to the maritime division. That is why we have the Senate.

Senator Bosa you have heard me on this topic before. It is misleading to think that the Senate of Canada is a kind of North American version of the House of Lords. The House of Lords may be a commendable body now but there was a period when it was scoffed at as being not the peerage, but the beerage. That age is gone. It is now a respectable body, and I understand from recent works that it does indispensable work in the legislative process. Certainly, the Senate of Canada was not modeled to a great extent on the House of Lords. It was intended to be a second chamber of a federation. It is for that reason that the powers of this house are comparable to those of the House of Commons, insofar as legislation is concerned, in almost every way—the only distinction being that bills that impose taxes and appropriate money must originate in the House of Commons.

We understand why the word "originate" is used. They are not introduced. They arise from a committee of the house. Anyone who is familiar with the House of Commons knows the process by which bills to spend money originate from the work of the supply committees and bills to impose taxes originate from ways and means motions.

I hope, Senator Bosa, that that deals with your question.

Senator Bosa: I have one further question. Did the conference of the Fathers of Confederation that led to the establishment of Canada take place in 1864 in Charlottetown?

Senator Stewart: It took place in Charlottetown and in Quebec City.

Senator Forrestall: And in Halifax.

Senator Stewart: They paid a visit to Halifax.

Senator Forrestall: They were in Halifax first and then went to Charlottetown.

Senator Stewart: Great tales are told about the conference in Charlottetown. Much ardent spirit, to use a term employed earlier, was consumed there along with much champagne. Halifax, too, was a very cosmopolitan city then as it is now. I hope my explanation suffices on that point, Senator Bosa.

Senator Bosa: I think that the honourable gentleman gave us a laconic explanation of what led to the establishment of the Senate of Canada and the purpose behind it.

Senator Stewart: I accept the implied criticism; the next time I shall bring my documents.

Senator Bosa: It is praise, not criticism.

Senator Stewart: I misunderstood. In any event, the next time I shall bring my documents and cite cases.

Senator Corbin: He did not use the word "laconic" in the same way as the Speaker used the word.

Senator Stewart: Honourable senators, now to the business at hand. The first petition says that the loyal subjects humbly call upon and pray Parliament to reject the proposed goods and services tax. We have signatures from places such as New Glasgow and Westville. Those places are in the county of Pictou, which is immediately northwest of Antigonish county. During World War I more munitions were produced in Pictou country than in any other comparable area in the British empire outside Great Britain itself. There is a long tradition of work in metallurgical industries there, a tradition which goes back to the early part of the nineteenth century. It is fair to say that the people of Pictou country are largely of Scottish origin, as are most of the people in Antigonish county.

When the settlers came to the northeastern part of Nova Scotia the land was taken up along very sensible lines. Religion was very important in those days, and to avoid duplication they sent Scottish highland Roman Catholics down into Antigonish County. The Presbyterian Scots took up land in Pictou County. That meant that you would have communities in both counties where one church would serve all the people and in which there was no problem with schooling. It was a reasonable arrangement. Each of these counties continues to have its distinct traditions, even to this day. They get on very well but there are notable differences.

Pictou County has always contributed to the economy of Canada and to the public life of Canada far more than its population would lead anyone to expect. The names of people from Pictou County who have contributed to law, to medicine, to geology, to public life and to the enrichment of this country in many other ways would fill a volume. It is a wonderful county, no doubt about it. We have two petitioners from that county.

Honourable senators, I have many petitions here, and I look forward to presenting them all to you, but not now, because I know that there are other senators who are impatient to perform their democratic duty.

Senator Gigantès: Senator Stewart, on behalf of all honourable senators, I truly have learned more about this country and its constitutional history from you than from all of the books I have read until now, and I am most grateful to you, sir.

[*Translation*]

Senator Hébert: Honourable Senators, I have here a petition signed by 172 residents of Victoriaville.

In contrast with Senator Stewart's brilliant speech, I will make do with reading out the names of citizens from Victoriaville, a small, very typical Quebec town.

They read like a poem. These are old French names. Since they are all from Victoriaville, I will save time by not reading out their addresses. I will just read out their names and you will see that it is like a song, it is like music.

You will notice that there are always a lot of Jean-Baptistes in Quebec, because as everyone knows, he is the patron saint of French-Canadians.

I would just like to point out that the name Jeanne d'Arc always suprises the French. Although she is a French heroine, Jeanne d'Arc is not a given name in France. In fact, her real name was Jeanne, who lived in Arc.

There was an actress in Quebec who was very popular at one time—I think that she is still with us—and her name was Jeanne d'Arc Charlebois. Because of her success, she was invited to Paris to give shows. Obviously, in Paris, she was told that it was unthinkable that someone could be called Jeanne d'Arc «Charles» «bois» (think of King Charles VII who was burned at the stake). Jeanne d'Arc Charlebois was a bit much, so eventually she had to change her name to «Jeanne d'Arbois».

Our pages are getting a little tired, but when they come by I will ask them to take the list of all these good people of Victoriaville who have asked us senators to stop the GST.

The people of Woburn in Quebec are asking us to do the same thing. I believe this is a little village in the Eastern Townships, but I am not quite sure. This is the sort of name that you find in the Eastern Townships.

I will read out their names, again, because they are very musical, but I will leave out the addresses this time.

Here is a list from Desbiens. This list follows the one that I began to read to you a few days ago.

We are in a completely different part of Quebec now. This is the Lac St-Jean region. These people are from Desbiens. It is like a kind of poem. I will come to the addresses in a minute but I think it is lovely to hear the names that sound like a song. It is really lovely.

I have another list here signed by 101 citizens from the region of Ormstown in Quebec. It must be in the Eastern Townships too, unless I am mistaken. I will read you the names without the addresses to finish off this morning's poetry.

It must be in the Eastern Townships because I see that it is an anglophone area; so now we have heard from Ormstown!

Coaticook is also in the Eastern Townships, in the Wellington region, which I am honored to represent here. As you know, senators from Quebec represent a specific senatorial district and mine is Wellington, the capital of which I might add is Sherbrooke. Coaticook is one of the towns in the region. Even the names of the streets are lovely!

Now we come to Coaticook.

These are small regional municipalities. La Patrie is the name of a municipality in the Eastern Townships.

Now, we come to Worburn.

Gérin-Lajoie is obviously a street name given in honor of Paul Gérin-Lajoie, who is still with us and who played a very important role as you know in reforming the education system in Quebec. He was the first Minister of Education that we had in Quebec under the Jean Lesage government.

Paul Gérin-Lajoie got education reform off the ground in Quebec.

Senator Corbin: Senator Hébert, may I ask a question?

Senator Hébert: Yes, please do. I do not know whether I will be able to answer, as your questions are always a little intellectual.

Senator Corbin: It is not an intellectual question. It is because of my ignorance that I am asking you this question.

Why was there no department of education in Quebec before Paul Gérin-Lajoie became minister? I am from New Brunswick, and there has always been a department of education in that province.

Senator Hébert: It was because of opposition from the Church. In Quebec, education at all levels was controlled by the Church, which obviously was in no hurry to give up its jurisdiction to civil authorities.

Furthermore, with all due respect to his memory, I think Jean Lesage declared either before or after his election that there would never be a department of education in his lifetime. At that time he also said something that was to follow him to the grave: "We are the quiet holders of the truth".

He said that about the problem of education in Quebec. He was an intelligent man and he soon realized that education reform would have to take place in Quebec. I must point out that this reform cost us quite dearly. There were advantages and disadvantages to it. That is how Paul Gérin-Lajoie entered the Cabinet and became our first Minister of Education.

Senator Corbin: Senator Hébert, could I ask you another question?

● (0330)

Senator Hébert: Yes, but there are all these people from Coaticook who would like to have their names heard in this Chamber.

Senator Corbin: But you have been reading out names since 3:37 a.m. and it is now 4:00 a.m. You have been reading out the names of people from the region of Coaticook without a break.

It is as if the whole region is against the GST. That might be going too far, but from what you are telling us, almost the entire population is dead set against the GST. That is in Quebec, actually in Quebec.

Senator Hébert: I do not think Quebeckers feel any different from the rest of Canadians about the GST.

We have unanimity in Canada on this topic.

Senator Corbin: Journalists seem to be saying the opposite. They think it is ridiculous for the Senate to be blocking the GST. Yet Canadians who have spoken to us are telling us a story which is quite different from what we read in the newspapers and in editorials.

Who is telling the truth in Quebec?

Senator Hébert: We often talk about the silent majority. I think this is a good example of how journalists can be wrong.

When we speak of "journalists", we mean editorialists and those in charge of the economic sections, etc.

Ordinary Canadians, I can assure you . . . I was not here yesterday, but I think my colleague Senator Fairbairn mentioned the meeting we had yesterday at noon.

We met with representatives from all the provinces and Quebec was represented.

The Canadian Labour Congress, which represents millions of workers, was there. The Quebec Teachers' Council was there. I am not sure if that is the exact name, as I jotted it down quickly. The committee for Policy Alternatives was also present. We had the Public Service Union, the National Action Committee on the Status of Women, the Ecumenical Commission on Social Justice, the Canadian Federation of Teachers and the CNTU.

All these organizations, which represent millions of Canadians, met with us, as you know, yesterday at noon, to tell us that they are behind us, that they support us and that they want us to continue our fight against the GST.

Obviously, there is a minority of business people, richer Canadians, multinationals, and consequently editorialists from some of our newspapers who continue to claim that the GST will be good for Quebeckers.

I do not think that has anyone convinced.

I have not met any Quebeckers who are in favour of the GST, except of course for some Quebeckers who have just arrived on the other side of this Chamber. In everyday life, when I walk in the street, when I go into shops and when I meet friends, I have not met anyone over the last few months who has said that we are wrong to be fighting the GST.

On the contrary, I have received a lot of support from all circles in Quebec. People are saying: "Keep it up, we are counting on you".

So, I was speaking to you when Senator Corbin interrupted me to ask me a question that was very much to the point.

In Quebec it sometimes seems that people do not feel the same way about the GST. Rest assured, this is a case where there is unanimity and where Quebeckers are as up in arms about the GST as Canadians in the other provinces.

I think I was reading you the poem that I began earlier.

I had stopped at Gérin-Lajoie Street. That is where we strayed from the point a little.

Florence Patenaude, 20 Chartier Street, Coaticook.

And the name "Patenaude" is an interesting one, a name that is very common, or at least quite common in Quebec. The name comes from *pater noster*.

In the Middle Ages, people used to make rosaries. I cannot remember what these people were called, but the name comes from *pater noster*, and although the craft has virtually disappeared over the years, the name survives, transformed into Patenaude.

We wonder if, as Senator Corbin asked earlier, there are any people in Coaticook who are for the GST. This must be one of the revelations that Senator Simard has in store for us. He must be secretly stockpiling the petitions supporting the GST which we are not receiving.

But then why would they send them to us when they know that we are against it! So they send them all to Senator Simard. Any day now he is going to come into the Senate and table thousands and thousands of them!

As I mentioned earlier, some say that Quebeckers are not as keen on supporting the senators. This is not true. In my opinion, the opposite is true. I talked about the letters that have been addressed to me. A few days ago Mr. Brian Mulroney received a letter from Quebec. The letter is dated October 12 and it is from the *Conseil provincial du Québec des métiers de la construction*. This association represents a great many people in the construction industry; and they are Quebeckers. This is what they had to say to the Prime Minister:

> Mr. Prime Minister:
>
> Our organization, the Conseil provincial du Québec des métiers de la construction (international), which represents over 45,000 workers in the construction industry . . .

Now, that is a lot of people!

> . . . hereby expresses its profound disagreement with the proposed passage of the bill to introduce the goods and services tax. According to our specialists' information, this tax will have a disastrous effect on the construction industry, especially in Quebec.

I hope that my colleagues in Quebec are listening to this. I hope that they have not gotten into the Conservative habit of not listening when people speak.

> It would seem, according to our advisers' projections, that the cost of a home assessed at $100,000 will increase by $2,200. To this cost must be added the high interest rates that Canadians are presently enduring. In our opinion, this new tax will certainly not help to revitalize the construction industry. Furthermore, we believe that this new tax will create a heavy burden for people in the middle class as well as for those in our society who are less well-off.
>
> We therefore ask that you withdraw this bill.
>
> Yours sincerely . . .

And so on and so forth. I do not know whether or not the Prime Minister has acceded to their request. In any case, there is nothing at the moment that would allow us to believe that he has done so.

So I do not think there is any reason to be concerned. There are as many Quebeckers, proportionately, as there are other Canadians who are against the GST. They support us wholeheartedly.

I believe that one of my colleagues—Senator Haidasz?—has a few petitions. I could go on; I may have as many as 100,000.

Senator Haidasz: Do continue.

Senator Hébert: Very well, I shall. Are there any others?

Senator Gigantès: If you feel tired, I can take your place!

Senator Hébert: Me? Tired?!

Here is a petition signed by 342 people from the region around Rouyn-Noranda, people from Abitibi, which is yet another interesting and beautiful region, a pioneer region.

Senator Gigantès: That is true, it takes courage to live there!

Senator Hébert: These are people who have come from all over Quebec.

When I was reading the list of names of people from Victoriaville, I said that there was every reason to believe that these families had lived in that town for a very long time, for 100 years or more. On the other hand, in regions such as Lac St-Jean or Abitibi people have come there from elsewhere. From all over Quebec. So they have the pioneering spirit.

They may have, therefore, fewer groups of similar names than did the people listed in the petition I read earlier. Still, it makes for a pretty poem, as you are going to see!

I think that it is quite obvious that all the people living on Des Pionniers street are against the GST. that is the impression one gets. It seems that everyone living on that street, from one end to the other, has signed.

Senator Corbin: We do not accept children?

Senator Hébert: No, they are all adults with very business-like handwriting.

Senator Grimard: Honourable senators, I might be able to help. I have been living in Rouyn-Noranda for the past 41 years.

So, if you need any explanations . . .

Senator Hébert: Would you like to read the petition yourself?

Senator Grimard: You do not have many names. Rouyn-Noranda has a population of 35,000, so I hope you have several thousand signatures.

All this is of interest to me. And, as concerns place names, if you need any information just ask me and I will give it to you.

Senator Gigantès: How very kind! And how splendidly generous!

Senator Grimard: Thank you.

• (0400)

Senator Hébert: From now on, I will consult with you every time . . .

Senator Haidasz: May I ask you if this region was part of a riding represented in the House of Commons by Mr. Réal Caouette, the leader of the Social Credit Party?

Senator Hébert: We will ask our colleague from the region.

Senator Grimard: To ask that question is to answer it. Everyone knows that Réal Caouette did represent what is called the riding of Témiscamingue. There is no federal riding of Rouyn-Noranda.

Réal Caouette was, then, the member for the riding of Témiscamingue—a riding that includes Rouyn-Noranda and the region that is called Témiscamingue, south of Rouyn-Noranda.

Senator Hébert: That explains why so many people in the region are against unfair taxes. As the senator said, Réal Caouette did not like unfair taxes much.

Senator Corbin: Senator Hébert, are these people who voted Conservative in the last election?

Senator Hébert: I really could not say, but in any case . . .

Senator Gigantès: Did they vote Conservative in the last election, Senator Grimard?

Senator Grimard: I am sorry, but I did not understand your question.

Senator Gigantès: Senator Grimard, I asked you if these people whose names Senator Hébert is reading voted Conservative in the last election?

Senator Grimard: It is quite possible they did because we have the honour of being represented by a Conservative member, Mr. Gabriel Desjardins. It is quite possible. But it is not necessarily the case, because there certainly are people who voted against Mr. Desjardins.

But I am not impressed with your list. If you can reel off thousands of names, I will be. In Rouyn-Noranda alone, there is a population of 350,000. When you began to read your petitions, you said that you had 4,000 names from all over the province; well you certainly do not have 4,000 names from Rouyn-Noranda.

Senator Hébert: Do not worry, we will give you as many as you want. Do not worry. I cannot put them all here. My desk is so cluttered that I can barely use it. I have more up in my office; and other senators have more.

Senator Gigantès: One of the senator's assistants—poor fellow—is up to his neck in letters. It is a bit awkward, because we do not know where to put them. But, as he is a rather unpleasant young man, I think that he deserves it.

Senator Hébert: So, we were reading a list of people who may have voted for the Conservative Party who will never do so again.

• (0430)

[*English*]

Senator Stewart: Will you permit a question for clarification? You say that, possibly, some of those people voted Conservative.

Senator Hébert: I do not know.

Senator Stewart: You say that, possibly, they may have, but that surely they will never do so again. Is it not true that the Prime Minister has said that in the 1988 election the present government received a mandate from the people to bring in the GST? Forty-three per cent of the electorate voted for the Mulroney government.

Senator Hébert: A big majority.

Senator Stewart: It would follow then that 43 per cent of the people are in favour of the GST. If they are not, it would seem there must have been some misunderstanding.

Do you not think we should ask the people who voted Progressive Conservative, the 43 per cent—forget the rest because they did not vote for the Mulroney government—if indeed, it is true, as Mulroney says, that when they marked their ballots in 1988 they were voting in favour of the GST?

Senator Balfour: You want an election on the election?

Senator Gigantès: That would not be a bad idea.

Senator Stewart: Well, no, senator, I don't know how one would do that. I am simply questioning the validity of the proposition that when people voted for the Progressive Conservative Party in 1988, (a) they were voting for the Meech Lake Accord and (b) they were voting for the GST.

My guess is that a lot of people who voted Progressive Conservative in 1988, perhaps because they were in favour of the Free Trade Agreement, did not know and that they were voting for the Meech Lake Accord or for the GST. That is my only point, Senator Balfour.

Senator Haidasz: Let us clarify the situation and have an election on the GST.

Senator Gigantès: I would like to know: Why do you suppose, Senator Hébert, that the honourable members opposite do not have stacks of petitions from people who want the GST and who are saying, "We beg you, get this tax through?" I am thinking of people who are not big tycoons and their paid lobbyists like D'Aqunio and others who used to tell us wonderful but misleading things about the Free Trade Agreement?

Senator Hébert: I think the Conservatives have thousands and thousands of petitions in favour of the GST that they are hiding in their offices as a secret weapon and that when we finally get through reading our petitions—I don't know in how

many weeks or months—then they will take their secret weapon out and start reading them.

Senator Gigantès: Will this be sort of debate by petition?

Senator Hébert: Yes, and we will have to count who has the most signatories. That is my theory.

Senator Balfour: Do you think we should have an election on the election in Ontario as well? You obviously can't stand to lose.

Senator Stewart: That's provincial politics.

Senator Gigantès: Perhaps Senator Stewart should elucidate his earlier remark. To have an election on the result of an election might be complicated for all organizations.

Senator Balfour: Wy does he propose it?

Senator Stewart: I did not realize that Senator Balfour had misunderstood.

My point is simply this: when you have an election involving many issues, it is very difficult to say that the successful party has a mandate on one specific question such as the Meech Lake Accord or the GST.

It is possible, of course, to say that it has a mandate to deal with one issue if that issue is pushed right to the front of the stage. I would argue, for example, Senator Balfour, that in the election of 1988 the Progressive Conservative Party succeeded in getting a mandate for the Free Trade Agreement with the United States. That was one of the reasons why I felt that when the bill came to us after the election it should be dealt with expeditiously, both in this chamber and in committee.

When I moved the report of the Senate Standing Committee on Foreign Affairs on the Free Trade Agreement bill in December, 1988, I tried to make that point as succinctly as possible. There was no question—insofar as you could get a decision with a multi-party system—that the Canadian people had voted for the Free Trade Agreement. It is true it was 43 per cent but with a multi-party system, that was pretty strong support.

But to say that at the same time the electorate were giving a mandate for the Meech Lake Accord is, I think, reading far too much into the outcome of the election. That was my only point, Senator Balfour.

Senator Balfour: Could Senator Stewart then tell me whether or not he took a similar position when the government, of which he was a part, imposed the National Energy Program on western Canada?

Senator Stewart: Senator Balfour has asserted that in the election of 1980 the people voted for the National Energy Policy. As I recall, that assertion was not made.

Senator Balfour: Isn't that the very point that the National Energy Program was not an issue in the election to which you refer, yet the government, of which you were a part, unilaterally imposed this massive tax grab on western Canada?

Senator Stewart: I now understand why we are like ships that pass in the night. It is one thing to say that you elect a government to deal with whatever eventualities arise. That is what you call electing men—that is "men not measures" type of election, if I may use that language without arousing Senator Marsden's ire.

Senator Balfour: I don't think you need to worry about Senator Marsden.

Senator Stewart: All right, but speak quietly.

Senator Gigantès: Just watch it.

Senator Stewart: It is another thing, Senator Balfour, to say that the electorate gave a mandate for a specific measure.

It seems to me the example I gave is a pretty good one , that is, that you could argue quite effectively that the election gave a mandate for the Free Trade Agreement. In contrast, it is very difficult to argue that they marked their ballots in favour of the Meech Lake Accord. In my part of the world, most of the Conservatives whom I know, for example, did not mark their ballots with the GST specifically in mind.

Perhaps we can discuss this later, Senator Balfour, but if you want to continue now, I would be more than happy to do so.

Senator Balfour: With the greatest respect, Senator Stewart, if I am following your argument correctly, it seems to me you are sucking and blowing at the same time.

Senator Stewart: That comment is so vacuous that there is no point in trying to comment on it.

Senator Gigantès: Excuse me, senator, that is based exactly on this exactly.

Senator Stewart: Senator Balfour would certainly know about the bagpipes, given his name.

Senator Gigantès: I suppose.

Senator Stewart: He probably wears a filleadh-beag in honour of his Scottish forebears.

Senator Gigantès: I would like to congratulate Senator Stewart on being a member of the cabinet between 1980 and 1984. Senator Balfour says you were a member of the government.

Senator Stewart: That is not true, but we all make mistakes, we all make these little mistakes.

Senator Bosa: Honourable Senators, I have just one brief intervention to clarify the record. Senator Balfour made reference to the fact that there was a tax grab in the early 1980s imposed by the government of the day. But , to be fair, I think Senator Balfour should also have mentioned that the Diefenbaker government, either in 1959 or 1960, imposed a 10-cent additional cost on every gallon of gas that was consumed west of the Ottawa valley in order to support Alberta.

This was at a time when the oil industry in western Canada could not support itself, so a great chunk of Ontario paid an additional premium for the oil that was extracted in order to support that industry.

We should have both sides of the coin in order to balance things out.

Senator Balfour: First, Senator Bosa, the tax was not imposed west of the Ottawa Valley but east of the Ottawa Valley.

Second, the object of the tax was to encourage exploration in western Canada so that when the energy crunch inevitably came, eastern Canada would be able to draw on supplies of oil discovered in western Canada instead of paying exorbitant prices for imported crude oil.

Senator Gigantès: That makes sense.

[*Translation*]

Senator Grimard: We owe the mining industry in Rouyn-Noranda to one of the first mining prospectors.

Senator Corbin: He is against the GST. That is all what counts.

Senator Hébert: I am ready to learn how to pronounce names, because I have quite a few here.

[*English*]

Senator Gigantès: I would like to draw your attention, Senator, to how helpful Senator Grimard is being on these toponynics about Quebec. I hope that when I get back to Alberta you will also help me with names sir.

[*Translation*]

Senator Hébert: Senator Gigantès, you miss Senator Simard already!

Senator Gigantès: Yes, Senator Hébert, I do.

Senator Hébert: Is it Mont-Brun?

Senator Grimard: Yes, Senator.

Senator Hébert: That is correct. Senator Grimard tells me that it is indeed Mont-Brun. It must be a municipality or a village.

There are people from all over Quebec in this region.

The Cliches come from the Beauce.

Senator Gigantès: There are Cliches everywhere.

Senator Hébert: That is what I mean. There are people from all over Quebec in this region.

Senator Gigantès: You have not come across even one "Tremblay" yet?

Senator Hébert: Do not worry, I will. Look, if there are not any Tremblays on the list there must be something wrong. It is just not possible.

But here is one, right here.

Senator Gigantès: You found a "Bédard" from Victoriaville. My wife is a Bédard.

Senator Hébert: From Victoriaville?

Senator Gigantès: No, not from Victoriaville, from Quebec City.

Senator Gigantès: But then, there are Bédards everywhere as well.

So, Senator, is Mont-Brun a village?

Senator Grimard: Yes.

Senator Hébert: How far is it from Rouyn-Noranda?

Senator Grimard: It is 25 kilometres away if you take the La Sarre road.

Senator Hébert: Is it a farming region?

Senator Grimard: Yes it is, Senator.

Senator Hébert: I hope I am not speaking too loudly because I would not want to waken Senator Castonguay who is deep in slumber!

Senator Gigantès: Speak louder.

Senator Hébert: Come now, I am not going to wake him up! We might waken Senator Lavoie-Roux at the same time. I would not want to do that because it would not be very nice of me.

Senator Gigantès: Well, they have wakened Senator Marsden. There she was, quietly sleeping away, not bothering anyone. They made so much noise—even mentioning her name—that she woke up.

Senator Hébert: "Grenada"; that is not the Grenada in the Carribean, is it?

Grenada—does such a place exist, Senator Grimard?

Senator Grimard: It is another village and it is south of Rouyn-Noranda.

Senator Hébert: How many kilometres away?

Senator Grimard: Ten at the most.

Senator Gigantès: How did it get its name?

Senator Grimard: A number of townships and villages were named after soldiers or captains in the Carignan regiment.

When the County of Rouyn-Noranda, Abitibi and Témiscamingue was being established, towns were named after former members of the regiment. So there are names such as Cadillac and others. New name were required because it was a new region. Abitibi and Rouyn-Noranda have existed for barely 75 years.

Senator Gigantès: Was that part of the agricultural colonization that the Quebec clergy wanted to put in place? Which bishop was promoting that idea?

Senator Grimard: Look, I am not a history teacher. I would like to continue reading names. I intervened partly to wake

myself up, because I have been terribly bored since I have been a senator. With everything that is going on here, I decided that maybe speaking would wake me up. I am quite disgusted with the way in which you are proceeding. That is the end of my geography lesson.

Senator Gigantès: Do you prefer that we simply read the names, as Senator Hébert is doing, or would you rather we intersperse them with courses in political science, as Senator Stewart does from time to time?

Do you prefer these interjections, for some variety in the diet, so to speak?

Senator Corbin: I think he is falling asleep.

Senator Gigantès: All right, we will do our best.

Senator Grimard: Honourable senators, there has been considerable variety since I have been in the Senate. We started with the cacophony of desk-thumping, kazoos and whistles, and now we are getting the petitions.

I think we have had quite a mixture as it is.

For a young senator like myself (that is, a "young senior"), I can tell you that being here makes me want to cry for help from my mamma.

In my view, your tactics show contempt for all the people of Canada, not just us. That is what you Liberal senators are doing at the moment. It is disgusting to waste the people's time and money in this way.

So I spoke in order to wake myself up. If you want to be serious, I will be too.

Senator Gigantès: Great! Go ahead, we want you to be serious!

Senator Hébert: Senator Grimard, I would like to point out that the people of Rouyn-Noranda may not be pleased to learn that you found it disgusting that a senator would rise to read their petitions and their names. I do not think they will like that very much. I do not think that Jacynthe Éthier, of 395 Trépanier Street, in Rouyn-Noranda will find it funny that I was interrupted just before reading her name by a senator from her region, who has just said that it is disgusting that we are reading petitions and giving the names and addresses of the petitioners.

Senator Corbin: We have the names and addresses of all these individuals, Senator Hébert. Perhaps we should write to them to tell them what Senator Grimard thinks of their petitions.

Senator Hébert: We will send them today's copy of the *Debates of the Senate*.

I think they will all be pleased to read Senator Grimard's intervention just when their names were being read out in the Senate.

I come back now to the petition.

Otherwise, Senator Grimard will think that I do not have enough names for Rouyn-Noranda. Unless, of course, you are in a hurry?

Senator Gigantès: We are not in a hurry.

Senator Hébert: In that case, I will continue with the petition, and I will try to read a little more quickly.

Senator Gigantès: Can I come back to the name "Hébert"? Was one of your ancestors the Hébert of the French Revolution who was not an agreeable sort and sent people into the woods, and also hung them?

Senator Hébert: No, I have no idea. I have not really checked. But from what you have just said, I do not intend to check into it, in case it turns out to be true.

Larder Lake is in Ontario. These must be some people from Rouyn-Noranda who went off on a trip to Larder Lake and took the petition with them. Is it a resort town, is it pretty there? They went for a little trip, and they took the opportunity to get more signatures on the petition against the GST, because people are opposed to it both in Ontario and in Quebec.

Senator Gigantès: Are there any maples there, so far north?

Senator Hébert: That far north, I think the maples would have had to be planted, because we are getting into regions where maples do not grow easily. I know some maples were planted, but evergreens are the more natural vegetation in the region.

We are back to that region. According to what Senator Grimard was telling us, the name apparently comes from . . .

Senator Corbin: Grimard?

Senator Hébert: No, the senator was telling us a little earlier that the name came from the Carignan Regiment.

Senator Corbin: There are not a lot of "Grimards". There is not even a handful of them! I checked in the phone book.

Senator Hébert: I must say that so far I do not have any on my list. But this is just a tiny part of my Rouyn-Noranda file.

Senator Gigantès: Go a little more slowly so that he can check that. It is a very good idea to check whether these people really live where they say they do. By checking, we can certify that they are genuine petitioners.

Senator Hébert: I do not think anyone is questioning that.

• (0500)

[*English*]

Senator Frith: I want to look up Lander Lake.

Senator Haidasz: Is there a gold mine up there?

Senator Frith: I don't know. Senator Kelleher probably knows.

[*Translation*]

Senator Hébert: I think I was saying that nobody who lives at Place Tourigny is missing. We are going to have every name!

Senator Gigantès: I know, Senator, that if the senators opposite allowed us to print these names, I think the senate could sell those copies of its *Debates* to all the individuals concerned, so that they could see their names in print in the *Debates of the Senate*. We could make a profit by selling them!

Senator Corbin: We could become self-financing by selling the transcript of our sessions.

Senator Gigantès: Definitely. That is what we should do in future: publish the names, and people will buy the proceedings just to see their names.

Senator Corbin: Make a motion to that effect.

Senator Hébert: As I was saying, I think that we are going to have each and every person who lives at Place Tourigny.

I do not know how many people live there, there cannot be a thousand people with that address.

Senator Corbin: Rouyn-Noranda is big!

Senator Hébert: Yes, but Place Tourigny, is just one "place". As you can see, they all signed the petition.

I think we got absolutely everyone there.

I hope the same will be true of Ménard Street.

Senator Frith: You are going to fast!

Senator Hébert: So I am going too quickly. I am in such a hurry for these people to see their names printed in the *Debates of the Senate*. I will try to slow down a little but . . .

That is La Sarre. It is not Rouyn-Noranda, but a neighbouring town.

I can tell you that the people on D'Allaire Street do not seem to like the GST!

Senator Corbin: Hébert Street is lovely!

Senator Hébert: Yes, but there are lots of Hébert Streets everywhere. Imagine how many there will be when I die.

Senator Haidasz: Senator Grimard is leaving us!

Senator Hébert: Never mind, we are going to continue talking about his fine region anyway.

That is just a small batch of the petitions from Rouyn-Noranda. When I get out my reserves, I know that Senator Grimard will be raked over the coals.

Senator Gigantès: We are reminding him of his friends!

Senator Corbin: Did you know that Senator Grimard lives on D'Allaire Street?

Senator Hébert: Is that so! Well these must all be his friends. We are talking here about his neighbours.

An Hon. Senator: Are you sure?

Senator Corbin: Well, it says here Normand Grimard, 155 rue D'allaire.

Senator Hébert: The addresses I am giving are in the 300s, so it is not far off. I am two blocks away from him.

Senator Corbin: It is certainly in the same neighbourhood.

Senator Hébert: It is very nearby. He has not had much of an influence on his neighbours!

Senator Corbin: We will never know because he is not talking to us anymore!

If a page were to come to my desk, I would turn the floor over to my colleague.

• (0530)

[*English*]

Senator Haidasz: Honourable Senators, that was a formidable list.

Senator Hébert: Formidable, that is nothing: It is just a start.

Senator Haidasz: Now I understand why the people of Canada are against the GST. They heard that in 1987, 93,405 corporations paid no income tax on profits of $27 billion. They also heard that in 1988 the corporate tax rate was reduced from 36 per cent to 28 per cent and that more than 60,000 corporations paid no taxes at all. They heard that Brascan, whose president is our colleague across the aisle, John Trevor Eyton—and whom, incidentally, we have not seen for several days made a profit of $263 million in 1988 and paid no tax on that money and that Brascan donated $50,362.92 to the Progressive Conservative party.

I understand why Canadians are against the GST: It is because they have had enough of taxes. The Government of Mr. Brian Mulroney has raised our taxes several times since he came to power, and now he is trying to impose upon Canadians the goods and services tax, which many people, including the bishops of Canada, have described as not only regressive and unfair but immoral. I feel morally obliged to speak against the GST as we all should if we have any morals left.

An Hon. Senator: Do you have any petitions to present?

Senator Haidasz: Honourable senators, according to the the following British parliamentary system and our own, I have the ancient privilege and duty to present the following petition on the subject of the proposed goods and services tax:

> The undersigned, your petitioners, humbly pray and call upon the Senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax.

(*Names of signatories read*)

Simcoe, Ontario, honourable senators, is an interesting town. Honourable Senators, I hope it will not be confused with Lake Simcoe or Simcoe county. Simcoe is named after John Graves Simcoe who became the first Lieutenant-Governor of Upper Canada, which was created under the Constitutional Act of 1791. John Graves Simcoe, arrived in Upper Canada in July of 1792. He chose the town of Newark, now called Niagara, as his capital, and later, in 1794, he moved the seat of government of Upper Canada to York, which is now Toronto. I am just giving you the background. I notice the rest of the pages are signed by people from Simcoe, Ontario.

An Hon. Senator: I believe it.

Senator Haidasz: Simcoe is now a city. It was first incorporated, as a town in 1878. It is now a city very much involved in the flue-cured tobacco industry. Fruits are also canned in that area. I would now continue, to read the names on this petition.

(*Names of signatories read*)

Welland, Ontario the main town on the Welland canal, is also a very interesting place. I remember my maternal grandfather telling me that when he emigrated from Poland to Canada he settled in Welland. His first job in 1911 was to widen the Welland canal.

Senator Bosa: Your father?

Senator Haidasz: My maternal grandfather, Adabert Justynski. Well, actually in Polish he was called Wojciech, but the English name for Wojciech is Adabert. St. Adelberg was the bishop of Prague who came to Poland and baptised the first Polish King, Mieczyslaw I. Mieczylaw became a Christian just before he married Dabrowka, a princess from Bohemia, today's Czechoslovakia.

Senator Gigantès: What was their religion before they converted to Christianity?

Senator Haidasz: I am sorry to say they were heathens. They did worship some gods so, perhaps, I should not have said that they were heathens. I retract that.

Senator Gigantès: Christian imperialism.

Senator Haidasz: Anyway, today Welland is represented in the House of Commons by, I believe, Mr. Parent.

Senator Corbin: Is Welland a wine area.

Senator Haidasz: Yes, it is a wine area.

I will now continue reading the signatures on this petition.

(*Names of signatories read*)

I would ask the page to lay this petition on the table.

Senator Corbin: Laying the petition on the table is a very important and symbolic process.

Senator Haidasz: I will now read page 27 of signatures.

(*Names of signatories read*)

It appears that almost all the residents of the area of Simcoe are against the GST.

(*Names of signatories read*)

Delhi, Ontario is the capital of the tobacco farming area.

Senator Gigantès: I wonder why an Ontario town would have be named after the capital of India.

Senator Haidasz: I can't explain that but, perhaps, someone else in this chamber can.

Senator Gigantès: We could send for the book on the toponymy on Ontario.

Senator Haidasz: Yes, and the history of Ontario.

As an MP, I spoke at a meeting of one of the Polish organizations there.

Senator Gigantès: Perhaps they should have called it Warsaw.

Senator Haidasz: I was surprised to find there are so many Canadians of Polish and Slovak origins living in Delhi.

There are continue further, two more names on this page which I should like to read in.

(*Names of signatories read*)

I would ask that this petition be laid on the table.

Honourable senators, I have another list of petitioners which I would now like to read in.

(*Names of signatories read*)

There are almost a million Canadians with Italian names. I am not surprised that there are Canadians of Italian origin living in Port Dover. Palermo, as you know, is the capital of Sicily. Sicily is a very picturesque island. If you are visiting Europe, I would recommend that if you should include a visit to Sicily. There are many interesting historical sites.

Senator Corbin: What do they manufacture in Palermo?

Senator Haidasz: Perhaps Senator Bosa can answer that question.

Senator Bosa: They grow olives, oranges and lemons. It is the Florida of Europe. They have also discovered oil on the islands.

Senator Haidasz: Oh, yes, the Denison mine people were out there.

Senator Gigantès: For those who are interested in Sicilian history and archaeology some magnificent Greek monuments are to be found at Agrigento. Pollution is now destroying the Parthenon.

An Hon. Senator: Get on with the petition, please.

Senator Gigantès: The same architect who built the Parthenon also built the temple at Agrigento. I would highly recom-

mend that Senators opposite visit Athens, to see the full glory of Greek architecture before it is destroyed by gasoline fumes and nitro-oxide. We should do something about this kind of pollution in this country too.

Senator Doody: Order!

Senator Gigantès: Order?

Senator Doody: Honourable senators, we are dealing with the presentation of petitions. We do not need a lecture on the historic cites of Sicily from the honourable senator this evening. We are just wasting valuable time. Neither do we need a lecture on architecture in Sicily. We want the senator to get on with presenting his petitions.

Senator Gigantès: You are picking on me.

Senator Doody: You are abusing the rules.

Senator Gigantès: I beg your pardon. I didn't hear the last sentence.

Senator Hébert: You are abusing the rules.

Senator Corbin: Senator Doody says he is sorry they stopped the bells five minutes before the appointed time.

Senator Gigantès: Is the abuse of the rules a Tory monopoly? Could I be given an answer to that? Is the abuse of the rules something you have reserved for yourselves?

He picks on me and then he won't answer.

Senator Corbin: In any case, whether Senator Doody likes it or not, my ancestors, the Normans, occupied Sicily at one time and they founded a kingdom there.

Senator Haidasz: May I also say that Palermo is a city where there resides a Prince Roberto III, a descendant of the Aragon kings. He is also the Grand Master of the Sovereign Order of Saint John of Jerusalem, Knights of Malta. He visited Canada twice to take part in investitures.

Senator Bosa: When?

Senator Haidasz: He visited once in 1979, and as a member of the Sovereign Order of Saint John of Jerusalem, Knights of Malta, I am happy he was able to visit us and conduct the investiture of the knights.

Senator Gigantès: Honourable senators, I think I am being discriminated against. Senator Doody does not object to us talking of a Prince Roberto who is the Grand Master of the Order of the Knights of Malta but, he does object when we talk of Greek architecture in Agrigento. I want to know why Greek architecture is a subject which should be suppressed more in this chamber than the Order of the Knights of Malta.

Senator Stewart: There may be Knights of Malta here.

An Hon. Senator: He does not object to discussion of Greek architecture or Italian architecture or anything else in their proper place; he objects to you raising these subjects to waste time.

Senator Gigantès: Yes, but why pick on me? Why does he not object to what others have to say? I have never said a word about Senator Doody that was not complimentary. I have always expressed my admiration for his equanimity, his good manners, his courtesy, and his sweetness. I could certainly understand Senator Simard or Senator Cogger picking on me. I could understand Senator Lowell Murray picking on me; but Senator Doody? I have always treated him with the utmost courtesy. I must say that I am hurt.

Senator Haidasz: I wouldl now continue reading the names listed on this petition.

(*Names of signatories read*)

Senator Haidasz: Kowalski is the most popular surname in Poland. It means Smith.

An Hon. Senator: Kowalski was a wrestler.

Senator Haidasz: Yes, he was a wrestler from Edmonton.

Senator Corbin: You don't fool around with Kowalskis.

Senator Barootes: Would the honourable senator entertain a question? Will the series of names he has just read appear in the *Debates of the Senate?*

Senator Haidasz: No.

Senator Barootes: Then your speech, I take it, will not be reproduced.

Senator Haidasz: According to the stenographer I talked to about a half an hour ago, only my comments will appear in the text. He said that the names and the addresses will not appear in *Hansard.*

Senator Gigantès: My comments about the Greek temples in Agrigento will also appear. Canadians of Greek descent in this country have a right to have the glories of their ancestry mentioned in this chamber. You should be the last one to criticize that. I am surprised at you.

Senator Barootes: Have I criticized something?

Senator Gigantès: No, but your friend, Senator Doody, didn't want me to talk about Greek architecture in Agrigento.

Senator Doody: Senator, I do not want you to talk.

Senator Gigantès: Why pick on me?

Senator Barootes: Honourable Senators, when you speak of a city or a town where one of the petitioners comes from, and you then you describe the beauty of his name, the beauty of the town's name and the beauty of the town, what relevance will all of that have in *Hansard* if the name does not appear?

Senator Haidasz: At least we in this chamber will have a better understanding of the loyal subjects of Her Majesty who are petitioning us to vote against the GST, Bill C-62. It is also of historical interest to comment on where they come from because that might help us to understand their grievance a little better.

Senator Barootes: Senator Haidasz, my definitive question is: will those names and addresses appear in the private proceedings or not?

Senator Haidasz: Again, I say no.

Senator Barootes: I am given to understand that the story about Greek architecture in Sicily will appear, but what relevance will that have without the name? You read the name "Kowalski" and then you went on to say that it is the equivalent of the name "Smith". What part of your speech will appear in the *Debates*? Will the name Kowalski appear?

Senator Haidasz: No, that name of Kowalski will not appear, neither will the street address.

Senator Gigantès: It will not appear as part of the list, but it will appear when mentioned elsewhere.

Senator Corbin: It will appear every time you mention it.

Senator Barootes: Senator Corbin has made the point for me. What is going to appear in *Hansard*? According to our suggestion here, the text of the petition and the names of the petitioners attached thereto will not be printed in the *Debates of the Senate* or in the *Minutes of the proceedings of the Senate*. I want to know how that is going to be clarified.

• (0600)

Senator Gigantès: Yes, that good translation—

Senator Barootes: I did not ask you. Please sit down. I am not talking to you.

Senator Gigantès: Don't get so excited.

Senator Barootes: I am going to get excited because you are a Mr. Buttinsky.

Senator Gigantès: Think of your health.

Senator Barootes: I am not using a Polish name. You are a Buttinsky. Sit down. I am asking Senator Haidasz to answer.

Senator Stewart: Senator Barootes, might I try to help?

Senator Barootes: Another Mr. Buttinsky.

Senator Stewart: I am trying to help. Senator, I know that you are deeply disturbed about this matter. My understanding is that the comments made by a Senator, such as Senator Haidasz, will appear in the records of this house, but in addition to that, the several petitions will be kept in a file.

Senator Gigantès: Great art is never irrelevant and the temples are great art.

An Hon. Senator: You are the one who is irrelevant.

Senator Gigantès: It takes one to know one, sir.

An Hon. Senator: Brilliant.

Senator Bosa: You did not have to come here.

Senator Stewart: When people come to look at the record of this debate, they will have both the official record of the debate and the actual petitions, will be on file, so it will be possible to relate one to the other in that way, I have no doubt that scholars aspiring to masters' degrees and perhaps to doctorates will, at some time turn, to this material, because this is a historic occasion. Some might regard it as a sad occasion; others might regard it as a joyous occasion; but that will depend on the outcome.

Senator Barootes: May I pursue that question, if you can keep your stand-up comedian in his seat for a while?

I want to know if the names that have been read in will appear in the text of the *Debates of the Senate*.

Senator Frith: If you had read the rules you would know it, the answer to that.

An Hon. Senator: Will they appear in it?

Senator Barootes: How are we going to understand that Kowalski is the equivalent of Smith if Kowalsky is not mentioned?

Senator Hébert: You will mention Kowalski.

Senator Haidasz: I read the name "Barbara Kowalski" as being a petitioner.

Senator Barootes: You then made the comment that "Kowalski" is equivalent to the surname "Smith" in English. What portion will appear in our printed *Debates*? Please, give me the exact quotation.

Senator Haidasz: I cannot say. This is the first time I have done this. I have never seen any petitions read in this way appear in *Hansard*, so I cannot answer your question.

Senator Barootes: What I am saying is that this procedure, never having been followed before in this place—

Senator Haidasz: It is unique.

Senator Frith: No, that is not true.

Senator Barootes: This kind of a procedure, never having been followed, I am in doubt as to what exactly the *Debates of the Senate* will contain of these elaborate one-sided discussions that have been going on. I am sure that some of these names will appear in the record but they are not supposed to.

Senator Stewart: Perhaps we had better proceed in the old fashioned empirical way. Let us wait till the end of the first week and we will know how to handle the second week.

Senator Haidasz: It is now six o'clock.

Senator Frith: Just to finish this point. Senator Barootes rose with the rule book in his hand and found reference in the appendices to the precise point he was raising. He was asking how this will actually appear in the *Debates*?

The method that is being applied here has never before been used as extensively as it is being used in this instance. It was used a bit on the drug patent legislation and I did not recall what actually appeared lin the *Debates*. Having now had the experience, no doubt the rules committee will, of their own

motion, consider the matter, or we might refer it to them in due course. How it will look in the *Debates* when used as extensively as it has been here, I agree with Senator Barootes, we will not know until we see it, and then, perhaps, we might adjust the rules.

Senator Barootes: We are breaking new ground with this. I was just asking how we are going to handle this situation. It is best to know in advance rather than doing a lot of typing and printing and then expunging or extracting things. I think there are going to be problems and that is why I raised the matter.

Senator Frith: I hope we will agree that the most important thing is that the people are now aware of the fact that there is some method by which they can address Parliament. Iit is something that has existed for hundreds of years.

Senator Barootes: After Richard II, there was the Petition of Rights.

Senator Gigantès: It was in place before that.

Senator Frith: I do not think that most Canadians were aware of the fact that they could do this but as Senator Barootes says, now that it has been quite extensively used in this case, we will have to see and profit from the experience by making any necessary adjustment to our rules.

Senator Gigantès: Senator Haidasz, on this issue, even if the name "Kowalski" does not appear and there is "blank" means "Smith" in Polish, there are good English-to-Polish dictionaries, and without a doubt, somebody could look up "Smith" and find the name "Kowalski".

Earlier Senator Haidasz and I were discussing the name of "Delhi".

Senator Haidasz: Delhi, Ontario.

Senator Gigantès: Delhi, Ontario. I apologise if I am not pronouncing it correctly.

Senator Haidasz: That is how it is pronounced in Delhi, Ontario.

Senator Gigantès: It is a town, part of Delhi Township, Regional Municipality of Haldiman-Norfolk, and the position is 42 degrees 51 minutes north and 80 degrees, 31 minutes west.

An Hon. Senator: What township?

Senator Gigantès: It is Delhi township. In municipal terms Delhi is "the tobacco capital of Norfolk", in quotations marks.

Senator Barootes: Quotation marks are not insulting things at all; they are like little hugs on either side of a word. Delhi is no longer a town. In 1974 it annexed parts of the Norfolk County townships of Charlotteville, Middleton, South Walsingham and Wyndham to establish the township of Delhi in the newly-created regional municipality of Haldiman-Norfolk.

Senator Doody: Will the honourable senator tell me which petition he is reading now? Is he speaking in support of a petition? He should not make a speech to support his argument.

Senator Gigantès: I will not stop talking if I do not want to stop talking. I have a louder voice than you have.

Delhi was first settled—

Senator Doody: There is no question about that.

Senator Gigantès: —in the early 1800s when Joseph Lawson, Frederick Sovereign and Henry Sovereign took up land at the site of the present town. Henry Sovereign's son, Jacob, built the first saw and grist mills at the locality. The place was known for a number of years as Fredericksburg despite the fact that the post office had been established in 1854 under the name of Delhi after a city in India.

Senator Haidasz: Honourable senator, I see it is 6 o'clock. For everyone throughout the Catholic Church at 6 o'clock the Angelus is recited and, since Sundays used to be observed in Ottawa under previous governments as a day of worship, I will retire to the Chapel.

Senator Marsden: Honourable Senators. I have so many petitions here that I am worried we will not get through all of them. There are only 1,728 hours until Christmas, and the petitions keep pouring in.

Yesterday, while attending a rally on another subject, I was handed another bundle of petitions against the GST; and at the airport last night the security staff had more petitions to be passed along. I fear this will never end.

I have a number of petitions here from the citizens of Alexandria and Long Sault, towns in eastern Ontario; Ste-Marie Bois, Québec, and from somebody visiting Alexandria from Québec. The address is: RR 1, Vankleek Hill, Ontario. I have petitions from Glen Robertson—

Senator Gigantès: Is it "Vankleek" or "Van Beak?"

Senator Marsden: It looks as if it is "Van Beak".

Senator Gigantès: I will check to see if there is a "Van Beak" in Ontario.

Senator Marsden: I have petitions from Glen Robertson, Cornwall and Dalkeith, Ontario. There is a petition from a citizen from St.-Isidore, and three from Green Valley, Ontario. All these people are petitioning the Senate to prevail upon the Government of Canada to stop the introduction of the proposed goods and services tax. There are 27 citizens on this list.

The name of the town Senator Gigantès asked about is "VanKleek".

Senator Gigantès: It is "Vankleek" and not "Van Beak". It is important to have the correct name and, since we are reading petitions from people in the locality, to note the existence of the locality and to pay respect to it by commenting on it.

The town was named for the Vankleek family, whose ancestors were pioneers in the area. Vankleek Hill became incorporated as a town in 1897. The first mayor was Colonel John Shield. James Steele, A. R. Metcalfe, John Hunter, Xavier, Lajeunesse and Hermas, Labrosse were all councillors. Prior to the time of incorporation, the Hill was a well known place of business and education for the surrounding area. It is misspelled in this book. It is spelled "a-r-a-e" and it should be "a-r-e-a". We read our blues, because printing errors do creep in.

One of the original settlers, Simon Vankleet was a native of New York State of Dutch ancestry, as one would suspect with the word "Van" in the name. Simon was a loyalist, and when the War of Independence broke out he found himself forced to flee his estate in Duchess County, New York, with his wife, Cecilia, and two children.

In 1783, under Lord Dorchester, Vankleet was moved to Nova Scotia where he stayed for three years. Eventually, he settled in the Hill area amd, in either 1800 or 1801—it is unfortunate we do not have the precise date—he built a house and purchased equipment to clear the land.

In 1814, urged by his son, Simon, Jr., Vankleet built the first frame building on the Hill, using sewn lumber from the Hawkesbury mills which had started up in 1808 under the Hamilton brothers. Do you not find all this rather interesting, Senator Forrestall?

It was at this house that Simon, Jr., opened a tavern. He ran that tavern until 1822 when he moved to Pointe Fortun and operated an inn there. John Atkinson rented the Vankleet House and ran the first general store there for one year. He was followed by John Glass MacIntosh, who eventually purchased a lot of his own opposite the Windsor Hotel.

It is a very interesting book. It is called, *Places in Ontario*, and I highly recommend it. Obviously, they do have some printing errors. It is by the Mica Publishing Company in Belleville, Ontario.

Senator Marsden: Honourable Senators, I have another petition of 27 names. Thank you, Senator Gigantès.

Senator Gigantès: It is a pleasure.

Senator Marsden: These petitioners are mostly from Alexandria, Green Valley and Cornwall, Ontario. I cannot give the kind of catalogue that various other senators do of all the towns in Ontario, but there is a new book written by a Professor David Ray on the subject of growing up in Alexandria that I urge you all to look at. It is quite a fascinating book.

I have a petition from citizens from Morgan Avenue in Kitchener, from Peterborough, Windsor, from Stouffville, Richmond Hill, Downsview, Thornhill, Aurora, Richmond Hill, Concord, Thornhill, Markham, Aurora. These are all small, essentially suburbs, of the City of Toronto. Again, these citizens, all of whom have signed and given their addresses, have been calling on us to stop the introduction of the proposed goods and services tax.

I have yet another petition again containing names from Peterborough, but also from Eganville, Apsley, Dundas, Bancroft, Ottawa, Hampton Pickering, Mississauga, Bethany, Hamilton, Lakefield, Orono, Ontario; Richmond Hill, Mississauga again, Toronto itself, Lakefield, and, again, Peterborough. These are the names of 27 citizens who strongly oppose the goods and services tax.

(*Names of signatories read*)

I have been here since about 11:30 last night and I have not had a chance to get a word in edgewise. I was going to comment on the earliest exchange between Senator Olson and Senator Simard in which Senator Simard urged Senator Olson to accept the amendments of the various petitioners who appeared in front of the Standing Senate Committee on Banking, Trade and Commerce. Perhaps there are others who would like to comment on what it would do to the tax base if we were to bring in all the amendments and zero ratings that were asked for in the 35 particular cases listed in the report of committee. Perhaps, we can deal with that when we get to that item on the Order Paper. However, I believe that would destroy the tax because the base would narrow so much, the rate would have to go up.

Coming back to these petitions, I have some here from Mississauga, Ontario, from Bromsgrove Road, from George Street in Milton, from Lakeshore Road East in Mississauga, from Golden Orchard Drive in Mississauga, from Milton, from Bowbreach Boulevard, from Bowmar Crescent in Etobicoke, from Bankfield Drive in Rexdale, and from Mill Street in South Brampton. Brampton is now large enough to be divided into South Brampton and North Brampton.

I also have the names of petitions from Milton, Ontario, Cedarbrae Avenue; Moorgate, amd from Southport Street in Toronto. These people have signed this petition urging us not to pass this tax.

I have the names of petitioners who live at, Windwood Drive, Mississauga, Hornby Crescent, Herman Avenue, Monarch Avenue, Toronto, Deveere Gardens, Toronto, Wellington Street West, Toronto, Oxbow Crescent, Mississauga, 30 Fashion Roseway, Willowdale, Prospect Street, Burlington, Carlisle, Ontario, a post office box number in Carlisle, and from two citizens in Burlington, Ontario. These are another 27 petitioners, all of whom are strongly opposed to the goods and services tax. They have gone to the trouble of signing a petition which was prepared by the irate citizens of Peterborough to try to get this government to listen to their plea that this tax, which is going to have such an untoward effect on their lives, be stopped.

There are other petitioners from around that part of the province and specifically from Nelson Crescent, Milton, Woodward Avenue, Milton, and the inevitable Steeles Avenue, Milton.

I had hoped that Senator Gigantès had looked up the origin of "Steeles", because there seems to be a Steeles Avenue wherever you look. Who was Steeles?

Senator Gigantès: I will look it up.

Senator Marsden: Steeles has had a large influence on the street names of all the towns in southern Ontario.

I have names of petitioners from Harvest Drive, Woodward Avenue, Holly Avenue, and George Street, Milton. I also have names of citizens from Burlington, Guelph and Mississauga; and yet others from Milton, specifically, Beaver Crescent, and Beaver Court.

Senator Gigantès: Senator Marsden, I have found something about Steele. There is mention of the township of Steele, which was possibly named after Michael Steele, M.D., and a conservative candidate in the early 1900s. That seems a likely source for the name. It is also possible that it was named after Colonel Steele who was at one time a high official of the RCMP. The Steeles were fairly prominent in that region and in consequence, many streets were named after them. After all, to keep in the good books of the RCMP, and you would name a few streets after the Colonel. If it was named after a Tory M.P., and there were Tory governments in those days, I suppose, you might cotton up to him, too. He was only a candidate, not an elected person.

Senator Marsden: It would give courage and enthusiasm to everyone who wants to be a candidate to have some important streets named after him in all the towns in Ontario.

Senator Gigantès: I have mine on my visiting cards.

Senator Marsden: Yes, this is very impressive, I must say.

Senator Gigantès: I will give you a copy if you want one.

Senator Marsden: If we were to go through the list of all the defeated candidates in the last general election and name streets after them, several subdivisions could spring up across this country.

Senator Gigantès: I apologize, Senator Marsden, I do not have an extra card with me but I will get you one for you.

Senator Marsden: I also have names of citizens from Ontario Street, Milton; Whitelaw Road, Guelph; Harvesty Crescent, Mississauga; Cy Drive, Milton; Laurier Avenue, Milton; Mooregate Crescent Brampton; Elgin Crescent in Oakville; and Rambler Drive in Brampton; and from Battleford Road from Canford Crescent, Mississauga. I also have a name from West Broadway, in Vancouver, B.C. Obviously that is someone who was visiting Mississauga from out west because the subsequent names come from Weston, Ontario; Nixson Street Oakville, Ontario. Mr. Nixson, of course, was elected, so apparently you can be both elected and have a street named after you. I also have a petitioner from Mulberry Drive, Burlington, Ontario. These are another 27 citizens, all of whom want to see this tax stopped before it goes any further.

I have a further petition from 52 Esplanade, and Silver Maple Court. Bramalea as well as the names of citizens from rural routes around Orangeville. I have names of people from Main Street Milton; Armadale Avenue, Toronto; Silver Dew Drive, Mississauga. There is a signature here from Verity Court, Brampton; Morelands Crescent, Milton; and from Floyd Street, Kitchener, Ontario.

All of these petitioners have added their postal codes and made it very clear how much they protest the imposition of this tax. There are signatures from Clark Boulevard, Bramalea, Georgetown, Ontario, and specifically, someone from North Crescent, Georgetown.

• (0630)

I also have the signature of Tom Colton from Georgetown. Then we are back to Dundas Street East in Mississauga. Hornley, Ontario and Will Scarlett Drive in Oakville—and I do not know whether she will or not. I have signatures from Council Ring, and Ogden Avenue, Mississauga; from Stills Lane and Donmount Court, Oakville; and from Wildwood Road, Glenwilliams, Ontario. I have names from Greenbrier Drive, Oakville; Old Carriage Road, Mississauga; Stall Drive, Oakville; Kennedy Road, Brampton; and from Truscott Drive, Mississauga. This amounts to another 27 citizens who are protesting the introduction of this tax.

They are protesting the introduction of this tax, in part, because of its complexity and because of the difficulty of dealing with the paperwork. During this watch I have had the opportunity to read my way through the fiscal report proposals for 1987—extremely interesting documents—in which the government said in 1987 how anxious they were to hear the views of individual Canadians, groups, organizations, and businesses across Canada. It says here that their views on the implementation of the new sales tax are essential. So, I am sure that the government would be very interested in all these petitions, seeking as they are, the views of individual Canadians, groups, organizations and businesses across the country; and seeking to consult and clarify important technical issues regarding the application of the sales tax on individual sectors.

Honourable senators, during the summer, the Standing Senate Committee on Banking, Trade and Commerce heard from a huge number of citizens, businesses and organizations, who, now they have looked at the technicalities, are very anxious to have change. If those changes are made, the basis of the tax, of course, will be completely destroyed.

The staff of the Library of Parliament, who have been good enough to stay open all this time, sent me not only the white paper on tax reform of 1987 but the proposals for tax reform by Mr. Benson in 1969, a tax that, surely, would be easier for citizens to understand, and which had some of the same objectives as the tax proposals of 1987.

We have the proposals for tax reform by Mr. Benson in 1969, and then, in 1971, we have the summary of his tax

reform legislation. I am sure honourable senators will remember that that tax reform legislation did not come in in quite the way the minister had intended.

There are a great many documents indicating how many adjustments and changes were made in rates and in rules; and there are long explanations of how to deal with personal income tax and all sorts of issues.

This was the point in 1971 where club fees, convention expenses and entertainment costs were dealt with in some detail. Yachts, lodges and club dues were disallowed. Geographical restrictions were placed on conventions.

Senator Haidasz: Was that in 1971?

Senator Marsden: Yes.

Senator Haidasz: Mr. Benson?

Senator Marsden: Mr. Benson, June 18th, 1971.

Senator Haidasz: Was he lynched on Bay Street?

Senator Marsden: Probably, but that is not in the legislation.

Senator Stewart: Senator Marsden refers to the reform of the income tax law which went into effect, I believe, on January 1st of 1972.

Senator Marsden: It would have been that.

Senator Stewart: Earlier a question was put to me concerning procedure on financial legislation and I mentioned that, in the old days, the Minister of Finance would give his budget and table notices of Ways and Means Motions. These then were taken up in the Committee of Ways and Means and adopted. Subsequently taxation bills emerged from the committee on the basis of the resolutions. When the motion was adopted it became a resolution.

The rules of the House of Commons were changed in December, 1968 so that debate on the Ways and Means motions was given up. Ways and Means motions were still tabled or at least the notices were still tabled so that tax practitioners could examine the scheme.

As I recall, this created a problem in 1971 because the rules of the House of Commons required that a tax bill coincide exactly with the Ways and Means motion, but Mr. Benson's Ways and Means motion was so detailed that, when the bill was before the house, it proved very difficult to move the amendment because the bill, as amended, would not coincide with the Ways and Means motion.

I wonder, honourable senators—and I am talking particularly to Senator Marsden who has the floor—if an effort has been made to ascertain that the goods and service tax bill is in conformity with the Ways and Means motions and, if not, could someone undertake to see that it is in conformity because, if it is not in conformity, then there is a real procedural problem.

Senator Marsden: Senator Stewart, you are raising a very important question and task that, I imagine, will have to be undertaken at a later date. If we are to follow the advice of Senator Simard, it certainly does not conform with the Ways and Means motion because earlier he expressed his enthusiasm for incorporating many of the changes that witnesses had brought forward. I think we still have a major task ahead of us.

Senator Gigantès: Senator Stewart, does this mean that, if amendments are presented for a money bill—a bill asking for supply—the legislators proposing the amendments are constrained by a Ways and Means motion?

Senator Stewart: You are confusing Ways and Means and supply. They are quite different matters.

Senator Gigantès: Would they be constrained in either case?

Senator Stewart: An appropriation bill has to be founded directly on the supply votes set forth in the estimates and adopted.

Senator Gigantès: What about a tax bill?

Senator Stewart: In the case of a tax bill, any clause in the bill has to be in conformity with the Ways and Means motion.

Senator Gigantès: What about amendments?

Senator Stewart: There again, it could run into very serious problems but, as Senator Marsden has said, let's not cross that bridge because we may never come to it.

Senator Marsden: It is interesting to note that, in the 1971-1972 tax changes, the Minister of Finance followed the advice that Professor Bodeway would urge on the current government.

Last night I had the opportunity to read into the record some of the words of Professor Robin Bodeway who is strongly opposed to this tax as are all the other petitioners who appeared before the committee. They are opposed to this tax on the grounds the federal government ought to stick to income tax and leave sales tax to another level of jurisdiction. Of course the tax changes of 1971-1972 largely dealt with income tax, and the kinds of changes that have occurred in the last 18 years. Senator Stewart talked about the charms of the 19th century, well, here are some of the charms of 1971.

There was, of course, provision for a single taxpayer, and a married taxpayer. There was a married exemption for supporting a dependant and there were conditions under which that must occur. There were deductions for children under the age of 16, children over the age of 16, and other dependants.

There was also a special category for unmarried clergymen. I would suppose that such a category no longer exists in the tax law.

Senator Gigantès: Could you clarify why you think that? I mean, what is the point of the entry and why do you feel that entry was made, Senator Marsden?

Senator Marsden: I have no idea why the entry was made but my view would be that you can no longer have a category: "Unmarried clergymen".

Senator Gigantès: Are you suggesting there are no longer any unmarried clergy?

Senator Marsden: I think they would simply be called "clergy", there being clergy of both sexes.

Senator Gigantès: Since your field is sociology, I was wondering if you were making a social commentary about the marital habits of clergymen?

Senator Marsden: In a sense I am because, under the law, as it existed until 1972, an unmarried clergyman could deduct a thousand dollars if a full-time servant was employed in his dwelling but, under the new law, that unmarried clergyman was to have no deduction. Servant or no servant, there was no deduction for an unmarried clergyman. There is now no category for married clergymen, with or without servants. That had gone by 1972.

There is also a category for elderly tax payers, people who nowadays would, unfortunately, be called "seniors".

Senator Gigantès: Why, "unfortunately?"

Senator Marsden: I think "elderly" is a much more pleasant term. Their exemption was increased to $650 and extended to taxpayers aged 65 or over, whereas under the previous law, the exemption was $500 but the taxpayer had to be 70 years of age or over. Age 65 was gaining recognition in the early 1970s. The Guaranteed Income Supplement, which, of course, was already in place, was exempted in 1972.

There was a special deduction which was increased to $650 a year for individuals who were blind or confined to a bed or wheelchair.

There were also child care expenses. Up until this time there had been no deductions for child care expenses. By 1972 they were at last beginning to recognize the child care expense of two-earner families. In this new bill you could deduct up to $500 per child under 14, or over 14 and infirm, up to a limit of $2,000 per family; but the deductions could not exceed two-thirds of the income of the parent claiming the deduction, whichever one that was, and receipts were required. Furthermore it had to be deducted by the mother unless the mother was unable to work. Of course, they meant "work in the paid labour force" because, of course, the mother was working. That is the sort of sloppy distinction they would not be able to get away with now.

Payments to dependants or relatives under 21 did not qualify, so you could not pay your younger sister for looking after the children. A lot of assumptions made in this law have gone by the board.

Then there were deductions for employment expenses and expenses incurred when working away from home. Moving expenses could be deducted from income tax but you had to move 25 miles closer to your job. It is interesting to note that it does not say 25 or more miles closer to your job, it had to be exactly 25 miles.

Senator Gigantès: If your job was six miles you did not get the deduction.

Senator Marsden: Or 25 and a half, I guess. That too would be interesting for scholars and future scholars of fiscal history. There were special tax rules for students.

A whole list of medical expenses could be deducted, including expenses paid to training institutions. Premiums to plans other than government plans were classified medical expenses. There were expenses for which the taxpayer had been reimbursed under a plan not classified as medical expenses. The employer's contributions to all government plans would result in a taxable benefit.

The old law was considerably more complicated. Under this new law you could deduct your contributions to unemployment insurance but benefits were taxable. We then come to club fees which I have already mentioned.

There were also interesting changes respecting charitable donations. Under the old law, donations to registered charitable institutions were limited to 10 per cent of net income, but donations to federal and provincial governments were deductible without limit. I wonder if that meant you could deduct your tax, which, in a sense, is a donation to federal and provincial governments. Under the new law the same provisions existed for donations to governments but these were still unlisted.

There was a new limit on charitable donations of 20 per cent net income. It notes that donations to national amateur athletic associations would now qualify. Probably some of the more enthusiastic athletes in the house had had an influence on this.

Then there were lots of complicated rules respecting pension plans, registered retirement savings plans and deferred profit.

Fellowships, scholarships and bursaries were also dealt with.

Senator Gigantès: Senator Marsden, would please not spare us those complicated rules because later we will be looking at the bizarre complexity of the GST and to have a standard of comparison with the "bizarrerie" of the GST might be useful.

Senator Marsden: If you will forgive me, Senator Gigantes, I will give you the reference. It is page 14 of "The Introduction to Budget Measures and Tax Reformation Legislation, June 18th, 1971".

Senator Gigantès: Thank you.

Senator Marsden: It is interesting, but it is especially complicated at the oral level. It is probably the kind of detail one would want to read.

Whereas fellowships, scholarships and bursaries up until 1972 were not taxable unless they were related to employment, in that year this support became taxable with an annual exemption of $500. It seems to me that that is an extraordinary change. It would be interesting to know why they would

start taxing fellowships, scholarships and bursaries. They must have thought students were becoming too rich. Training allowances and research grants became taxable as well—taxable with a deduction for research expenditures.

Senator Gigantès: How much?

Senator Marsden: It does not say.

Senator Gigantès: Does that relate to all expenditures?

Senator Marsden: Yes, except for research expenditures because before they had not been taxable.

Then there was income averaging with five-year-block averaging for farmers and fishermen. That was retained under the new law. There was also provision for general averaging for all taxpayers whose income in the year exceeded a four-year average by 20 per cent and the immediately preceding year by 10 per cent. You all know that income averaging is something that has been highly contentious over the last few years.

Servicemen were a special category.

It is very interesting but, in comparison to GST it is very straightforward.

Perhaps I could just table one more petition. This one lists number of residents from Laurier Avenue, Ringsley Avenue and Morland Court, Milton. There are names from Campbellville, Ontario.

Senator Gigantès: Camel?

Senator Marsden: Campbellville. There are names of people from Acton, Ontario and from Willow Avenue and Wakefield Road, No. 14 Side Road, Wilson Drive, Pine Street, Millside Drive, Frobisher Boulevard, Martin Street, Syer Drive, Ann Boulevard and Broadway Street in Milton. There are also people from Hornby, Ontario and more residents of Milton.

Honourable senators, I would ask to table this next page of petitioners, all of whom are prepared to sign their names and to give their addresses and postal codes in the hope that the government will listen to the fact that they are unhappy about the GST. They are calling upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

Senator Stewart: Well, honourable senators, I have the honour to present petitions from persons humbly praying and calling upon the Parliament of Canada to reject the proposed goods and services tax.

The first petition I should like to present is one bearing some 28 names, one has been cut off. I call attention particularly to the name of Mary Smiley of Port Dufferin in Halifax County, Nova Scotia. She and these other persons pray that the proposed goods and services tax will not be passed by the Parliament of Canada.

Further, honourable senators, I have the honour to present a petition from 30 persons, apparently all in Nova Scotia, praying that this house will reject the proposed goods and services tax. I would particularly note the name of Barbara M. Marshall, Post Office Box 75, Bickerton West, Nova Scotia. That is in Guysborough County, Nova Scotia.

Bickerton West is a rather famous fishing village. The name Marshall is unusual there. The common names are Kaiser and Hiltz. The important point is that Barbara M. Marshall prays this house for the rejection of the goods and services tax.

I understand that other senators wish to present petitions on behalf of Canadian citizens and I consequently yield the floor.

[*Translation*]

Senator Leblanc (Saurel): Some people sign a little quickly—their signatures look like a doctor's scrawl. It is very hard to read their writing.

Senator Corbin: Where are they from?

Senator Leblanc: They are all from Quebec, from the Saint-Luc area. I think it is on the South shore, near Montreal.

Senator Gigantès: It is a nice part of the country, close to Saint-Jean. I am from Delorimier.

Senator Leblanc: There are some people on this list from Noëlville, Ontario. Does anyone know where Noëlville is? They must be friends of people from Saint-Luc, because their names are with the others from Saint-Luc. But the address they give is: Rural Route 1, Noëlville, Ontario.

Senator Gigantès: They do not have it here, unfortunately. It is close to Sudbury, in the District of Sudbury, at 48 degrees, 9 minutes north, and 80 degrees, 47 minutes west. It was named after either G. Warren, G. Emily Warren, a member of the Ontario legislature in 1920, or Ralph N. Warren, who is a member of the NDP. They must be friends, because they are in the same group. That is interesting.

(*Names of signatories read*)

Senator Gigantès: Are there a lot of Samsons?

Senator Leblanc: No, just one.

Senator Hébert: Are there any people in Saint-Luc who are in favour of the GST?

Senator Leblanc: They told me about those who are against it.

(*Names of signatories read*)

Senator Gigantès: Is it in the Sudbury area?

Senator Leblanc: No, it is in Saint-Luc. I know where Mascouche is because one of my sons lives there. This is not him, however.

Senator David: That is interesting!

Senator Hébert: Those are nice Quebec names, they are nice to hear. It is a real poem!

Senator David: It is comforting in the morning! What is the population of that region?

Senator Hébert: You will know when we are finished; we are going to read the petitions. They are all here.

Senator David: I just wanted to have an idea of how many people lived in that city to know when we would finish.

Senator Leblanc: I have no idea. Saint-Luc is not very big.

Senator David: It is not very big. It is not very big, go ahead, we will be patient, dear Senator!

Senator Leblanc: You can check, you will see. We will cross him off, his name is illegible.

Senator Hébert: We cannot count them but there are millions. So even if one is missing, it does not matter.

Senator Leblanc: Yes, there!

Senator David: Senator Hébert, are you trying to spin it out?

Senator Gigantès: We are thickening it with a little bit of flour!

Senator David: But that will not make a good cake, I can assure you!

Senator Gigantès: That does not matter. You are the ones who always get "les gros gâteaux", which is French for big cakes. That is because you have the money.

Senator David: So you are giving the etymology of French words!

Senator Gigantès: "Gaga, gâteaux". It has the same derivative.

Senator Leblanc: "Gaga, gâteaux", that makes it easier to swallow!

Senator David: Gaga, gâteaux! You could make a poem with that!

Senator Gigantès: They call us the sweet guys. You, over there are the bad guys and we are the sweet guys.

Senator David: We are finally having intelligent discussions. We are making progress!

Senator Gigantès: If you do not like it, do not get involved.

Senator Hébert: If you stop interrupting us, we can finish the list of Saint-Luc residents and go on to another town.

Senator Leblanc: Well, that one is in Longueuil.

Senator Gigantès: I am not in Longueuil!

Senator Leblanc: For the group of 240, it is the last page. So you will be done with that petition forever.

Senator Hébert: There are others!

Senator Leblanc: I have others here but I am going to stop after this petition.

Thank you for being so attentive.

• (0700)

[*English*]

Senator Bosa: Honourable senators, I suppose nobody will be startled in this chamber if I announce that I have a number of petitions to read. The first contains 26 names and reads as follows:

> On the subject of the proposed national goods and services tax—

An Hon. Senator: Are they from Canada or the United States?

Senator Bosa: That is a fair question. If the honourable gentleman will bear with me, I will read the names and addresses of the signatories and give their province and postal code.

Senator Corbin: The postal code says it all.

Senator Bosa: The petition reads as follows:

> The undersigned, your petitioners, humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

(*Names of signatories read*)

One of the gentlemen listed here must be Egyptian and he must be writing in the language of his ancestors because his name is absolutely impossible to read, so I will skip it.

(*Names of signatories read*)

Senator Bosa: The next petition I have before me—

Senator Frith: Honourable senators, just before Senator Bosa reads the next petition, may I refer to something I put on the record yesterday morning? I do so just to put on the record the concern that I am sure both sides of the house have for some of our staff resulting from this extended sitting. We have spoken of the pages who have problems with their academic careers. Yesterday morning when I arrived here, about 4:00 in the morning, I discovered an envelope which had been slipped under my door. There was a letter in it from Mr. O'Meara of the Senate Debates Office and rather than tell you what the letter is about, I will simply read it.

• (0800)

> Dear Senator Frith. It is now 3:40 A.M. on Saturday, October 13, 1990, or should I say 9940 hours on Tuesday, October 9, 1990, seeing as it is still Tuesday in the Chamber.
>
> Just like most other employees of the Senate, I have not seen my wife or son for the better part of a week. Without sounding like I am blowing my horn, and I am sure that you feel the same way, the employees deserve a lot of credit for putting in the hours that we are. However, I think that our spouses and our families deserve as much or even more credit for putting up with our schedules and keeping the home fires burning. Perhaps it would be

appropriate for you to mention in the Chamber the forgotten spouses and children who have had to cope with the marathon.

Some Hon. Senators: Hear, hear!

Senator Frith: And as I said yesterday morning, "Amen."

Senator Bosa: Honourable senators, I would continue with my second petition which has five names and it reads as follows:

Subsequent to the proposed national goods and services tax, the undersigned, your petitioners, humbly pray and call upon the Senate to prevail on the Government of Canada to stop the introduction of the proposed goods and services tax.

(*Names of signatories read*)

Senator Hastings: Honourable senators, I have the honour to present to the Senate a petition on behalf of petitioners residing in the city of Calgary, in the province of Alberta, all of whom indicate their opposition to the goods and services tax presently under consideration by the Parliament of Canada. They avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that the honourable Senate will provide a remedy. Your petitioners are as follows:

(*Names of signatories read*)

Honourable Senators, I have the honour to present to the honourable senators of Canada a petition on behalf of residents of the province of Alberta, who avail themselves of their ancient and undoubted right to present a grievance common to your petitioners in the hope and certain assurance that your honourable Senate will provide a remedy. Your petitioners petition the Senate of Canada with respect to legislation presently under consideration by the Senate, and they express their opposition to the implementation of the legislation, or at least implementation of the goods and services tax as provided in the legislation. Your petitioners, honourable senators, are as follows.

(*Names of signatories read*)

Honourable senators, I have the honour to present a further petition on behalf of the residents of the province of Alberta, who avail themselves of their ancient right thus to petition the honourable Senate of Canada in the certain assurance that the honourable Senate will provide a remedy. Your petitioners are, as I have indicated, residing in the province of Alberta, and all of them expresses their opposition to legislation presently under consideration and, in particular, they express their opposition to the goods and services tax presently before the Senate of Canada. Your petitioners from the province of Alberta are as follows:

(*Names of signatories read*)

Senator Frith: Where is Spruce Grove?

Senator Hastings: Spruce Grove is situated 14 miles west of the city of Edmonton on the Yellowhead Highway which connects the city of Edmonton to Jasper National Park, in the constituency of Rocky Mountain, represented by the Honourable Joseph Clark.

(*Names of signatories read*)

Honourable senators, I have the honour to present a petition to the honourable Senate of Canada on behalf of your petitioners residing in the province of Alberta, who avail themselves of their ancient and undoubted right to present a grievance common to your petitioners in the certain assurance your honourable Senate will provide a remedy. Your petitioners are objecting to the goods and services tax presently under consideration by the Parliament of Canada and, in particular, Bill C-62 presently under consideration by the Senate of Canada. Your petitioners from the province of Alberta, as I have indicated, express their opposition and pray the Senate will not pass the bill. Your petitioners are as follows:

(*Names of signatories read*)

That is a petition from your petitioners, all residents of the town of Grande Cache, situated in the federal electoral district of Yellowknife, in the province of Alberta.

Honourable senators, I have the honour to present to the Senate of Canada a petition by residents residing in Ontario. Most of the petitioners reside in the town of Stayner. They present this petition to the Senate of Canada, availing themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable Senate will provide a remedy. The remedy your petitioners pray for would be the rejection by the Senate of Canada of Bill C-62, which provides for the goods and services tax in Canada.

Your petitioners, who, as I have indicated, reside mostly in the village of Stayner, Ontario, are as follows:

(*Names of signatories read*)

That concludes the list of your petitioners residing in the province of Ontario, most of them residing in the town of Stayner. They pray to the Senate of Canada for relief in rejecting the goods and service tax presently under consideration by this house.

• (0830)

Honourable Senators, I have the honour to present the Honourable Senate of Canada a petition of the undersigned residents of the Province of Ontario residing mostly in Alban and Lavigne in Ontario.

Your petitioners avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable Senate will provide a remedy.

The remedy which your petitioners pray would be the rejection of the goods and services tax by this the Senate of Canada which" presently has under consideration the said goods and services tax.

Honourable Senators, your petitioners are as follows:

(*Names of signatories read*)

That concludes the petition from these petitioners resident in Alban and Lavigne, Ontario, presenting a grievance common to all of the petitioners, the grievance being the goods and services tax presently under consideration in the Senate of Canada.

Honourable Senators, I have the honour to present a petition on behalf of the following citizens of Canada, residents of the city of Alban and Aylmer, Ontario:

> Your petitioners avail themselves of their ancient and undoubted right to present a grievance common to your petitioners in the assurance your Honourable Senate will provide a remedy.
>
> The remedy requested by your petitioners, honourable senators, would be the rejection of the goods and services tax which this Honourable Senate now has under consideration. That being the grievance common to all of your petitioners, we are as follows:

(*Names of signatories read*)

That concludes the petition to the Senate of Canada by these petitioners residing mostly in the region of Alban, Ontario, having a grievance common to all of the petitioners, the grievance being the opposition to the goods and services tax which the Senate of Canada presently has under consideration.

Honourable Senators, I have the honour to present to the Senate of Canada a petition from the undersigned petitioners:

> Your petitioners avail themselves of their right to petition to present a grievance common to all of your petitioners in the certain assurance your Senate will provide a remedy.

The grievance common to the petitioners is the goods and services tax, and the relief they are seeking is the rejection of that tax presently under consideration in the Senate of Canada.

Your petitioners residing in the province of Ontario are as follows:

(*Names of signatories read*)

> That is the petition, honourable senators, of your petitioners residing mostly in the Province of Ontario, having a grievance common to all of your petitioners, being the goods and services tax and the relief they seek would be rejection of that tax by the Senate of Canada which presently has that tax under consideration.

An Hon. Senator: There must be an awful lot of votes —-

Senator Hastings: There are no votes there.

Hon. Joyce Fairbairn: Honourable Senators, yesterday I was reading some petitions from Lethbridge, Alberta. I though you had some petitions?

Senator Cochrane: Well, I do, but they aren't yours, madam.

Senator Frith: In favour of the GST?

Senator Cochrane: No, it's just one I was looking for.

Senator Fairbairn: Yesterday I was reading some petitions from Lethbridge, Alberta. They were sent to me from the book store at the University of Lethbridge from where students, faculty and staff have been sending petitions in fairly regularly. I have probably brought over 500 of them to the Senate, including the ones I have with me now.

They basically focus on the GST as it will apply to books, magazines, newspapers, and other printed material, and they urge the Senate to see that the tax-free status of this material remains in tact.

I will continue from where I left off yesterday.

(*Names of signatories read*)

Senator Forrestall: Is it necessary to read all these names?

Senator Fairbairn: Just on that point, senator, I know that when I was sent these petitions it was requested that if at all possible I should read the names out.

Senator Forrestall: Just as long as you are aware of the dangers—

Senator Fairbairn: Yes. Well, the people signing these petitions were certainly signing them with a view—

Senator Forrestall: But there is no need to publicize their names and addresses.

Senator Fairbairn: Well, I was informed that these people signed with the full understanding these names and addresses should be made public.

Senator Forrestall: Yes, but we don't really need them.

Senator Fairbairn: I certainly do. I know if I were signing a petition, I would believe it should be public.

Senator Forrestall: Yes, but if everybody were as bright and as—

Senator Fairbairn: Oh, that's very kind of you, Senator Forrestall.

Senator Forrestall: There are no votes in that—

Senator Fairbairn: Thank you.

(*Names of signatories read*)

Evidently these students are in the new residences which were opened yesterday at the University of Alberta in a very colourful native ceremony. The new residences are named after the Treaty Seven Tribes in southwestern Alberta.

Senator Cogger might be interested to know that, had I been able to attend I would have been able to wear the ceremonial headdress I received this summer when I became Chief Morning Bird of the Kainai Chieftanship of the Blood Nation. However, other things have kept all of us here in Ottawa.

(*Names of signatories read*)

J. Boris, Box 303, Picture Butte, Alberta. Yesterday I was explaining to senators that one of the strongpoints of the University of Lethbridge is that it is surrounded by small communities in the agricultural area of our province. Without the proximity of this small university, probably many of the young people would not continue on to post-secondary education, having to move to Edmonton or Calgary.

I suppose that another reason for the names that keep coming in from the university from students is the pressure that area has had on it for the past decade because of the truly disastrous conditions faced by the agricultural industry. This year we have one of the best crops in recent memory but we have had hardly any gain in selling our grain because of low prices.

Picture Butte is a town—

Senator Frith: Picturesque name.

Senator Fairbairn: Yes, Senator Frith, and you may remember well that a few years ago Picture Butte was in a lamentable state when the government withdrew its support from the sugar beet industry. There wasn't a sugar beet harvest for a year in southwestern Alberta, which effectively put about 600 farmers on the skids and had a tremendous effect on the economy of that area. Happily, though, by working together, the farmers and political representatives of every political party in the area, were able to pressure the government and we managed to get a ten-year, three-party agreement to keep the industry alive.

Senator Frith: Thanks to you.

Senator Fairbairn: Unfortunately, this year they are having a difficult time harvesting their beets because of the weather conditions. It is very warm in southern Alberta. A cold snap is needed so that the tons and tons of beets that are piling up can be stored, or else the sugar content is at risk. So the sugar campaign, as they call it, is having a great deal of difficulty getting underway in that area.

Senator Frith: The harvest is called a campaign?

Senator Fairbairn: It is called a campaign. It is quite interesting in that, like the Senate these days, the campaign goes on for 24 hours a day. Trucks from all the little communities, loaded with beets, drive night and day, dumping their cargo into literally mountains of beets at the sugar beet factory in Taber, Alberta. I am sure I can say a little bit more about that when I get to the students from Taber.

Senator Frith: They don't hold them in silos in the meantime?

Senator Fairbairn: There are no silos large enough to hold the beet production in southern Alberta. The beets are moved in large trucks from the fields right to the sugar beet factory.

(*Names of signatories read*)

Here is a student who has come down from the central part of Alberta to attend our university. He comes from a community named after a pioneer priest in Alberta, Father Lacombe, who is very well known in our provincial history.

(*Names of signatories read*)

That concludes this particular petition. I carry on again from the University of Lethbridge, again petitioning the Senate of Canada to take action to ensure that the tax free status of magazines, books and newspapers, will be maintained in spite of the provisions of the GST.

(*Names of signatories read*)

Lee Neville, 59—

Senator Forrestall: There's an interesting name.

Senator Fairbairn: That's right, Senator Forrestall. I wonder if it could be a combination of those two families of the former Bill Lee, Bill Neville Enterprises. At any rate, there it is, Lee Neville.

(*Names of signatories read*)

And, Honourable senators, I carry on again from the University of Lethbridge, again petitioning the Senate of Canada to take action to ensure that the tax free status of magazines, books and newspapers will be maintained in spite of the provisions of the GST.

(*Names of signatories read*)

Lev Adamson, Box 507, McGrath, Alberta. McGrath is a small town in a farming community close to Lethbridge. Actually, you go past McGrath on your way to Waterton Lakes National Park, which is one of the most stunning mountain parks in Canada.

(*Names of signatories read*)

I see the name David Collingridge of 3811 15th Avenue, Vernon, British Columbia. He is a student who was attracted to our university. We have a very vigorous President, Dr. Howard Tennant, and Chancellor, Doctor Keith Robin. Rather than just staying within the academic realm of Lethbridge, they make regular recruiting visits throughout southwestern Alberta, parts of Saskatchewan and also nearby parts of British Columbia, including Vernon, of course, which is in the beautiful fruit-growing valley of British Columbia, the Okanagan, I believe. Am I right, Senator van Roggen?

Senator van Roggen: Vernon is in British Columbia. It is a beautiful place. Ever been there?

Senator Fairbairn: Yes. Is it in the Okanagan Valley?

Senator van Roggen: Just north of Kelowna, south of Kamloops.

Senator Fairbairn: And Nelson is in that area?

Senator van Roggen: There is a very, very nice hotel there. We have conventions there quite often.

Senator Fairbairn: I know, I have been to that hotel. It is a beautiful spot and I am very happy that students from that area choose to take their post-secondary education in the University of Lethbridge.

(*Names of signatories read*)

• (0900)

Senator Fairbairn: Incidentally, Terry Whitehead is a student that one takes absolute joy in. He is bright; he is personable, he is aggressive and he has a great sense of public spirit. He is president of the student's union at the University of Lethbridge.

Senator Hastings: Is he a Liberal?

Senator Fairbairn: I have never actually asked Terry his politics, but he certainly is very effective in the politics of the University of Lethbridge, and of course would have been prominent at the convocation yesterday, and the opening of the beautiful new residences which I keep mentioning because I am incredibly sad that I was unable to be present to participate in that opening.

(*Names of signatories read*)

Senator Fairbairn: The next petition I have is also from the University of Lethbridge and, like the last two, the signatures on this petition were also collected at the University of Lethbridge bookstore. It was signed by the students and staff of the faculty, all urging the Senate to take action to ensure that the magazines, books and newspapers of Canada continue to be published, circulated and sold without tax, as has been the case in our country since Confederation.

(*Names of signatories read*)

Senator Fairbairn: The next petition is also from the bookstore of the University of Lethbridge, upon which hundreds of signatures have been affixed urging the Senate to use whatever methods it has to maintain the tax-free status of magazines, books and newspapers.

(*Names of signatories read*)

Senator Fairbairn: Honourable senators, as I explained a few moments ago, Picture Butte, Alberta, is a small community in southwestern Alberta whose economy is dominated by the sugar beet industry. There are only two places in Canada now which are sugar beet producers. One is in southwestern Alberta and the other one is in southern Manitoba.

(*Names of signatories read*)

Senator Fairbairn: Honourable senators will have noticed that there are a number of names of students who come from parts of southeast Asia and Japan. The University of Lethbridge, from its inception back in the late 1960s, has made a considerable effort to encourage foreign students to come to this small university, and we have a number of exchange programs with, in particular, centres of education in Japan. Also, there has been effort in recent years to bring a number of students from the People's Republic of China who wish to come and study at our university, and they are extremely welcome there.

(*Names of signatories read*)

Senator Fairbairn: Again, the next petition comes from the bookstore of the University of Lethbridge, containing signatures urging the Senate of Canada to assist in maintaining the tax-free status of magazines, books and newspapers in this country.

Honourable senators, yesterday when I was reciting some of these petitions, I may have mentioned that the costs associated with post-secondary education are becoming increasingly prohibitive in our country, on individuals as well as on universities themselves. In our province—and I am sure in other provinces—this necessitates the maintenance of a fairly rigid quota system which is now preventing some students from entering our universities. For example, the University of Lethbridge, for the first time in its history, has totally filled its quota this year and will probably have to turn away students next year. That is very sad.

(*Names of signatories read*)

Senator Fairbairn: Honourable senators, I have yet another petition from the University of Lethbridge bookstore, urging the Senate of Canada to use its powers to maintain the tax-free status of magazines, books and newspapers.

(*Names of signatories read*)

Senator Fairbairn: Honourable senators, I see there are a number of names on this petition with addresses in Cardston, Alberta. Cardston is a very well-known community in our area. It is historic in that Cardston, as we now know it, was first settled by a group of people who came up from the Salt Lake City area in the State of Utah which was—and still remains—the world centre of the Mormon religion. So the small community of Cardston, Alberta, was settled back in the early days by Mormon settlers, and the temple that was erected in this very tiny community is a magnificent piece of architecture. It is a major tourist attraction in our area and also one of the most important centrepieces for the Mormon Church here in Canada. That church is, of course, known as the Church of Jesus Christ of Latter Day Saints.

Honourable senators, that completes the reading of this particular petition.

Senator van Roggen, would you like to bring us word from British Columbia?

Hon. George van Roggen: Yes, honourable senators. I also have some scintillating petitions that I would like to present to the Senate on behalf of the petitioners. I do not know that I can do the same justice to these petitioners as Senator Fairbairn has done. However, coming as I do from British Columbia, I will start with some British Columbia petitions.

This petition states:

> The petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted

right thus to present a grievance common to your petitioners in the certain assurance that your Honourable House will therefore provide a remedy.

I do not intend to go through the preamble of the petition, other than to say that the first few petitions I have reflect the concerns that many people have with respect to the GST being applied to books. When people complain about the GST being applied to books, it is not just the initial rate of this tax, I am sure, that they are concerned about but the fact that the tax will couple with provincial tax—if provincial harmony is eventually brought into this system and should the bill now before this house pass. We would then see a tax on books of anywhere from 15 to 20 per cent, depending on the province.

This petition is dated September 24, 1990 and contains the following names.

(*Names of signatories read*)

• (0930)

The first petitioner on this next petition is signed September 24, 1990. He has printed this all very neatly, and I am sure that if petitioners realized that their petitions are to be taken seriously and read into the record of the Senate, many more of them would take the trouble to print or write their names legibly and print their addresses legibly.

(*Names of signatories read*)

I have not heard of this address before, 413 Louis Riel House. Well, that is understandable. They obviously named a residence at Simon Fraser University after Louis Riel.

Senator Marchand: A great man.

Senator van Roggen: Yes, a great man.

(*Names of signatories read*)

That is the last name on that petition, but the following petition was taken at the same location one day later on September 25, 1990. It is in the usual proper form. It is on the same subject, the application of the tax to magazines, books, and newspapers.

(*Names of signatories read*)

Well, of course, the students are particularly concerned with this provision of the tax.

An Hon. Senator: Absolutely. It affects them.

Senator van Roggen: It affect them very directly. With the price of books today, I could hardly afford to buy hardbacks myself.

(*Names of signatories read*)

When I see names like Jarvis Street, it takes me back to my youth. These people are in the west end where I grew up.

An Hon. Senator: I didn't know you had a Jarvis Street in Vancouver.

Senator Van Roggen: Sure. Some people call it Jurvis Street. We always refer to it as Jarvis Street; down by Stanley Park.

(*Names of signatories read*)

I will hand these petitions to the pages when I am finished with them and not bother them with each page at a time. The next one continues in the same vein on the same subject in the same proper form, dated the next day, September 26. I suppose it is fairly obvious from this that they collected that number of names. They filled one of these out by circulating them each day on consecutive days. This is now the third of those days, September 26. Yes, I see the next one is September 27.

(*Names of signatories read*)

Quite a few of these students, while out at the university, are living down in the west end. Nicholas Street is where I was born.

(*Names of signatories read*)

Well, Senator Frith, I know you have been busy here for the last number of weeks, but I didn't know that you had time to get out to Vancouver to sign one of these petitions. Anyway, the next name is not really a signature; it is printed in large, bold type, "Frith".

Senator Frith: A member of the Frith family.

An Hon. Senator: Did you say printed?

Senator van Roggen: Well, it looks more like print than a signature. It must be a family trade of some sort.

Senator Kelly: Honourable senators, it seems to me—I don't have the reference right here but I think it is in *Beauchesne*—that they have to be signatures on a petition. I don't believe they can be printed; they certainly can't be typed. On the other hand, I agree that someone might have a signature that looks like a printed word. How can we discover which is which? Would this be a relative? Can you research that?

An Hon. Senator: There is a citation in *Erskine May* about the origin of petitions. I was reading it here the other night myself. The person can make a mark, or any other sign; as long as it is a mark that has been made by the person, it is acceptable.

An Hon. Senator: Providing that is the normal way that person offers his or her signature. It can't be sort of a random mark. It has to be regularly used for signature identification.

Senator Frith: I can say that my kinsmen tend to be rather proud of their name. It is quite possible that it was a signature, because the person wanted the name to be clearly understood. We might consider, at a later date, referring the question to a committee.

Senator Kelly: I just want to comment briefly. I am surprised that that is the case, given that our colleague, Senator Frith, is anything but extroverted in this chamber. He tends to

be retiring and sort of wanting to fade into the background. It pleases me that some of the other members of his family are more aggressive.

• (1000)

Senator van Roggen: I am afraid I must apologize to all honourable senators for misleading the Senate. It may be simply the hour of the day, but looking at this signature more carefully, I see that it is not "Frith". It is "Firth". I am awfully sorry.

An Hon. Senator: Clearly a time-wasting tactic.

Senator Frith: Providing a nice little recess.

Senator van Roggen: In defence of Mr. C. Firth, it is very possible that is the way he writes, because his address, in Burnaby, is also in a printed form of writing. So it may be his style.

(*Names of signatories read*)

Well, now, she is a long way from home, if she is from Tumbler Ridge, which, of course, is where the coal is mined in the northeast portion of British Columbia.

I move to the next petition, taken from the same area, on the same subject, in the same printed form, which is in the proper form, commencing, as usual, "As in duty bound, your petitioners will ever pray," etcetera, dated September 27. That is a subsequent date to the previous one, 1990.

(*Names of signatories read*)

I think the west end has a lot of rooming houses and apartment houses where students tend to find accommodation. Of course, it is a delightful part of Vancouver to live in because it is very close to Stanley Park and the beaches and downtown.

Senator Frith: What is the street?

Senator van Roggen: Berkeley Street.

(*Names of signatories read*)

That is one of the steepest hills in Vancouver, Triumph Street. As kids, we used to toboggan on that street. In fact, it was such a good toboggan run that the police, whenever it would snow in Vancouver, which was not that often, would block off Trembley Street so the kids could toboggan safely.

Senator Frith: How civilized.

Senator van Roggen: That is a Vancouver tradition for tobogganing.

(*Names of signatories read*)

Kelowna is just south of Vernon.

Senator Marchand: It is my own home area. Do you know the origin of the name "Kelowna"?

Senator van Roggen: No.

Senator Marchand: You do not know the origin of the name, "Kelowna"?

Senator van Roggen: I probably should, but I do not.

Senator Marchand: Well, "Kelowna" really is "Keelowna", and it means "grizzly bear" in the Okanagan language.

Senator van Roggen: In the Okanagan language, the Okanagan Indians?

Senator Marchand: Yes.

Senator van Roggen: Isn't that interesting. I have not seen many grizzly bears around there, mostly orchards.

(*Names of signatories read*)

Those are the last of the petitions I have of that particular group concerning the application of the GST to books and magazines taken, as I understand, at the campus of the Simon Fraser University in Vancouver.

The next petition I have is in the same form:

> The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present grievance common to your petitioners in the certain assurance that your Honourable Senate will therefor provide a remedy.

This is on a somewhat different subject insofar as the tax is concerned, so I will read the preamble.

> Whereas the new universal 7 per cent federal goods and services tax adopted by the Conservative Government will create serious, unjust, and inhumane difficulties to Canadians; whereas the implementation of this tax will constitute an unprecedented assault on the income of Canadians, not only by forcing them to pay higher taxes but also by confronting them with a rise in inflation, interest rates and unemployment; wherefore the undersigned, your petitioners, humbly pray and call upon the Senate to reject this new goods and services tax. Canadian producers are carrying out their job perfectly by flooding the market with products, but they cannot produce money. The government must, therefore, set up a national credit office to create the money required for the existence of new wealth and abundance.

(*Names of signatories read*)

Honourable senators, I have a number of other petitions. However, since Senator Keon is in the chamber, I would like to compliment his profession by honouring a Vancouver physician who installed in me an artificial knee two or three years ago. The operation was so successful that, as I have just demonstrated, I can stand on it for one hour.

Hon. Peter Stollery: Honourable senators, I have a few names to read. They are the names of people who object to the proposal regarding magazines, books and newspapers.

The petitioners point out that the uninhibited dissemination of the printed word has been a cornerstone of democracy since Confederation. They feel that this taxing of magazines, books

and newspapers jeopardizes democracy. Many of these names, at least on the first petition that I propose to read are from the Metropolitan Toronto area.

(*Names of signatories read*)

I have another petition which also protests the possible application of a tax on magazines, books and newspapers. This petition asks that the Senate reaffirm the historical principle of not taxing the printed word.

(*Names of signatories read*)

• (1045)

Senator Phillips: I am sorry to interrupt my honourable friend. I know he is going through a remedial reading course, but I wonder if he could bring Senator Gigantès back to spell him for a while.

Senator Stollery: He will be along.

Senator Hastings: And tell him you missed him.

Senator Lefebvre: If you don't watch out, we will bring Colin Kenny back.

Senator Stollery: I thought that Senator van Roggen had taken the Kenny course.

Senator Phillips: I will even take Colin Kenny over this.

Senator Stollery: Here are some more names.

(*Names of signatories read*)

Senator Carney: Would the honourable senator permit a question?

Senator Stollery: Certainly.

Senator Carney: I think that senators on this side are finding this presentation extremely parochial. We realize that Senator Stollery has a very narrow interest—

Senator Frith: It is the little people.

Senator Carney: —in view of his discussion of street names in Toronto. Those of us from western Canada or the Maritimes may have a wider vision of the country than Senator Stollery. My question, however, is this: Is Senator Stollery aware that the *Rules of the Senate*, as outlined at page 57 under the heading "Presentation of Petitions", carries this description?

> Documents are tabled by the Leader of the Government or by a senator on his behalf. No debate is allowed at this stage except with the consent of the Senate, but a brief explanation may be given of any document.

Is Senator Stollery aware that that is the rule regarding Presentation of Petitions in this Chamber?

Senator Stollery: Unfortunately the Honourable Senator Carney was not here a few moments ago to hear her colleague, Senator van Roggen, explaining in an interesting way some of the addresses in Vancouver.

I think that some senators may find a discussion of the Metropolitan Toronto area to be quite interesting. Other senators may not.

Senator Hastings: This is part of of Senator Stollery's brief explanation.

Senator Stollery: I am trying to describe the part of Canada in which these people live. I was interested in hearing from Senator van Roggen about Vancouver. I assume that people from Vancouver would be interested in hearing something about the Metropolitan Toronto area, where I came from.

Senator Davey: Senator Stollery made mention of Ajax. I think it is interesting to note that yesterday, in the sports pages of the *Ottawa Citizen*, there was a picture of Bob Bond, who was one of the all-time-great Maple Leaf hockey players. On one occasion he scored a goal with his leg broken. That was one of the historical events in Stanley Cup history. He happens to be a close friend of mine. Senators will be interested to know that he is now in the doughnut business and his store, Tim Horton's, is in Ajax.

Senator Carney: Perhaps the senator would permit a question. What do his remarks have to do with the petitions and how does he explain his intervention? It violates the rule on the presentation of petitions.

Senator Davey: As I understood Senator Carney, and perhaps I was wrong, I thought she was seeking that type of information. That is why I brought the matter forward. Senator Stollery made several references to Ajax and I thought that perhaps it would be more interesting for Senator Carney to have that fact as well.

Senator Stollery: Yes. I must say, however, that all of these questions are causing me to lose my place in this petition. I may be obliged to start all over again at the beginning. I am sure that honourable senators would not want to miss any of these names.

Senator Davey: I don't think it is necesary for Senator Stollery to go back to the beginning.

Senator Carney: We agree.

Senator Stollery: I will resume reading the names.

(*Names of signatories read*)

Honourable senators, that concludes this petition. I have another petition, which by some amazing coincidence protests the intention to apply the tax to magazines, books and newspapers. It points out—and I had not realized this—that since Confederation we have never taxed magazines, books and newspapers. Of course, the idea of taxing the printed word is repugnant to the people who signed this petition.

(*Names of signatories read*)

• (1115)

These petitions have certainly moved around the Metropolitan area. I am impressed by the work that was done to collect

the names because a great deal of mileage was put on taking this petition around.

(*Names of signatories read*)

That finishes that petition, honourable senators, and I have one more for now. I do not want to interfere with any other member who might want to have a word on this matter, so I will try to move along a little more quickly.

Senator Frith: No, no one is asking you to do that.

Senator Carney: You would not want to hold up the Senate.

Senator Stollery: I certainly would not want to hold up the procedure.

The next petition has 25 names protesting the tax on magazines, books and newspapers.

(*Names of signatories read*)

That is the final name on this petition, honourable senators. Although I have quite a few more petitions, at this moment I would like to sit down and turn the floor over to Senator Lefebvre.

Hon. Thomas H. Lefebvre: Honourable senators, I too have petitions I would like to present. For a little change of pace from Metropolitan Toronto, we will go to the province of Nova Scotia.

Senator Phillips: I think it is very unusual for someone from the province of Quebec to read petitions from Nova Scotia. Surely there must be some senator from Nova Scotia on duty today.

Senator Frith: There is. Senator Buchanan.

Senator Phillips: I am thinking of over there, on the empty side, among the juvenile delinquents. Is no senator from Nova Scotia on duty?

Senator Lefebvre: I would like to advise Senator Phillips that I am only complying with a recent request from one of your members that we should not be too parochial. Therefore, although I am from the province of Quebec and read a number of petitions yesterday from my own province, I thought I would move ahead to Nova Scotia for awhile. The former premier is here and he is very anxious to hear me read these names; so I hope you will not interfere.

(*Names of signatories read*)

• (1145)

Honourable senators, the next petition I have is also from Nova Scotia.

(*Names of signatories read*)

Senator Lefebvre: Honourable senators, I have another petition from residents of Nova Scotia.

(*Names of signatories read*)

[*Translation*]

Senator David: Before reading another list of petitions, I would like to know whether you are a senator representing Nova Scotia? Because as far as I know, you represent a Quebec region.

Senator Lefebvre: That is correct.

Senator David: Then I can easily see why you are having trouble locating the names of the streets and even the towns in Nova Scotia, unless you have a cottage in that province. Do you have a cottage in Nova Scotia?

Senator Lefebvre: No, sir.

Senator David: Then, if you do not have a cottage in Nova Scotia and you are reading petitions from that province, that means those petitions were either sent to you or given to you by someone else. Could you explain to me how your constituents or the people you represent or those Nova Scotia residents managed to give to you, Senator Lefebvre, those petitions, which, I presume, you are reading on behalf of those you represent?

Senator Lefebvre: That is very easy to answer, Senator David. The petitions are sent to us in boxes of thousands from one end of the country to the other. As Canadian senators to the federal Parliament, we then take the petitions and we read the names of the Canadian citizens, regardless of whether they are from Quebec, Nova Scotia, British Columbia, the Northwest Territories, Ontario, New Brunswick, Prince Edward Island or Newfoundland. It does not matter. In our view, each of those Canadians exercised his inherent right to address the Canadian Parliament, to have a senator read the petition and to table it on their behalf. Yesterday and last evening I had petitions from the region of Norton, which we know well, and I will probably have some later this afternoon. Today it is a mixture from Nova Scotia and from Quebec; I might also have a few from Ontario, so I do not see any problem with that.

Senator David: In fact, if I follow you, you are a messenger from Canada Post!

Senator Lefebvre: On the contrary, I am a messenger for the vast majority of Canadians, 82%, I believe, who are opposed to another flawed tax being proposed by the Conservative government. That is all.

Senator Simard: May I ask the senator a question? You say that the tax is flawed; perhaps it is time we started talking about it. We have been messing around here for 125 hours. Perhaps it is time we started talking about the tax, about the federal budget, about the debt that you left us, an incredible debt of $160 billion. Perhaps it is time we started talking about that. How can we get out of it? Not only for ourselves, but for you and for everyone. There is business to discuss here, let us stop messing around. Senator Lefebvre, are you going to stop Canadian citizens, the payers of that flawed tax, from being heard before the Canadian Parliament? Are you trying to stop those people, regardless of whether they are from

British Columbia, Quebec or Ontario, from exercising their inherent parliamentary right to be heard? First of all, are you disputing their right, and if you are doing so, why do you not clearly state that you are opposed to the idea of Canadians having the right to being heard in the Canadian Parliament? I am amazed to hear you talk that way; I do not think anyone has ever questioned Canadians' rights to be heard before Parliament through members of the Senate and of the House of Commons. We will talk about the GST and we will talk about it for months because the implementation of another flawed tax that is bad for Canadians must be stopped.

[*English*]

Hon. Finlay MacDonald: Honourable senators referring to Senator David's point, is it not reasonable to assume that when a senator presents a petition it should be a petition from that senator's region or province?

Senator Frith: Why?

Senator MacDonald: I cannot argue with the right of Senator Lefebvre to read a petition from, for example, residents of British Columbia, if he so wishes, but when was the last time a senator read a petition from a province other than his or her own?

Senator Frith: In the past two or three days, plenty of times.

Senator MacDonald: There is no question about that, but when was the last time before this?

Senator Frith: Suppose I said it was April 3, 1978 what difference would that make?

Senator MacDonald: I would have to take your word.

Senator Frith: But what difference would that make?

Senator MacDonald: Because over the last number of years I have heard petitions read by senators who represent the petitioners.

Senator Frith: Why did you ask when the last time was?

Senator MacDonald: I was thinking that a senator should read a petition from residents of his or her own province.

Senator Frith: Why?

Senator MacDonald: At least, from a decency standpoint, a Nova Scotian senator should read a petition from citizens of Nova Scotia.

Senator Frith: Decency!

Senator MacDonald: Yes. Senators from Nova Scotia might not be on shift now, but perhaps you should wait until they are present before presenting petitions from residents of Nova Scotia. The petitions should be distributed to the appropriate senators.

Would that be asking too much?

Senator Lefebvre: This is the first time I have heard a senator say it was not decent to read out the names of Canadian citizens. It is now on the record that a Conservative senator objects to a senator from Quebec reading petitions from residents of Nova Scotia. He calls it indecent for a senator from Quebec to read petitions from Nova Scotia. The citizens of Nova Scotia are opposed to this nefarious tax. That too is on the record.

Senator MacDonald: I meant "decency" in the sense that citizens should be fairly treated. If it were not for Senator Buchanan and myself correcting Senator Lefebvre on pronunciation of names and places, we would not know where these people come from. The assistance Senator Buchanan and I have given Senator Lefebvre is clear evidence of the point I am making.

Senator Frith: Which is?

Senator MacDonald: That Senator Lefebvre does not know half of the names and places of people in Nova Scotia.

Senator Lefebvre: Thank you for your intervention.

Senator Frith: Senator MacDonald is curious about this procedure. I can tell him one thing; we have not had one complaint from any petitioner regarding who is reading the petitions.

Senator Phillips: Could the Honourable Senator Lefebvre tell me to whom the petition was presented?

Senator Lefebvre: To the Senate of Canada.

Senator Phillips: It must have been presented to one particular senator.

Senator Lefebvre: This petition was sent to Senator Jacques Hébert.

Senator Phillips: I see.

Senator Frith: What is wrong with that?

Senator Phillips: I am intrigued because this shows a strong distrust on the part of the people from Nova Scotia of Liberal senators from Nova Scotia. They would rather send their petitions to Senator Hébert of Quebec.

Senator Lefebvre: I am pleased that this is on the record. I will be using what has transpired in future debates. I thank the honourable senators opposite for putting it on the record that Nova Scotian senators object to Quebec senators reading the names of Nova Scotian citizens who are against the GST.

If you wanted to read a petition from residents of Quebec, I would not object.

I will continue reading the names on this petition.

(*Names of signatories read*)

Senator Lefebvre: I have a petition to present from the citizens of the province of Quebec.

(*Names of signatories read*)

[*Translation*]

Honourable senators, I have other petitions to present but there may be some among you who were a bit exasperated by the reading of some of the lists and I will now take my seat for a few moments. I am sure that some of my colleagues are eager, indeed anxious, to have the opportunity to read out other lists of names, perhaps lists of names from another province if, of course, none of you object.

• (1215)

[*English*]

Hon. Keith Davey: Honourable senators, I have some petitions which I wish to read. First, I would like to point out that the shift that I am on ends at 2 p.m. I had thought that I would go back to my hotel and watch the football game. The Roughriders are playing Hamilton here today. However, of course, returning briefly to a point I made the other day—there is a blackout on the game.

Senator Frith: Is it an important game?

Senator Davey: Of course it is a key game, and there is a blackout. We will probably all go to our hotel rooms and watch the NFL game. That is exactly what is wrong with the Canadian Football League. I am sorry for bringing it up now; I simply mention it in passing.

I want to also, say for the benefit of Senator Carney, that the petitions that I will be reading are from the Don't Tax Reading Coalition. She might be interested in the groups involved in this coalition. They are: The Antiquarian Booksellers' Association of Canada, The Association of Canadian Publishers, The Canadian Booksellers' Association, Canadian Book Publishers Council, Canadian Community Newspaper Association of Canada, Canadian Daily Newspaper Publishers Association, Canadian Library Association, Canadian Magazine Publishers Association, Periodical Marketers of Canada, the Canadian Teachers' Federation and the Canadian University Press. These organizations are all anxious to maintain a tax rate of zero for books, magazines and newspapers.

We have petitions from all over the country. The petitions that I will be reading are mostly from Toronto.

(*Names of signatories read*)

POINT OF ORDER

Hon. Noel A. Kinsella: I rise on a point of order, honourable senators. Rule 25 states:

> A senator desiring to speak in the Senate shall rise in the place where that senator normally sits and address the rest of the senators.

Surely, that rule is in place so that those of us who are new will know who is speaking.

Hon. Keith Davey: Honourable senators, I concede. It is a very bad habit, and I shall attempt to contain my enthusiasm and stay in my place. I am grateful for the direction. If I start to wander off again I would be grateful if you would remind me.

Senator Frith: It comes from his years of experience as a coach walking behind the bench.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Keith Davey: Honourable senators, I will continue.

(*Names of signatories read*)

These petitions were sent to me personally by the Don't Tax Reading Coalition. I was asked to draw the attention of honourable senators and the Senate to these petitions. There are many more of them. These organizations want to maintain a tax rate of zero for books, magazines and newspapers, which of course has been the Canadian tradition.

(*Names of signatories read*)

• (1245)

Senator Davey: I have another petition, honourable senators.

(*Names of signatories read*)

Senator Davey: Honourable senators, here are some more petitions from the Don't Tax Reading Coalition.

(*Names of signatories read*)

Senator Davey: Honourable senators, I have a further petition.

(*Names of signatories read*)

Senator Phillips: Honourable senators, I am sorry to interrupt the Honourable Senator Davey in his most uninteresting remarks, but I would point out that we on this side have some considerable concern due to the fact that there is no senator from either the Atlantic region or Quebec on the Liberal benches. I think it would be most unfair for the Senate to proceed without representation from Liberal senators of those areas.

Senator Frith: This is what is called reverse quorum, is it?

Senator Phillips: Therefore, honourable senators, I move that the Senate take a break. This will provide those of us on this side—and we have all areas of the country represented—to receive some nutrition. Therefore, I move:

> That the Speaker do leave the Chair until 2 o'clock this afternoon.

Senator Davey: I want to say this to Senator Phillips: I am most grateful. I thought he was rising to complain because I was not reading the postal codes.

The Hon. the Acting Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate recessed at 12:30 p.m.

At 2:10 p.m. the sitting of the Senate was resumed.

Hon. Gildas L. Molgat: Honourable senators, I believe that when the Senate adjourned for lunch at 12:30 Senator Davey was speaking. He has agreed to yield to me at this point. I am delighted to carry on. I am happy, in particular, to see Senator Nurgitz in the Chair.

Senator Phillips: Honourable senators, how are we to know that Senator Davey agreed to yield? He should be here to tell us that he yields.

Senator Lucier: We could adjourn to ask him.

The Hon. the Acting Speaker: Did Senator Davey agree to yield?

Senator Molgat: Oh, yes, he agreed to yield. Would the Honourable Senator Phillips like it in writing? I will be happy to get it in writing for him if he so wishes.

Senator Phillips: Senators will recall that we on this side of the house accepted Senator Frith's word. It was promptly broken. That is why I would like to see Senator Davey's word in writing.

Senator Molgat: I do not think that Senator Frith would agree that he broke his word. I think he put on the record the other day how he felt in that regard. I would not want the record to indicate that I acquiesced to Senator Phillips' statement. I do not think Senator Frith would agree with that in the least.

However, I can assure Senator Phillips that Senator Davey did agree, and I have witnesses to back that up.

I repeat that I am particularly pleased to see Senator Nurgitz in the Chair, particularly in light of the petitions I am about to present. Those that I have here are from the area that we in Manitoba know as the "Tory heartland", with which my honourable friend is familiar. In fact, he knows this area so well—and I hope that I am not misquoting him when I say this—that it is alleged by some that, in the last provincial election, he said that they could have run a yellow dog in any of those areas and got it elected. I must say that I was surprised at that statement—

The Hon. the Acting Speaker: I might say, honourable senators, that I did not say that. This may not be a bad statement, and perhaps it was said in my presence, but I did not say it myself.

I do know that, during the course of the provincial election, Senator Molgat's candidate, who did not have much else to talk about, spent some time talking about that.

Senator Molgat: As I said, my honourable friend was alleged to have made that statement. I did not in any way suggest that he had. We are old friends, after all, and I would not want to put words in his mouth. But the story was that he said that and it was so reported in the press.

This area has been certainly acknowledged over the years to be the "Tory heartland" of Manitoba. I am a little surprised that their petitions should come on pink sheets, but so they do. That is the way it is.

Honourable senators, I have checked these petitions carefully. I think that the wording is absolutely in line with what is required for a petition to the Senate. It has the proper wording of the prayer; for example, they humbly pray and call upon the Senate.

These are general petitions. By that I mean that they are not addressed to any specific item of the tax, such as was the case on my previous intervention when I presented petitions from a group of people objecting particularly to the imposition of the tax on books, periodicals and written material. That was a specific petition. This one merely asks the Government of Canada to stop the introduction of the proposed goods and services tax.

I find it particularly interesting that it should come from that region of Manitoba, the region where one might expect the government to have maximum support. It certainly has had in the past, from an electoral standpoint. Every one of the constituencies in that region is represented by Conservative members. Indeed, two of them are cabinet ministers. The last provincial election reinforced the tradition, as that whole region once again voted Conservative. I think it is particularly important to note that, in the hope that my honourable friends opposite are listening. It is their supporters, people who have staunchly supported the Conservative Party over many years, who are now petitioning the government to change its mind, praying that the government will listen to them. These very people, who have supported the government in an election as recently as the last provincial election in Manitoba, which took place barely a month ago, are sending petitions asking senators opposite to reverse the decision on this tax. I think that senators should listen very carefully to what is being said. They should be putting pressure on the government, on Mr. Mulroney and Mr. Wilson, to reverse the course in which they are now heading.

Honourable senators, these petitioners come from a variety of villages in southern Manitoba and southwestern Manitoba. This region was settled in the late 1800s and early 1900s, largely by immigrants from the province of Ontario and from the old country, England, Scotland and Ireland. In the early years there was very little immigration to this area from other regions. The bulk of the region has a strong Anglo-Saxon basis. These people come by their politics from long-standing family connections.

Therefore, for them to be prepared at this point to voice their opposition in the way in which they have reinforces the need for the government to listen, listen again, review and so on. It seems that at this point they are obstinate in saying that the GST must pass. Their view is that it must pass and that is the end of it. They think that it is essential that that be done. Here are some of the people objecting to this tax.

(*Names of signatories read*)

I might point out that this particular region of Manitoba, is, from an economic standpoint, closely related to the region of Saskatchewan adjoining it. It is part of the Palliser Triangle. It is the region of Manitoba that is subject to drought. Drought is common in the Palliser Triangle, that area of land which starts just south of Deloraine at the U.S. border, angles northwest towards Regina and southwest again to southern Alberta. In the first phase of exploration in the west, I believe it was Colonel Palliser who was the head of the dominion survey group that surveyed that region and declared it to be a desert. In his view, it should not have been populated. It was a semi-arid region and should not have been put under cultivation. Our recurring droughts in the west have indicated that this might well have been a sound approach. Nevertheless, when the waves of immigration came to the west after the coming of the railway in 1885, the region was settled, as was the adjoining region in southern Saskatchewan.

The experience of that region since then, over a number of years, has been rather disastrous, certainly in the period of the 1930s. When we speak about the Dust Bowl, this region of Deloraine, Waskada and other small villages constituted the one part of Manitoba that was very sadly affected. It was not quite as affected as southern Saskatchewan, however, where many of the settlers simply had to abandon their homes and move out. Here, the bulk of the settlers stayed and suffered through those Depression years and drought years of the 1930s.

The same conditions have been repeated over the last four or five years, where once again the region has been suffering from extreme drought. The precipitation has been down both during summers and winters. There was no snow cover in the spring, which would have provide spring run-off and an opportunity to plant crops. Nevertheless, the bulk of these people stayed. I think it is important to note that. These people who have suffered, particularly in the past, these solid Tory supporters, are simply opposed to what the government is doing. They do not want the government to proceed with the GST.

Senator Carney: Would Senator Molgat permit a question?

Senator Molgat: Certainly.

Senator Carney: Is he discussing the petition or is he moving to debate? Of course, we would like to move to debate. If he is reading the petition, however, I think that he should indeed read it.

Senator Molgat: I certainly will be reading the petition, but I thought it important to give it background. These are not petitioners who are just motivated by partisan considerations. They are basically Tory supporters, the people who have supported your party over the years.

Senator LeBlanc: Not any more.

Senator Molgat: I thought it important to point this out. Simply to read the names without giving some of the background and reasons for the actions of these people would not, in my view, give the petition the meaning that should be given it. If you would like me to go further to debate the GST, I can do so, but that is not what I was doing.

I was trying to point out to senators opposite, who thus far have been refusing to listen to the Canadian people, the fact that the Conservative government has been absolutely obstinate in refusing to listen to the 85 or 90 per cent of the Canadian people who are opposed to the GST. And in spite of recurring reproaches by the Canadian people, the government still refuses to listen.

Therefore, I point out to senators that the petitions I have before me now are those of people who have normally, over the years, been supporters of the Conservative Party, people who, as recently as the provincial election on September 11, reinforced that support by voting again for the Conservative Party. They are, nevertheless, opposed to the GST. I think it is important that senators opposite realize that. Some of them seem to think that these are politically motivated petitions that the Liberal Party somehow or other has gone about seeking them.

Senator Carney: We are delighted to listen to Senator Molgat at any time, but the rules of this chamber state that on presenting petitions no debate is allowed except with the consent of the Senate, which Senator Molgat does not have. A brief explanation may be given of any document, but the rules of the house preclude his making the kind of statement with which he has been entertaining us.

My question is: Could Senator Molgat follow the rules of the Senate as laid out in the rule book? Could he simply proceed with a brief explanation?

Senator Molgat: Yes, I would be delighted to follow the *Rules of the Senate*, particularly if my honourable friends opposite are prepared to do the same.

POINT OF ORDER

Senator Kelly: On a point of order, honourable senators, if I may, I point out that following the position that was described at page 57 by Senator Carney, I should like to refer to *Beauchesne*, Fifth Edition, at page 213. I acknowledge the fact that this restriction is not contained in our book of rules, but I call attention to reference 692, which states:

> When a member presents a petition, he may not make a speech nor present argument in support of the petition.

It seems to me that that is what is happening in the case of Senator Molgat's presentation.

Senator Molgat: Thank you, honourable senators. I had understood that others had been given leeway to give these explanatory comments. That is what I was doing. But I certainly can proceed to read the names, which, we have already agreed, is perfectly proper. Therefore, I will read the names and proceed on that basis. There was no problem there.

Senator Cogger: I just want to point out to Senator Molgat that for the last 72 hours senators opposite have been reading

names into the record. Several times we have objected. We have never agreed to it, but, as usual, senators opposite keep doing whatever they want to, ignoring the rules.

• (1415)

Senator Molgat: I am sorry, Senator Cogger, but the other morning we had a debate on this matter. A point of order was raised and at the time Senator Nurgitz was in the Chair. We discussed the background of the rules committee. I explained what had gone on when this rule was reviewed by the rules committee not too long ago and that it had been absolutely agreed, as our rules state, that the petition itself will not be read; but specifically nothing was said about the names. The reason is that the members had agreed in the rules committee that if Canadians sent a petition, they had the right to have their names read out. Senator Nurgitz was in the Chair and he agreed with that; and on that basis we proceeded to read the names. I submit that that is what has been going on, and I intend to carry on that way, as has been agreed. I do not think you were in the Senate at the time, Senator Cogger.

Senator Cogger: Maybe the rules will not convince you, or clearly have not convinced you. Maybe the boredom that you have imposed upon all of us will not convince you. Maybe the ridicule of reading thousands and thousands of names for the last few days will not convince you. Let me try another tack.

Senator Simard sent a letter to our colleague, Senator LeBlanc, last week in his capacity as Chairman of the Internal Economy Committee. On this side we have been conducting some estimates. Senator Molgat, if nothing else will convince you, perhaps you will recognize the fact that, according to our premliminary estimations, this little exercise which you have been putting the Senate through for the last two weeks is costing Canadian taxpayers approximately $150,000 a day in overtime and in security costs for those people such as guards and messengers who are working 24 hours a day in the various buildings occupied by senators.

Therefore, Senator Molgat, if the rules are not enough, if ridicule is not enough, if boredom is not enough, would you take into consideration the saving of $150,000 a day by cutting short this silly exercise?

Senator LeBlanc: Senator Cogger must have done some homework, but I would like to have an explanation of how he arrived at the figure of $150,000, which he knows very well is not verifiable by the media, that will repeat it as another one of the canards coming from that side of the house, that they have been repeating.

Senator Cogger: I believe, Senator LeBlanc, you have had a request on your desk for some hours or some days for that very number. In your capacity as Chairman of the Internal Economy Committee you are in a better position than anyone on this side.

Senator Frith: Compared to the billions of dollars you are going to soak the people with.

Senator Cogger: I am not blaming you, because we have not yet had a reply, but we thought we would help you with your work.

Senator Stanbury: Very helpful.

Senator Cogger: It is a very simple matter, senator. For instance, the Victoria Building, where some senators have offices, is normally manned by one person through the night when the Senate does not sit. At the moment there are a number of people there 24 hours a day since senators opposite have had the Senate sitting; so multiply that by the average hourly wage and add overtime. The bus that conveys senators from the door of the Senate to their offices normally does not run. It has been kept running and the chauffeur is being paid overtime. The cafeteria on the fifth floor normally shuts at seven in the evening. We can drink coffee or eat eggs and toast at three o'clock in the morning. Why all these expenses? Because senators opposite have decided it was not enough to say, "Gentlemen, I have a petition signed by 700 people." No, sir, you have to go through the extreme ridicule of naming each and every one of them, complete with the address, plus a whole bunch of irrelevant commentary that accompanies the reading of the names.

As a matter of fact, I believe that the figure of $150,000 per day extra is, if I may say so, a conservative figure. However, by no later than close of business on Monday I will have on your desk a rough estimate of the numbers and expect that it will jive with the numbers that no doubt your committee is preparing for us.

Senator LeBlanc: I do not accept some of the Conservative comments of my friend. For example, he hints that the Victoria Building does not have full security 24 hours a day 7 days a week. The fact is that it does. The buildings where senators have their offices are subject to the same levels of security as other buildings housing members of the other place. It may be that the bus is working a longer number of hours. However, I would remind senators that in many cases the bus is driven by employees of the Senate who are on duty for other functions, such as being a messenger.

I am not quibbling with Senator Cogger's figures except to say that they appear to be a bit high. I will not risk a figure, because I always think it is rather prudent to check with those who really know about the administration of the Senate and the financial services of the Senate to give us the exact figures.

I might say, having taken a look at the propaganda that came through the mail slot in my door this week, that $150,000 a day for presenting the opinions of the people of this country appears to me to be just as valid as spending more than $1 million for garbage mail that is plopped everywhere and widely distributed by the Conservative government. To me, $1.5 million for that appears to be a rather high price.

Senator Grafstein: I think that Senator Cogger has raised an important question. As I came in for my duty watch today there were some people waiting on the other side who were

collecting signatures for the GST on Sunday, on the Lord's Day. In the gallery there are people present for perhaps the first time in history except perhaps during wartime.

Senator Cogger: Because the Senate never before sat on a Sunday.

Senator Grafstein: I understand that. However, they are here. If one were to talk to the people in the galleries and to those on the streets leading to Parliament, which is the house of all the people, I can tell you, Senator Cogger, that they are not telling me to close down and save the daily costs. They are saying to do whatever is appropriate in the parliamentary process to convince senators opposite how regressive this tax measure is.

Let us test the thesis. There is a lady outside. Let us call the lady outside, have a committee of the whole and see what she has to say. Let us hear what the people in the galleries have to say. If, in fact, your point is well made, and it is, that it has pursuasiveness and weight, let us listen to what the people have to say. To be fair, all cost of government, not only the cost of this place, has to be put on one side of the scale and balanced against the national interest. I know senators opposite do not like polls. We have heard about that for the last few days. I believe if today we had a poll with one question: "Are you prepared to pay $150,000 a day to stop the GST?", I think the answer would be they were prepared to spend more.

Senator Cogger: All through the week we have heard about the sacred duty of senators to bring to the floor of the Senate the will of the people. I do not question that for one second. I think that is the basis of Parliament. I do not think you are going to convince me or, I believe, anyone out there that you are getting anywhere with this silly exercise of reading names. You may as well take the Ottawa telephone book, for all I care. I think you are dead wrong.

Senator Grafstein: I will have an opportunity later today, although I wish I had the opportunity to reply at the moment. However, I do not wish to interrupt my honourable friend from the province of Manitoba presenting his names. I took some hours off yesterday and I was in Toronto.

Senator Cogger: What do you think we do in our hours off? Do you think that you alone consult the people? What do you think we do? I went home yesterday and do you know what I hear? "What is happening, Michel? Are those guys going to come to their senses? I hear on the radio they are reading lists and lists of names." That is what the people tell me. Why do you drape yourself in the mantle of public opinion and assume that the world is on your side? Come on! Surely you heard that you were being ridiculed all over Canada.

Senator Comeau: "Old farts"!

Senator Grafstein: I do not want to take the valuable time of Senator Molgat to present petitions from the province of Manitoba. However, later this afternoon I hope to address exactly that issue and provide names and substantive comments made by people from the City of Toronto, again in the form of petitions, dealing with exactly Senator Cogger's points.

Senator Cogger: I would like to hear that.

Senator Phillips: When I suggested a brief suspension of the sitting at noon hour, I pointed out that the Senate had operated all morning without a representative on the Liberal side from the Atlantic region or the province of Quebec. We had hoped, by giving the Liberals an hour and a half for lunch, that they would have been able to get some Liberal senators in from the Atlantic region and Quebec. I see two have strayed in from the Atlantic region, and I wonder if senators opposite would like another recess to find some Liberal senators from Quebec.

Senator LeBlanc: I certainly do not accept the description of having "strayed in." I have fulfilled my duties as a member of this institution every time that my name came on the roll. In fact, I have been here for a number of hours when it was not my duty period. I certainly resent any comment that would allow the whip of the government side to impune motive or dereliction of duty.

Senator Molgat: Senator Phillips, I would like to point out that there are two honourable senators present from the Atlantic region. When you mention the province of Quebec, I would like to point out that Senator Watt who is sitting here is a senator from the province of Quebec. I do not know what has happened to your eyesight or to your geography. I do not know which it is that is suffering at this time. I appreciate that the pressure has been going on for a long time, but the province of Quebec is indeed represented.

In answer to Senator Cogger, yes, of course I am concerned at any expenditure. I am concerned at spending $150,000 a day, if that indeed is the figure.

Senator Cogger: I told you that is a conservative figure.

[*Translation*]

Senator Molgat: Senator Leblanc is not fully convinced that it is $150,000, so we would be happy to have your views on this. You might tell us how you arrived at that figure.

[*English*]

Be that as it may, let me assure you, Senator Cogger, that the Canadian public would be delighted to have us spend $150,000 a day if they can get away from the GST. They are fully aware that the GST will cost them millions and millions of dollars and they have no illusions in that regard. That is the reason they are going to the trouble of putting their own individual signatures one by one on the petitions.

Senator Carney: Would you permit a question, Senator Molgat?

Senator Molgat: I am always happy to have questions.

Senator Carney: If you feel that way, and you have made a very moving statement on the need to bear this additional cost, why are you so loath to move to debate? Do you not think that

the money that is being spent, that you say taxpayers are pleased to spend, should be used for the purpose that brought us all here, which is to debate the bill before us?

Senator Molgat: Yes, Senator Carney; let me assure you that we will use every method in our power to prevent you from putting the GST through, and that is exactly what we are doing. We will fight step by step to stop the GST from being imposed.

Before we get into the battle on the GST itself, we think it is important that you hear from Canadians. Senators opposite are absolutely determined not to hear from Canadians, and they do not like to hear from Canadians. Senators opposite do not like us to read these names and do not want the message. Senators opposite do not like my saying that these petitions are coming from people in my own province who supported the Progressive Conservative Party and who are now sending petitions telling you "for goodness' sake stop". Listen to the people of Canada. You will not listen to anyone. You have made up your minds and you are going to impose this on Canadians willy-nilly, and you do not care.

Senator Carney: Would you listen to me for a moment?

Senator Molgat: I do not have to listen to you. I am quite prepared to have a question, yes.

Senator Carney: I think you are inconsistent in your argument when you accuse us of not listening to Canadians and make the statement that you do not have to listen to me, because our rules suggest that you can extend that courtesy at any time.

Senator Molgat: I said that I would be prepared to have a question from you.

Senator Carney: Are you aware that you can simply table the names of the petitions, which is the custom in this chamber? Are you aware of the fact that that also preserves their right, and then we could move on to debate the bill and use the expenses incurred by keeping this chamber open 24 hours a day in a constructive manner in order that we could do our job of debating the bill and looking for improvements and consensus; or are you simply not prepared to do that at all?

Senator Molgat: Senator Carney, I am delighted to have your question. Before we debate the GST itself, I believe it is important that the Conservative Government of Canada and Conservative senators understand the massive objection of Canadians to what you are attempting to do. We are trying to impress this upon you by reading the petitions. I can perfectly understand that you do not like it. If I were in your shoes, I suppose I would not like it either. If I were in your shoes, I would be putting pressure on Mr. Mulroney, Mr. Wilson, and on the government to listen to Canadians, to change, to pay attention; but you do not seem to be following that course, and what choice have we except to try to keep on impressing that upon you? My opening comments were only meant to do that. However, if you wish me to proceed with some names, as we have agreed is perfectly proper, I will do so.

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Gildas L. Molgat: The next petition contains several names from Deloraine, Manitoba.

(*Names of signatories read*)

There are some names from Medora, which is in the same southwest corner of Manitoba, the same Tory heartland of Manitoba. The majority of settlers in this region were Anglo-Saxon, largely from the Province of Ontario. However, in later years there was also immigration from Belgium. More recently there were also some families of Mennonite origin.

(*Names of signatories read*)

There are also some names from Goodlands, Manitoba. It is a very small village. One of the problems in this region, which is common in much of western Canada, is rural depopulation. The depopulation from a farming standpoint also has a terrible effect on the small villages of the west. This is an issue of which government must be more conscious than it has been in the past. There are tragedies occurring with this depopulation. The small village of Goodlands is certainly an example of that. Once upon a time a small prairie village had a range of services such as an elevator, doctor and stores. Now most of those villages are down virtually to no services at all.

(*Names of signatories read*)

Those are the names on this particular petition. I would like to point out to honourable senators that, once again, the notion is very clear on the petition that signatures and addresses must be handwritten originals, and these certainly seem to meet that criteria. Each signatory must indicate his or her address, and in my perusal of this petition that has been done. The petition must be free from erasures or interlineations. Again, as far as I can see, that is the case. There is also a warning that the duplication of signatures will result in the petition being ruled unacceptable to the Senate. I see no duplications on this sheet. Therefore it meets the criteria that Senator Kelly pointed out yesterday morning.

Some questions were asked as to the source of these petitions. The originators of the petition itself, as indicated at the bottom, are the IRATE Citizens, Box 1473, Peterborough, Ontario, K9J 7H7. Telephone (705) 741-1565.

Senator Cools: Senator Molgat, this particular group has been mentioned a few times in the chamber, because it seems to be mobilizing many petitioners. IRATE is the acronym for "I Am Rebelling Against Tax Excesses". That is the name of the organization, and I think it is appropriate to put that on the record.

Senator Molgat: Thank you, Senator Cools. I was not aware of that. I thought the name was excellent on its own. If it also means more, that is all the better. However, there is certainly good reason for citizens to be irate, and those who have signed this petition obviously are.

The petition meets all of the requirements. I assume it was printed by the IRATE Citizens in Peterborough, but there are

some volunteers in Manitoba who are sufficiently concerned about the tax that they were prepared to circulate it in the Deloraine region. I would like to table this petition.

I have a further petition which I have checked and it appears to me to be perfectly in order. It humbly prays and calls upon the Senate, so the prayer is there. It does ask for a specific relief. It calls upon the government to stop the introduction of the proposed goods and services tax, and I think it is in a proper form. This petition is from a somewhat different region of Manitoba. It is not quite as much of a Tory heartland as the area I mentioned earlier in the Deloraine-Goodlands-Wascana and Medora area, but over the years it has had largely Conservative tendencies and is represented at this time by a Conservative minister in the House of Commons.

The region around Neepawa is in central Manitoba. I have a particular interest in the town of Neepawa since it is now part of my old provincial constituency of Ste. Rose. For those who are interested in literature, they will know that the town of Neepawa is the birthplace of Margaret Laurence. Indeed, in the town of Neepawa the home of Margaret Laurence has been set aside as an historic site. If any of you are visiting Manitoba at anytime, I invite you to stop in at Neepawa which is a delightful little town in the middle of the prairies. It is well-treed, which is not always the case in our prairie villages, and it is particularly attractive. I would think that my colleague Senator Macquarrie, who spent some time in Brandon and Winnipeg in his earlier years when he was more venturesome, would know the town of Neepawa.

Senator Macquarrie: She was my classmate.

Senator Molgat: That is even more interesting. Perhaps you could give us a discourse on that sometime, Senator Macquarrie.

Senator Macquarrie: I cannot do that. Aiding and abetting a filibuster from the other side is not one of my policies. However, I am delighted to hear of Margaret Laurence's birthplace.

Senator Molgat: Perhaps at another time, Senator Macquarrie, you can give us some details on that. I can appreciate your reluctance at the moment and that you do not want to add any fuel to the matter.

The particular petition I have at the moment is from a variety of towns. The first three names are from Neepawa.

(*Names of signatories read*)

• (1445)

There are some names here of people from Erickson, a small village that was settled by people from Iceland and Norway. The wife of a distinguished member of Parliament came from the Erickson region. I am talking about the wife of Walter Dinsdale who is from Erickson. I am sure a number of my friends opposite will recall her very well. It is a region to which settlers, largely of Icelandic and Norwegian stock, came in the early 1900s, and under very difficult circumstances have made a living there. The people who live in the area are now concerned about the imposition of this tax.

I come to another name from a resident of Neepawa, that of Douglas Wilkinson. Close to Neepawa is another small agricultural region, that of Brookdale, one of the best agricultural regions in Manitoba, a region which has never experienced a crop failure. Nevertheless, the residents there are concerned with what this tax will do to them.

I move on to residents from a region which I know particularly well. I represented the region for some 18 years in the Manitoba Legislature. I refer to the village of Kelwood, which is just north of Neepawa. The people who live there are people I have known for many years.

(*Names of signatories read*)

There is the name Kakowchyk on the petition. I believe I pointed out to honourable senators, in one of my previous comments discussing the previous petition, largely from the city of Winnipeg, dealing with the tax on books, periodicals, and magazines, that historically Manitoba was the most ethnically diverse province in Canada. Up until the end of the Second World War there was no question that that was the case. Since the advent of new immigrants mostly to Toronto, that has changed. Historically, Manitoba was a microcosm of Canada.

Senator Frith: A multicultural microcosm.

Senator Molgat: Yes, a very multicultural province. One of our very important annual events, a tourist event, is Folkarama, which takes place every summer.

Senator Cools: Senator, would you know of what ethnic origin is that name? It is the strangest name.

Senator Molgat: I would assume that the name is either Polish or Ukrainian. In that region there is a substantial number of Ukrainian immigrants and a smattering of Polish immigrants. Indeed very near Neepawa there is a small village called Polonia which was settled by Polish immigrants and where there is a very large church, an annual retreat, and a major religious celebration of the Polish people.

Senator Kelly: Honourable senator, this is really extremely interesting. I know there will be an opportunity some time in the near future, perhaps even this evening if we have a break, for us all to sit together and listen to this. However, this time is supposed to be for the presentation of petitions. We on this side do have some enthusiasm for moving ahead with the business of the house. I do not think this is helping in any way whatsoever. There is no criticism with respect to the material being discussed, but can we proceed with the presentation of petitions?

Senator Molgat: Senator Kelly, I can understand your frustration. Frankly, I think that in addition to giving you the names on the petition, something which does not convey very much of anything, it would help your understanding of the

depth of feeling that the people who have signed these petitions have if I give you a description of who these people are. I cannot give you a description of each individual, but I can give a description of the region from which they come and the background of the region. In this way you can appreciate the petition more fully and it will be more interesting for you than simply to have a dry reading of the names.

If you prefer a dry reading of the names, Senator Kelly, let me assure you that I can do that, and I can do it for a long time, from the small file I have here. I thought it would be helpful to the Senate if I were able to give you a little more meat along with the names. That was my reason for proceeding in this way. I hope you will understand.

Senator Frith: The rule seems to contemplate remarks. It uses the word "remarks."

Senator Molgat: Yes, I think it allows for a brief explanation.

Senator Frith: I think the word is "remarks."

Senator Molgat: The last name I believe I read was the name of Gladys Houston from Neepawa. This is a lady I have known for many years. In fact, her father was a great man. He was a poll captain for me for many years. He was obviously very well-intentioned.

As I pointed out, this petition was probably in some store in the region of Neepawa, because there are names of people from various places across Canada. There is the name of a person from Vancouver.

(*Names of signatories read*)

I have a few other petitions to read. The note on the petition is that the signatures and addresses must be handwritten originals. I have checked, and they are certainly all handwritten. They all seem different. They do not seem to have the same handwriting. It also states on the petition that each signatory must state his or her address. That is certainly the case. It also states that the petition must be free from erasures or interlineations. I see none whatever. It states that a duplication of signatures will result in the petition being ruled unacceptable to the Senate. "Please sign only once," it states. I see no duplication on the list that I have here.

Once again, the petition was prepared by the IRATE Citizens, Box 1473, Peterborough, Ontario, K9J 7H7, telephone number (705) 741-1565. I note that Senator Cogger is not in the chamber. He was asking specifically the other day as to source, which is the reason I think I should put this on the record. I think the petition is perfectly within the rules and in order. I am pleased to submit it to the Table.

I have a number of other petitions here. I will be prepared to proceed with them at a later time. I realize that Senator Kelly is probably getting tired of hearing my voice and would probably like to hear from a senator from some other part of the country. I will now yield to one of my colleagues.

Hon. Paul Lucier: Honourable senators, I also have some petitions which I would like to present to the Senate today. The names on the petitions which I am about to present, as has been the practice, are the names of people who object very strenuously to the goods and services tax, with good reason. They feel it is being imposed on them unfairly. They feel that it is an unfair tax. They feel that it is a regressive tax, a tax which seems to be the end-all and do-all for this government which seems prepared to risk the wrath of all Canadians—

Senator Kelly: Honourable senators, I rise on a point of order. I am glad that Senator Frith is in the chamber. He has always been my last word regarding the relevance of various rules of procedure that I come across from time to time. I raised this matter before when he was not in the chamber.

Senator Frith: You sweet talker, you.

Senator Kelly: In *Beauchesne's Fifth Edition* at page 213 the method of presentation of petitions is dealt with. It states, "When a Member presents a petition, he may not make a speech nor present argument in support of the petition." The point of my objection is that Senator Lucier is, in fact, making a speech in support of the petition and is presenting argument.

I do agree that that specific matter is not referred to at page 57 of our rules. I just want to know whether this procedure described in *Beauchesne's* is nonetheless relevant to this chamber.

Senator Frith: As honourable senators will know, and as Senator Kelly will know, we do resort to *Beauchesne's* from time to time. In fact, because our rules are not as detailed as they are in the House of Commons, we have occasion to refer to *Beauchesne's* from time to time. However, I think it is quite clear in our Rule 1 that we should only have to do so when we cannot find the answer between the red covers. Our own rule is not radically different.

Senator Carney: It is on page 57.

Senator Frith: Yes, I have it right here before me. It is set out there. Of course, there is some room for interpretation about what is "brief," but it states that a senator may present any petition entrusted to him. It does not have to be addressed to him, as long as it is entrusted to him. I do not think there is a problem with that. It then goes on to state that the senator presenting a public petition makes a brief statement to inform the Senate of the contents of the petition and that the petition itself is not read. That is what Senator Lucier has done. He has said what the petition is about.

It then states that the text of the petition and the names of the petitioners attached thereto are not printed—it does not say "not read", but "not printed"—in the *Debates of the Senate.*

I think it is reasonable to say that in some cases there may be differences of interpretation as to how brief or not brief the remarks are. If it gets to be beyond a description of the petition, which I think is what Senator Lucier was doing, then

I think the answer for us is here in our rules rather than in *Beauchesne's*.

Senator Lucier: Honourable senators, I will proceed with the reading of the names on the petitions. From time to time I think that, obviously, I will be commenting on what I think is the main objection to some of these people. Unlike Senator Cogger, I do not think that we are spending too much money to represent the people of Canada who feel that we are obviously their last resort in trying to deal with this government and with the dictatorial Prime Minister that we have. I do not share that view.

I also do not share the view that we are the only ones who may be saying more than would ordinarily be allowed under the rules in certain circumstances. I was here on, I believe, Saturday—however, it may have been Friday, since all the days seem to be blending into one another—when Senator Simard stood in his place and spoke for 15 or 20 minutes without a petition in his hand. At least we have the decency to hold petitions in our hands when we do this, or have them in front of us at least. We are speaking to petitions.

I understand Senator Kelly's frustration. I have no problem with that. I have always found him to be a very decent and pleasant man in this chamber. I respect him very much. I understand his frustrations. I hope that he understands mine in trying to deal with the people I represent in northern Canada who are being told that they will be saddled with what I think even Senator Kelly would have to agree—if we could get him away from this chamber—is an unfair tax as far as the people who live north of the sixtieth parallel are concerned. I am not saying that they are the only ones being affected in an unfair manner; they are not.

Senator Frith: It is just particularly cruel.

Senator Lucier: It is a cruel tax. The strange thing about this tax is that the farther away one gets from central Canada, the more difficult it is to earn a living, the more difficult it is to survive, and the more tax you pay. It is just the weirdest situation that anyone could imagine. You just cannot believe how they feel out there.

Senator Kelly: May I have another brief moment to respond to that?

Senator Lucier: Yes.

Senator Kelly: I must accept the strong likelihood that the point that is being raised is a valid one. I would like to refer to comments I probably made out of order, and I cannot recall either which day or night it was. When the Standing Senate Committee on Banking, Trade and Commerce dealt with this bill, it identified three or four additional areas that need some examination, some possible negotiation aimed toward improving the bill. I pointed out that the tragedy of our circumstance is that the conclusion coming off the end of the study simply says, "Let's do nothing further."

I think that we have failed in our responsibilities at the committee stage to examine the kind of thing that the honourable senator is talking about, as well as other things. We are sort of in an all-or-nothing state right now, which is a tragedy. I do not believe that all these proceedings really help with that situation at all. I really do believe we have to come closer to grips with Bill C-62 and what appropriate amendments, if there are amendments, need to be made. If there are adjustments, or whatever, to improve the legislation, then they should be made. We are all looking wildly around with one-half of this chamber saying, "Let's throw it out" and the other half saying, "Let's put it in." In the meantime, we are finding ways of doing neither. That is the state we are in now, and it is too bad.

Senator Lucier: Senator Kelly, I accept part of what you say. I agree when you say that the committee through frustration and reality has been told that this provision is going in. In fact, your leader keeps saying that it is going in. He tells the press every day right outside these doors, "Don't you guys worry, we are going to get them. We have the numbers. We are going to get the GST and it will go through. It will go through before January 1."

Sir, let me tell you that the governments of the Yukon and the Northwest Territories have been discussing with the minister, with the Department and with the Conservatives exactly the point you are making, that these are areas that should be looked at. The government has said, "No. This is the bill that we are putting through."

What you are saying makes sense. If we had been able to go up there and hear what they had to say, and if they objected, then you could say, "Well, they have some objections. Let's look at them." The objections were made long before to the government.

Senator Frith: The government is just not listening to you, senator.

Senator Lucier: That is very true. The government is not listening to Senator Kelly either. That brings me to the point I have been trying to make. When I speak on these petitions, Senator Kelly, I continue to bring the point home to those senators who really have a feel for the people who are going to be offended by this measure. I have no problem with Senator Eyton and the senators who are well-heeled and who represent a lot of companies who have come here for one purpose. They have come here to pass the GST. That is what they will do, come hell or high water. That does not bother me. However, that is why I keep appealing to people like yourself, Senator Kelly, and to Senators Marshall and Muir—the people who have to go back to the communities in Newfoundland and Nova Scotia, the communities which will be very seriously affected by this bill—to represent those people. They are saying, "Don't do this." How can you ignore them?

Senator Kelly: We are talking about the process of this chamber. In the latter stages of the study by the Banking committee on Bill C-62, the Prime Minister himself clearly indicated that there was room for the examination of items and matters that were being discussed by the committee and

by the Senate. The Senate did not respond. The committee report simply states, "There are a lot of things that should be looked at. Let's drop it and do nothing further." That is what we said. Each side is now trying to recover in some fashion.

Senator Frith referred to the Leader of the Government and what he may or may not be saying to me. But what are the media hearing from the other side of the chamber? They are hearing, "We are going to block it. Whatever it takes, it is not going to get through." We have heard Senators Frith, MacEachen, Grafstein and Molgat on this subject. Why are we in this kind of nonsense? The people we are hurting are all the rest of the people of Canada. Do you realize that this exercise is not just holding up Bill C-62 but that it is totally holding up all government action? It is just ridiculous. Let us find a way to proceed. We have a great many petitions. We are in the presentation of petitions at the moment. Let us get them presented, then back to the order paper and back to the basic issue of Bill C-62 to see whether either side is right.

Senator Frith: While we are on this question of delay, I think it is worthwhile recalling that in the not too distant past, namely, a few weeks ago when the report came into the chamber, just in case there is some idea that the Liberals are the only ones who filibuster, the chairman of the committee was trying to present his report and table it. At that time, when the government had a few less supporters than did the opposition, we went through three or four days of filibuster by the government. We do not complain about your filibustering. Of course it was in your interest to filibuster at that time, because the chances were that if you let the matter come to a vote you would have lost that vote. In the interval between now and then we have had the appointment of some senators under an obscure, or at least seldom used, provision of the Constitution, whose qualifications to vote we challenge here and in the courts.

Quite honestly, we are now the ones filibustering to try to prevent this matter from coming to a vote, because we challenge the right of some senators to vote, and because we know that under the present circumstances bringing it to a vote is not in our interest, which interest is to kill the vote. Thus, we are using a device known as a filibuster, which is equally well known to the government because it used it for its purposes until it got its questionable senators seated.

Senator Kelly: I challenge the suggestion that the actions of the government side of this chamber were a filibuster in the same sense when the committee report was presented.

Some Hon. Senators: Oh, oh!

Senator Kelly: Hear me out, please.

Senator Frith: If you are not honest enough to accept that you were filibustering in the committee and in here, then so be it.

Senator Kelly: Senator Frith, you described the circumstances quite accurately.

Senator Frith: You are suggesting you did not use a filibuster.

Senator Kelly: Will you please hear me out and see if perhaps we differ on what a filibuster is? What I heard happening when the report was tabled was senators—and I was not present at the committee, as you well know, during the summer, so I was only hearing for the first time points of privilege—saying that a report was developed under the sole direction of the chairman of the committee. Neither members of the steering committee, the deputy chairman of the committee, nor any member of the committee, saw any part of that report through its development until all of a sudden it was presented with time allocation. They said that that was abuse of their privileges. To me it sounded like it was, unless there was something that was not being said or unless there was some response that I did not hear. If you are suggesting that the purpose was really not to raise the question of privilege but to filibuster, then perhaps it was. What I heard sounded to me like a legitimate abuse of privilege.

Senator Frith: You are a nice man, senator, but you are naive.

Senator Kelly: Perhaps.

POINT OF ORDER

Hon. Pat Carney: Honourable senators, I rise on a point of order. If honourable senators will recall, Senator Lucier talked about Senator Eyton. He made some remarks about Senator Eyton being well-heeled. He is not in the chamber and therefore cannot speak to those remarks. However, he may wish to withdraw his reference. I notice that our rules say that all personal, sharp or taxing speeches are forbidden. Perhaps Senator Lucier wishes to get into the corporate connections or the assets of senators on his side of the house. I am sure that we can read that into the record at the appropriate time. However, I think in the meantime that he may wish to withdraw a personal remark made about a member of this chamber who is absent.

Hon. Paul Lucier: Honourable senators, I will first respond to the point of order and then revert to petitions. First, I would like to say that when I was speaking of the position of Senator Eyton, and other senators, the term well-heeled may or may not have been proper. If it was improper, then I apologize for it.

What I was trying to point out was that I do not object to people such as Senators Eyton, Molson and others who hold directorships in large corporations voting for and supporting the GST. I understand that. That is their role. That is a constituency that they represent in the Senate. They do not represent ordinary Canadians who have signed these petitions. They represent the manufacturers and the people who will benefit from this transfer of wealth.

• (1515)

So I have absolutely no problem with Senator Eyton, for whom I have the greatest of respect, doing this. I admire Senator Eyton's successes. I think he has every right to stand in this chamber and support the manufacturers and others who have an interest in seeing the GST passed.

Senator Carney: Honourable senators—

Senator Lucier: Let me finish and then you will have your turn, Senator Carney.

What I am trying to do is appeal to those senators who come from the areas of Canada that will pay more so that Senator Eyton and the people he represents will be better off. I am appealing to those senators.

If I said anything that could be interpreted as being an insult, or if I used the wrong terms in describing Senator Eyton or other senators who hold directorships and so forth, on both sides of this chamber, then I withdraw those remarks unequivocally.

Senator Carney: May I ask the honourable senator a question?

Senator Lucier: Yes.

Senator Carney: You mentioned Senator Eyton and other senators who are directors of Canadian corporations and said that they do not represent ordinary Canadians.

As the honourable senator well knows, his own leader, Senator MacEachen, left the country during this filibuster to go to Brussels to serve as Chairman of the International Advisory Committee of the Bank of Montreal. Is the honourable senator suggesting that he does not represent ordinary Canadians? Is the honourable senator saying that because of Senator MacEachen's corporate connections he does not represent ordinary Canadians? That is the point the honourable senator made about other senators.

Senator Lucier: Senator MacEachen was not appointed to the Senate with explicit instructions to vote against the GST. Senator MacEachen has spent his life in Canadian politics defending the people of Nova Scotia. No one has ever questioned whether Senator MacEachen represents the people of Nova Scotia, no matter which House of Parliament he was serving, and he has spent a lot of his life in both. I was referring to those senators who were specifically appointed to vote for the GST. If I have personally offended Senator Eyton, I withdraw my remarks.

Senator Carney: I am delighted to hear the senator say he will withdraw his offensive remarks. However, we do not accept his allegation that Senator Eyton was appointed to the Senate for the sole purpose of voting for the GST. He was properly appointed to this chamber by the Governor General, on the advice of the Prime Minister, as the rest of us were, and I think the senator is on dangerous ground in suggesting that Senator Eyton does not sit in this chamber as the rest of us do. For the honourable senator to say that Senator Eyton has been given a specific mandate to perform is unfair. It is not just unfair to Senator Eyton, but to other senators.

Hon. Jerahmiel S. Grafstein: I think Senator Carney has a point. I think it would be more appropriate if Senator Lucier were to make such comments in relation to the additional eight senators that have been appointed. I may be mistaken, but I do not believe Senator Eyton is part of the "British eight." I believe he was appointed prior to those appointments, although I may be mistaken.

I had assumed that the comment was more directed towards the so-called "British eight."

Hon. Roméo LeBlanc: Senator Carney seems to have assumed the role of Mother Superior regarding the rules of this place.

Senator Carney: Someone should.

Senator LeBlanc: I have listened to Senator Carney for a long time now. She can just be quiet for a minute. If Senator Eyton is well-heeled or down-at-the-heel, I think that is an issue for his shoemaker to examine and not the Senate.

When I look at my shoes I see that I am down-at-the-heels. If somebody said to me, "You are down-at-the-heels", I might take slight offence, but I am not sure I would make it a case of paralysing the Senate.

Since Senator Carney has taken on the duty of defending the rules of this place, I should like to ask her where she was when the rule on page 70 was suspended. Where was she at 5.25 p.m. when the doors were locked and the vote taken by the Speaker? There was a letter sent to a selected few, but the Speaker himself did not even obey his own rule. He said he was going to call the vote for 5.30 p.m., but it actually took place at 5.25 p.m.

Where was Senator Carney? She was here voting. She was not defending the rules of this place then. She was part of the conspiracy. The day she explains how she grossly violated the rules, as she did, will be the day we will pay more attention to some of her points of order.

Some Hon. Senators: Hear, hear.

Senator Lucier: I should like to respond to Senator Carney's question.

Senator Carney: I should like to respond to the allegations being made against me.

Senator Frith: Let's have a "responsive afternoon."

Senator Lucier: Senator Carney suggested I may be on dangerous ground in suggesting Senator Eyton or other senators opposite were appointed to the Senate specifically to vote for the GST.

First of all, respecting the eight new senators, they were appointed specifically by the Prime Minister to vote for the GST. The Prime Minister and Harvie Andre told us that they

were appointed so that the GST would pass. I have never been on more solid ground.

I have spent half my life on dangerous ground, but I do not think anyone could stretch things so far as to say that the other 16 senators, including Senator Carney, were going to come here and vote against the GST. Had they said that publicly, they would not have been appointed. If anyone believes that, they certainly believe in Santa Claus, and I do not.

Senator LeBlanc: And the tooth fairy.

Senator Lucier: To strengthen my point, Senator Twinn, who is part of the other 16, was specifically brought in to vote for the GST. I say that because when Senator Bielish rose to tell us she was resigning early, she said that that was because the Prime Minister wanted the vacancy so that he could appoint a senator to be here when the vote was taken. Senator Bielish would have stayed a little longer had that not been the case. She retired early so that she could be replaced by somebody who would be here to vote for the GST.

Were anyone, in his wildest dreams, to suggest that the 24 senators who have been put in here in the last month or so—honourable people all—were appointed to the Senate for any other reason than to vote for the GST, he would not be living in the real world.

I know they will do other tasks and carry on their duties as senators, and on that basis I welcome them.

Respecting the additional eight, if and when the courts decide that they were properly appointed to the Senate, I will welcome them. I do not have a problem with that, but I sure have a problem with somebody suggesting to me that the people of Canada are so stupid that they do not realize why these 24 people were appointed to the Senate. You and I know why they were appointed to the Senate. There is no doubt in anyone's mind about that.

I will let you respond to Senator LeBlanc's point now, senator.

Senator Carney: That is kind of you. I should like to note that the senator did withdraw the personal remarks, as I asked him to.

Senator Lucier: You likely do not have the decency to understand that when I make mistakes—and I make them every day—I am only too happy to get up and correct myself. I have done that in the Senate many times before, and I will continue to do so.

The senators who have been here for some time know me well enough to know that I am not as arrogant as some and that if I make a mistake I will correct it. Senator Carney does not have to keep bringing this to the attention of the Senate. Everybody here who knows me knows that I would do that voluntarily.

Senator Carney: I thought it might be overlooked by members of the Senate that I had raised a point and that you had been gracious enough to withdraw your offensive remarks and comply with the rule I noted earlier that one should not make personal remarks.

You then went on to personal remarks about other senators, but I will leave that for them.

Senator Lucier: Are you suggesting I cannot make personal remarks about other senators? I can make all kinds of personal remarks, although I cannot make derogatory remarks. I can make a personal comment about Senator Macquarrie: He is one of the nicest senators ever to go to the Yukon. That is a personal remark, and I am not prepared to withdraw that.

Senator Carney: Then I suggest that in order to establish precedence you should continue to make complimentary remarks about senators on this side of the house. Perhaps that would resolve our problems. Then we would have a new interpretation of this rule.

Senator Lucier: I have been doing that for 15 years. I promise you I will try to do so in the future.

Senator Carney: In respect of Senator LeBlanc's comments to the effect that I am assuming the role of Mother Superior regarding the rules, let me point out that it is only because of the sinners on the opposite side of this chamber. I have been forced to call their transgressions to the Senate's attention.

If senators opposite would obey the rules of the Senate, then I would be allowed to carry out my duties in a manner they would find less offensive.

Senator Thériault: Then the honourable senator should start making complimentary remarks about senators on this side.

Senator LeBlanc: Let me say that it is not senators opposite who have made the rules. The complete Senate makes the rules. Senator Molgat can testify to that. The rules are discussed carefully, seriously and extensively in his committee, and then his committee brings recommendations forward. I know of no objection ever voiced—I have been here for over five years, and I have not missed many sittings—to the rule that the whips should enter the chamber and give the signal to the Speaker before a vote is taken.

I do not think anyone bothered to put a rule in the books to the effect that if the Speaker announces a vote for 5.30 p.m. he should lock the doors at 5.25 p.m. It makes eminent sense that one not put that in the rules.

The honourable senator opposite voted but she did not think she was violating the rules at that time. I suggest that she read page 70. It spells the rule out carefully.

Again, if the honourable senator thinks it is a personal attack on a senator to say that he or she is well-heeled, I should like to see a letter on the subject.

Hon. Orville H. Phillips: Before Senator Lucier resumes his remarks, let me say that I was intrigued by the amount of time he spent referring to the fact that there are a number of senators on this side who have been appointed in the expecta-

tion that they will vote for the GST. On the other hand, he failed to mention that the Leader of the National Liberal Party of Canada, Jean Chrétien, announced before there was a caucus of Senate Liberals that they were going to oppose the GST, that they were going to kill it. He announced well in advance the shameful conduct of honourable senators opposite. He came into the public galleries and cheered on senators opposite when they were acting like a bunch of juvenile delinquents blowing kazoos and banging their desks.

Senator Frith: And stopping senators opposite from ramming this thing through.

Senator Phillips: What they did was completely unparliamentary.

Senator Frith: Locking the doors was parliamentary, was it? How could you disgrace the office of the Opposition whip?

Senator Phillips: Why did the Honourable Senator Lucier not take a few moments to explain why he followed Jean Chrétien's instructions and behaved the way he did the other day?

Hon. Royce Frith (Deputy Leader of the Opposition): Speaking of behaviour, this is an appropriate time to examine the behaviour of senators. I will describe the following senator. One of the longest-serving senators in this chamber is the Government Whip. This senator participated in hundreds of votes. This senator has never participated in a vote unless he was in the chamber and the other whip was in the chamber.

Senator Molgat: Scandalous!

Senator Frith: He has never done that. He is one of the best known whips on the Hill. From what I understand, metaphorically speaking, several of his colleagues over there know how stinging his lash can be.

But I am talking about votes. We talked about the fact that never in the history of Commonwealth Parliaments, to our knowledge—and nobody has come up with any defence or any evidence to the contrary—has a Speaker held a vote when the opposition were locked out. Never has a vote been held in the absence of the opposition.

As far as I know, neither at Westminster or Canberra or any other Commonwealth Parliament—perhaps any other Parliament in the world this side of the Iron Curtain—has there ever been a whip who would so disgrace his office as to participate in a vote in the absence of the other whip.

Any honourable senators who know Senator Phillips can imagine what he would have said and what his reaction would have been if, for example, there had been a circumstance where a vote was forced on a short bell on the report of the Standing Senate Committee on Banking, Trade and Commerce killing the GST. Picture the scene: The circumstances exist for the opposition to win a vote that would kill the GST and the bells are ringing. The whips leave. The vote is to take place when they both return, as is the custom in Commonwealth Parliaments for all time. Why? Because there is to be a vote and the House wants to know that all of those members who want to participate in the vote are present. How does the House know that they are present? Because the whips come in.

Think of what Senator Phillips would have said if we had been able to get in here and Senator Phillips was not able to get in. Let us assume Senator Phillips is afraid he might not win the vote and is afraid to bring his people in. We are in. Phillips is outside. What is he doing outside? He is doing exactly what he should be doing. He is saying, "I am not ready to vote. I am not going in." He is telling his side not to go in because they are not ready.

For over 150 years in this country, and hundreds of years everywhere else, this has been the procedure—that is, that the whips go in to let the house know that both sides are ready to vote.

Continue picturing the scene: Phillips says, "Don't tell me Petten that you are going to go in there and hold a vote without me going in, that is unheard of", but we come in and Petten comes in, but none of the opposition comes in because Phillips has told them not to come in. Then we say to the Speaker: "Lock the doors." Does the Speaker say, "Well, I cannot lock the doors. Where is the other whip?" No, he says, "That is fine. Lock the doors. Let the Grits come in and we will kill the GST."

We would have killed the bill because none of you were here to vote for it.

Then what do we say? We say what Phillips says and what others have been saying, "You wouldn't have come in anyway."

You are damn right we would not have come in. We were not ready. That tradition has been broken. Votes are not held until the whips are in.

Can honourable senators imagine what we would have heard from Phillips? I can tell you it would have made what Petten said seem mild. How could Petten possibly have contained himself at this knavish act his fellow whip pulled on him? If you can imagine what Phillips would have said had Petten pulled it on him—well, can you imagine if all honourable senators opposite had arrived at the door and it was locked and a vote was underway?

I ask honourable senators opposite to think about what I have just said. Think about coming down and not being ready to come in and finding the doors locked and a vote underway. If Conservative senators had come down and found the doors locked and Senator Phillips standing in the anteroom, they would have asked him what was going on. Phillips would have said: "Don't worry; they cannot hold a vote without me being there." Imagine what would have happened if 15 minutes later the doors had been opened and we said: "The GST is dead." Senators opposite would have shouted: "What do you mean the GST is dead? Do you mean to say you held a vote in there that killed the GST without us being there? Do you think we will accept that?" If we responded to them by saying, "Well,

you were not going to come in anyway," they would have said: "The point is that our whip, Senator Phillips, told us not to go in because he was not ready for the vote."

Would honourable senators opposite have accepted that? Would they have simply said: "Well, we have lost the GST. The battle is over. Everything is all right. We will not make a fuss. We will not bang our desks. We will not be frustrated. We will not blow any whistles. We will not make any noise. We will not filibuster any privilege motions. That is perfectly okay, although it was not a nice thing to do. We are a little annoyed and quite upset that you have managed to kill the GST by holding a vote in the absence of our whip; however, we must be ladies and gentlemen about this, and it is too bad but there goes the GST, even though Senator Petten directly broke the rules and traditions of hundreds of years."

Would honourable senators opposite have said that?

Senator Phillips: Since my name was mentioned several times, I think I should have an opportunity to reply. The vote was called on a dilatory motion to adjourn the Senate. For about the third time in as many weeks Liberal senators had gone on strike. They were on strike. They were on strike because their leader was in Brussels representing the Bank of Montreal.

Senator Frith: And every time you refused to come in in the past were you on strike?

Senator Phillips: Only one senator has the floor at a time. You should learn some of the rules, Senator Frith.

Senator Frith: Sickening! How would you like it if we changed them in the middle of the game?

Senator Phillips: As the whip on this side, I have respect for the Chair and the decisions of the Chair. I have been here longer than you have, and I have not instituted an appeal of a Speaker's ruling yet, and you have not accepted one yet. That is the difference between us. There was a direction from the Chair to come in and I obeyed it and came in.

Senator Frith: It was your duty, senator, to say, "No, I will not do that."

Senator Phillips: That is not my duty. My duty is to respect the ruling of the Chair.

Senator Frith: Your duty is to observe the rules.

Senator Phillips: The Speaker rules the chamber; that is why he is in the Chair.

Senator Frith: The rules are supposed to run this place.

Senator Phillips: The Speaker is not a creature of the whips. The Speaker is in charge of this chamber. The whips do not direct the Chair; the whips take direction from the Chair.

Senator Molgat: They do not take direction from the Chair!

Senator Phillips: They do.

Senator Frith: They take their direction from the rule book.

Senator Phillips: The whips come into the chamber at 2 o'clock when the bells ring, not when they decide. If the bells are ringing that means the Speaker has summoned us for 2 o'clock. When the Speaker summons us at 5.30 p.m., I go in. I would do the same again.

Senator Frith: You would, would you, even though that would be against the rules?

Senator Phillips: That is the Speaker's decision. That is not my decision and it is not your decision.

Senator Frith: I am glad to have that on the record. You do not consider yourself bound by the rule book but by anything the Speaker says.

Senator Stanbury: Who appoints the Speaker?

Senator Phillips: We are all bound by the rule book.

Senator Frith: That is precisely what Senator Phillips is saying, that he will do what the Speaker says, not what the rules say.

Senator Phillips: I see no reason to throw the rule book out the window and show disrespect for the Speaker because the Leader of the Opposition was in Brussels on business for the Bank of Montreal.

Senator Frith: Why did you throw it out, then?

Senator Phillips: I did not throw it out. I have my book on my desk and you have one in your hand. I would like to see you follow it for a change. You have not followed it for the past three weeks. I would like you to start showing a bit of respect for the chamber. That is an element of parliamentary procedure that has been completely ignored. Never in Westminster did anyone do anything like honourable senators opposite have done.

Senator Frith: Neither has anyone ever been so provoked to do that by someone who so disgracefully did not follow the rules.

Senator Phillips: You cannot find an example of that in any other Parliament.

Senator Frith: No, you cannot find an example of what you did anywhere.

Senator Phillips: I hope that when honourable senators opposite come to their senses and the phases of the moon change and they return to sanity they will stop and think about their actions and apologize to this chamber for the misconduct of the Deputy Leader of the Opposition and the other juvenile delinquents on his side. We on this side are entitled to that apology. We have privileges. We have work to do and we want to get on with it.

Some Hon. Senators: Hear, hear.

Senator Frith: We now know who runs this whip; the Speaker runs this whip, not the rule book.

The Hon. the Acting Speaker: May I remind honourable senators that we are on Reading of Petitions.

Senator Grafstein: Senator Phillips and others opposite have said that Liberal senators were on strike. What evidence does the Honourable Senator Phillips have to indicate I was on strike, never mind anybody else?

Senator Phillips: If the honourable senator was not on strike, he should have been in the chamber. Does the honourable senator need any more evidence than that?

• (1545)

Senator Grafstein: Senator Phillips, I indicated on the face of the record, as best I was able to recount those circumstances, how I received the information about the vote in this place. I then found, to my dismay, when I read *Hansard*, that even the notice that was sent, which I did not receive—

Senator Phillips: Respect the rules! The Speaker is on his feet.

The Hon. the Acting Speaker: Senator Lucier.

Senator Grafstein: On the face of *Hansard*, in the notice I did not receive, the Speaker indicated, apparently, to certain senators—not to all senators—that a vote was being taken at 5:30. *Hansard* indicates that the vote was taken at 5:25. I assume that part of the anger shared by senators on this side was what we considered to be a total breach of the rules. It is not something being concocted by Senator Frith or other senators; it is on the face of the record. A notice went out to certain senators, and even to those senators the action of the Speaker was incorrect because he called for a vote at 5:30—

Senator Frith: He does not have the authority to do that.

Senator Grafstein: —which he did not have authority to do in any event. But assuming, for the moment—

Senator Frith: I will not assume.

Senator Grafstein: —that notice was received, the vote was then called at 5:25. I assume that Senator Phillips, as the whip, participated in that without checking the clock. Did he check the clock to see when the vote was taken? I would like Senator Phillips to respond, because he has made an allegation about me. He has said that I was on strike. I was at a caucus meeting in a room nearby. I was not on strike. I repeat that I was not on strike.

Senator LeBlanc: Honourable senators, I have listened to this discussion very carefully. I was one of those who was not on strike. There was no strike. I was simply told that there was a vote called for 5:30. I was in my office downstairs getting ready to have dinner with my daughter. I went upstairs and met a couple of Conservative senators who were sneaking into the chamber from the reading room. Then I was told that no, there was no vote. The whip was not ready. I went back to my office.

I turned on the appropriate channel and what did I hear but the reading of the names of all honourable senators on the other side. I was as indignant as I have ever been in my life. My right to vote had been stolen from me. It had been denied me.

I think Senator Phillips's comment will be important and useful when the record of this ugly occasion has been written. He has given the Chair authority that it does not have. Not only that, he has confused the respect we should have for the institution of the Chair—the respect that we cannot have any longer for the holder of that Chair—because its occupant is simply a creature of the Prime Minister by Order in Council, without consultation.

The history of that position is that it is somewhat born in sin and that it earns a level of virtue by being fair. Fairness is a quality which all people in this house will recognize when it is exhibited, but it was not exhibited in this case. I think that the contribution of Senator Phillips, as the key player, along with Senator Murray, the Leader of the Government in the Senate, is important.

I have always suspected that the two or three line letter, with its mysterious phrase, "the breakdown of the political process," was not written by Senator Charbonneau's office. I will tell senators why—because Senator Charbonneau has a better letter writer than that. I think it was concocted by the Leader of the Government and, probably, the whip, who decided that they were going to pull a fast one, a cute trick.

Honourable senators, when you play loose with the rights of the members of this chamber, that is not a cute trick—that is a dirty trick.

Hon. Finlay MacDonald: Honourable senators, those of us who remember that day are still somewhat puzzled. I think the question we must ask, for purposes of explanation, is: Why did not Senator Petten, the Liberal Whip, put this in another context? Why did he not come to Senator Phillips and ask, "What the devil is going on, Orville? I just received a notice."

Senator Petten was here. We saw him. Why did he not say to Senator Phillips, "Look I need time. I need time to get my troops together." Did he make that request of Senator Phillips?

Senator Stanbury: Yes, he did.

Senator MacDonald: Had he made that request of Senator Phillips, Senator Phillips could not have refused him. There is no way in which Senator Phillips has ever refused him. Why did he not say, "Senator Phillips, you can keep the bells ringing as long as you want. I need another two hours"?

Senator Cools: Senator Phillips just said that he took his orders from the Speaker!

Senator MacDonald: The whips operate either under their own authority or under instructions. Please don't con a conner. Senator Petten waved everyone on the Liberal side away from the chamber when the vote was being taken.

Senator Cools: Not everyone—three or four.

Senator MacDonald: Everyone who was there. He pulled a lu-lu. He set up three days of questions of privilege through that simple exercise of waving away the Liberal senators.

Senator Stanbury: Not so!

Senator MacDonald: Oh, come on!

Senator Thériault: I did not see the letter until nine o'clock at night.

Senator MacDonald: I do not receive letters from Senator Phillips.

Senator Grafstein: I may be wrong about this, honourable senators, but my understanding is that the obligation on each whip is to look at one another to see if they are in concurrence, after which they go into the chamber. That is the limited contact that they have. Each side decides, based on whatever the superstructure is with which we must deal, when to enter the chamber. It is not a question of one whip saying, "By the way, I need an extra 15 minutes." He nods and they go in. That is all. That is parliamentary practice.

That is the practice Senator Frith was talking about. The whips nod and they go in. Once they nod and go in, the vote is taken shortly thereafter. That is the practice—nothing more and nothing less. There is no authority or right or responsibility for a whip to give explanations, as I understand it.

There is another point with which, perhaps, Senator MacDonald could deal. Where was the authority to do what the Speaker did? We do not see it. It is invisible to us. He had no authority. Senator Petten, I assume, confronted with the letter, there being no authority, asked himself, "What should I do?" Nothing—that is what he does.

Senator Murray: Not quite nothing. He was out there shooing Liberal senators away.

Senator LeBlanc: I think Senator MacDonald raised an important point when he asked why the whips did not speak together. I was one of the people who was going to suffer because we did not expect a vote before the end of the afternoon. We thought there would be no vote before dinner. Senator Petten found that he had been given 20 minutes, and the Speaker made that decision outside the rules. Nowhere did I find the Speaker having that authority. It just came out of the loins of Jupiter. He said he had this new authority, this "breakdown of the political process" theory. That's a good one. Senator Petten was probably trying to figure out what was going to be done.

• (1600)

This is where I come to the point Senator Phillips made. Senator Phillips, upon receiving a letter from the Speaker, automatically lost all judgment, clicked his heels and said, "Aye, aye, sir, I obey and I send in the troops". I am sure that anyone who knows this building and the two other buildings we occupy finds it difficult to believe that somehow Senator Charbonneau's letter was received by both Whips and both leaders at the same time. Perhaps Senator Murray received a copy of the letter, but those obedient senators—52 of them if my memory is correct—were all sitting in line, ready to go, before the gun was fired at 5:30, and ready to vote in the absence of their colleagues in this house.

Does Senator Phillips expect us to believe he is so obedient? Those of us who know him have never found him obedient to a lot of institutions. It is difficult to believe that he suspended his judgment, his sense of fair play. He may be a tough Whip for us at times, but we have always thought him to be fair. But to have us believe as sane, adult human beings, the scenario of those good people sitting in their place five minutes before the gun was to be fired for the vote to take place—and I happen to believe in fairy tales and the tooth fairy—is too much to swallow.

Senator MacDonald: Senator Frith has already indicated his impatience with ploughing the same furrows again with regard to who was where and what time it was. We now know where everyone was when these letters arrived. My question may be technical, Senator LeBlanc, but I know and many senators know that the Liberal Whip, Senator Petten, with five minutes' notice could have stopped this from occurring until he, Senator Petten, had collected his little chickens from wherever you were. He did not. They could have come from Montreal. That vote could have occurred at 9 o'clock. You know that.

Senator Cools: No!

Senator MacDonald: Why do you say "No", Senator Cools?

Senator Cools: Because the Speaker's letter was explicit as to its intention. Honestly, senator, we are not children. The Speaker's letter was explicit, and the fact that you were in position in advance of 5.30 tells us something. I have been here for many votes, Senator MacDonald. People straggle in one by one. It is a slow process. Also, senators watch the Whips. So let us not kid ourselves. Everything was in position and ready to go. We were the ones who were taken by surprise.

Senator Molgat: Senator Phillips said himself ten minutes ago that he was coming in because the Speaker said so. His instructions came from the Speaker, and he followed those instructions. He specifically said that ten minutes ago. The record is perfectly clear.

Senator MacDonald: I should like to ask Senator Phillips a question. Senator Phillips, did Senator Petten ask you at any time—

Senator Thériault: On a point of order, Senator MacDonald, would you not think it would be fair to wait to make that point until Senator Petten is here? Are you always trying to go behind a persons's back? That is not our way. Show some sense.

Senator MacDonald: I wish Senator Petten was here, Senator Thériault, but I asked the question of Senator Phillips. Senator Petten can raise a point of order when he returns. I am asking Senator Phillips if he ever refused a request from his counterpart on that side to delay a vote because he,

Senator Petten, your Whip, was not ready? Did he receive a request from Senator Petten that day?

Senator Grafstein: He is not obliged to.

Senator MacDonald: You are not obliged to do anything, but you are claiming you were not give the right to vote. Senator Petton could have had all the time in the world to bring you here.

Senator Wood: I would like to answer Senator MacDonald. If you read page 2399 of *Hansard* of October 4, you will find the answer to your question in what Senator Petton said:

> Honourable senators, may I have a word. Let me say that I heard there was something taking place in the chamber. I thought I had better go down to the chamber to see what was going on. When I did I ran into my colleague, Senator Phillips. Oh, I am not going to say anything about him, Senator Murray—we just chatted for a moment. I asked what was going on. He asked me if I was going in and I said: "No, I am not going in now".
>
> Senator Phillips and I have been Whips together for some six years. Many times he said to me: "No, I am not going in now". So I said the same to him. While I was talking to him I was handed a copy of a letter. It was then 20 minutes past 5.

That should answer your question. He went on to say that he was a wonderful fellow but he could not go on to inform 50 people in five minutes that there was to be a vote.

I am tired of hearing this argument. I had just gone to my room—and I leave my television on to this chamber—and I heard the words "Let these doors be closed". So I realized there was something wrong. I ran into the gallery, because my office is on the fourth floor, and I looked down to see the Tories voting. What did you want me to do? My rights were breached that day. I had no idea the vote was taking place until I heard the Speaker say those words on my television set. I assure you that I did not know anything about it.

Senator Grafstein: Ask Senator Phillips. Was he told Senator Petten was not going in? I do not agree with this practice, but you have said, following your practice, that all he had to say was that he was not going in then and you would not have gone in. We now hear from the words of Senator Petton, through Senator Wood, who recounted his statement, that he told his counterpart, Senator Phillips, "I am not going in now." That is part of the fury of Senator Frith, who knows parliamentary practice better than I, that, notwithstanding that, in light of that, and with full knowledge of that, Senator Phillips marched in to the tune of the Speaker. That is part of the outrage of Senator Petton who never, in all my years here—and I have been hear for close to seven years—raised his voice or said a bad word about anyone except in these last few days, nor have you.

Senator MacDonald: I want to get at the root of this. I was here. I don't think that Senator Wood, with all due respect, was.

Senator Wood: I was upstairs.

Senator MacDonald: Everyone was in his or her office. Everyone was here already.

Senator Stanbury: No one told us anything was going on.

Senator MacDonald: How long would it have taken Senator Petton to collect his troops?

Senator Molgat: But Senator Petton told your Whip he was not ready, yet your Whip came in. That is the point.

Senator Grafstein: You have set a model that I do not accept. Your model is: If the Whip says to the other Whip that he needs more time, he would not go in. Did he do that? I do not accept that as a constitutional model. As I understand it, the Whip has no obligation to do anything other than to nod that he is going in. That is all he has to do. He nods and he is ready. There does not have to be any further communication, but Senator Petton went beyond his constitutional responsibilities and said he was not going in for whatever reason. He could not find Senator Wood. He could not find Senator Stanbury. He put Senator Phillips on notice, yet Senator Phillips marched in. You don't think that Senator Frith, Senator Petton, and we who are involved in this process should not be angry, outraged and moved beyond conduct that, in retrospect, we did not feel proud of? Of course we were, as he would be. I know he would be.

Senator Phillips: Honourable senators, when I came to the front of the chamber, I met Senator Petton who said that he was not going in. There was no nod.

Senator Stanbury: If Senator Petton says there was, then there was.

Senator Phillips: In addition, Senator Corbin, Senator Hébert, Senator Stollery, Senator LeBlanc, and several other Liberal senators were present. They had a defensive line set up that the Ottawa Roughriders could have used today and many other times to ensure that no Liberal senator came through. There was no intention on the part of Liberal senators to come into the chamber until Senator MacEachen had completed his business in Brussels on behalf of the Bank of Montreal.

Senator Grafstein: Not so! No so!

Senator Thériault: That is a lie!

Senator Phillips: You had no intention of coming back, so don't blame it on the Whips.

Senator Molgat: We blame it on you! We blame it on you, Senator Phillips! You had no right to come in.

Senator Phillips: Blame it on Senator MacEachen. If he had not been in Brussels, the motion would not have been moved.

Senator Grafstein: That is not correct.

Senator Molgat: You went totally against the rules.

Senator Phillips: And we would not be in this situation today. If Senator MacEachen gave up his job at $225,000 a

year and paid attention to this place, we would not be in the mess we are in today.

Senator Molgat: You should do your job as Whip. If you had followed the rules, along with the Speaker, none of this would have happened.

Senator Lucier: This started as a question to me, Senator MacDonald, and I will yield to you in a few minutes. I don't have a lot to say on the subject, but it seems to me that every time Senator Phillips opens his mouth it is to change feet. Every time you say something it is worse than the last time.

Senator Phillips: I am not taking lessons from you.

Senator Lucier: You started out by asking me a simple question about whether or not I take my orders from Jean Chretien. My answer is no, I do not. I never have. He has never given me any orders to do anything.

Senator Grafstein: Nor any of us on this side.

Senator Lucier: If you cannot accept that, you should ask anyone in this chamber on either side, and particularly on my side, what kind of a response he would get from me if anyone asked me to do anything that I thought was detrimental to the people of the Yukon with respect to any piece of legislation, whether it was Liberal or not. I have been instrumental in stopping Liberal legislation from entering this house because it was not fair to the Yukon, and I will continue to do that regardless of who is the leader.

You said, sir, that you have abandoned your practice of reading the rule book and that you now take your orders from the Speaker. What you have done is to give Brian Mulroney, who appoints our Speaker, direct control of the Senate. Mulroney already has control of the House of Commons. You have now given him control of the Senate by admitting that from now on when our Speaker says you vote, you are going to vote. The Speaker answers directly to the Prime Minister. The Prime Minister tells the Speaker when he wants you to vote, and you listen to the Speaker. So the Prime Minister directly controls the Senate.

That may be acceptable to you and all the senators on the government side, but it never has been and it never will be acceptable to this side. If it means that we have to do some things that are just as distasteful to us, and probably more so than it is to the people on the other side, you should not be surprised. Sooner or later, people are going to catch on to what we were fighting against: the destruction of the parliamentary system in Canada.

You have told us that what we were doing was not right because you believe that you now are, and that this chamber is, a direct underling of the Prime Minister of Canada. Eighty-five per cent of the people of Canada are telling you they don't want that to be the case. So for you to have now admitted that that is exactly what you see as being the case, I have a problem with that and I will terminate my remarks. There are other colleagues who want to respond before I return to my petitions, but I would hope that Senator Carney would remain consistent. She asked me to apologize for any personal, derogatory remarks I may have made. I did so unequivocally. Senator Phillips, in the last few minutes, made several disparaging remarks about senators on this side, calling them juvenile delinquents, and making disparaging remarks about Senator MacEachen. I think, Senator Carney, you should stand in your place and ask your colleague to do exactly what I was prepared to do. Thank you.

Some Hon. Senators: Hear, hear!

Senator MacDonald: Honourable senators, I too feel an apology coming on. I want to apologize for having a conspiratorial, suspicious frame of mind. It is in inbred. I hope you will forgive me. I find it difficult to believe that 50 some interested Liberal senators, all in this building—

Senator Thériault: No, that is not true.

Senator Stanbury: That is not true. I was not in the building. I never heard of the vote.

Senator MacDonald: You would know best what your forces were, but I got the impression that members on the other side were either here or in their offices reading. The fact is that no one showed up. Should that not bring out of my latent sense a feeling of suspicion or conspiratorial attitude? I apologized for it, but I wanted to bring that up. God forbid that I should ever suggest that Senator Petton was acting on instructions. Perish the day I would do that.

Senator Molgat: We were not prepared to vote. We said that at that time.

Senator MacDonald: You had a lot of opportunities to say that.

Senator Stanbury: We had no opportunity. You know that perfectly well!

PRESENTATION OF PETITIONS ON BILL C-62

Hon. L. Norbert Thériault: Honourable senators, I too would like to put on the record a few names from my province. But I want to deal with the issues that arose this afternoon, especially those raised by Senator MacDonald, Senator Carney, Senator Cogger, and Senator Phillips. Senator Cogger is awfully concerned about the $150,000 a day, according to his figures—I do not know if they are correct—that it costs to keep this operation going to do what we can, not to obey the rule of the Whip or the Speaker, but to obey the request of 80 per cent of the people of Canada. I want to deal with that point because it is frivolous. It does not mean anything. I dealt with it the other night when it was raised by Senator Simard, and I said I had experience that showed that Senator Simard was never frugal when he was a member of government. I cannot comment on Senator Coggers' frugality, but I wanted to deal with it anyway.

Is anyone on that side prepared to tell me and the people of Canada that what we are doing, even if it costs $150,000 a day, will be nearly as expensive in the long run as the

appointment of those eight illegitimate senators in order to get this tax through?

Senator Lucier, did you want to continue on with your petitions? I thought you said you were finished.

Senator Grafstein: Honourable senators, I thought he was allowing us to respond to the intervention by Senator Phillips.

Senator Lucier: That is what I thought was happening as well.

Senator Grafstein: I would like to make a few comments for the record, and I hope Senator Phillips will see fit to moderate the remarks he made when he implied—and I think I heard him express the view—that I had been instructed by Mr. Chretien to vote a particular way. I want to say for the record that Mr. Chretien has never instructed me to vote this way or any other way. With respect to the GST, he has given me no instructions whatsoever. By the way, had he given me such instructions I would not have used parliamentary language. I hope Senator Phillips withdraws that statement because that is not the way the Liberal Party operates. Mr. Chretien gave me no such instructions, nor would he dare to.

Senator Molgat: Nor did he give any instructions to the Senate Liberal Caucus.

Senator Lucier: Never did Mr. Chretien give any instructions, while I was in caucus, on how he thought we should vote on the GST. I want to make that clear as well.

Honourable senators, I want to table a petition from people in Nova Scotia. They are from Halifax, Sackville, and other areas of Nova Scotia. These are good people who object to the GST and what is happening here; and, on that basis, I would like to table this petition and ask Senator Thériault to continue with his petition.

Senator Thériault: I apologize for starting my petition before you had completed yours. As I said, I wanted to say that the cost factor is not a serious point when you think of the cost of the eight additional senators and the amount that the government of the day is spending on propaganda, advertising and other ways to sell their GST, which have not been successful. We should disregard those comments completely.

I am surprised that Senator MacDonald made the remark he did. I repeat that I have served a number of years in a provincial legislature and in this house, and I have never heard of a senator or provincial legislator put a colleague's action into question when that person was not in his place to defend himself. I know that Senator MacDonald has been a very active and successful person, and I forgive him. I blame his lack of experience in Parliament, otherwise I don't think he would do that. He is not that kind of person.

When Senator MacDonald or any other senator says that I was given orders by Mr. Chretien, I will tell you that I was not appointed by Mr. Chretien. I was appointed by Mr. Trudeau. Prime Minister Trudeau asked me to serve in the Senate. He never asked me which way I was going to vote or which caucus I was going to be in. He just told me that, based on the recommendation of some people, and on his own, he was prepared to appoint me to the Senate without any conditions. I have never heard any of the eight senators, who were appointed under the so-called Section 26 deny that the present Prime Minister appointed them so that they could support the GST. I don't know if he said anything to them about that, but I have never heard it denied.

I want to put on record an article that I read in the *Globe and Mail*, which paper, as we all know, does not favour the Senate, the Liberal senators or Liberals, period, in this country. It believes that the power belongs to the rich and the powerful. If it was given its way in the world, it would create industries and create jobs. I understand that philosophy, although I disagree with it. But it seems that those people across the floor have accepted it in the last few months. The article is entitled "Stacking the Senate has a Familiar Ring". It says, "Deft manipulation of Parliament and the Supreme Court allowed South Africa to pass apartheid legislation". I quote:

> Prime Minister Brian Mulroney may be interested to know that his decision to stack the Senate has an interesting precedent. It was one of the methods the South African government used in the 1950s to disenfranchise people of mixed race and legalize the system of apartheid.
>
> When South Africa became a union, the constitutional framework provided that legislation could not be enacted to disqualify, by reason of race alone, anyone in the Cape province (one of South Africa's four provinces) who at that time was a registered voter, unless the legislation were passed by a two-thirds majority of both Houses of Parliament sitting together.
>
> All black people had been disenfranchised in 1936, but people of mixed race were still voters in 1948 when the National Party (dominated by Afrikaners and still in power today) formed the government.
>
> By 1951 the government wanted to create a legal framework for apartheid and introduced a bill to remove mixed-race voters from the electoral role. This statute was passed in the usual manner—by simple majority, instead of the two-thirds method.
>
> The action was challenged in the courts, and the following year the appellate division of the South African Supreme Court struck down the legislation. It decided that a two-thirds majority of both houses sitting together was required to make the new law valid.
>
> However, the government didn't command a two-thirds majority, so it introduced a new act (again passed by simple majority) which stated that a decision of the Supreme Court invalidating an act of Parliament had to be reviewed by what it called the "High Court of Parliament".
>
> The members of this so-called court were, in fact, members of Parliament. The opposition parties boycotted the court, and the mixed-race voter who had launched the

successful appeal to the Supreme Court did not appear before it. Instead, he brought the case back to the Supreme Court, which in turn struck down the new act, holding that the "High Court of Parliament" was nothing more than Parliament in disguise.

• (1630)

A general election was held in 1953, and the National Party returned to power, but it again failed to command a two-thirds majority in both houses. Totally frustrated by this point, the government devised a new plan and passed two more acts that allowed it to achieve its goal.

The first act was aimed at making the Supreme Court more co-operative. It required that, in a final appeal in which the validity of a national statute was in question, the case must be heard by 11 judges instead of the usual five.

The second enlarged the Senate and changed the method by which senators were selected. The new senators were elected, all right, but not by the people. They were chosen by an electoral college composed of members of the federal and provincial legislatures.

Of course, this neat legal manoeuvre allowed the National Party to control the vote, and the newly enlarged Senate promptly gave the government its required majority and people of mixed race were disenfranchised.

Perhaps the Conservative government of Mr. Mulroney would have thought twice before packing Canada's Senate to ensure passage of the goods and services tax had it known that a precedent for its actions lay with the only country in the Western World to use such a procedure to disenfranchise a group of its citizens.

But somehow I doubt it.

I think that point is much more important than the cost of $150,000 a day that has been brought up here.

Honourable senators, the Whip of the Conservative Party has been in this House as Whip for the last five or six years. He was not Whip when I first came here, but I know that he and Senator Petten have worked together for at least five or six years. All through those years, Senator Petten was a majority Whip, and that is a point that I would have hoped Senator MacDonald would have remembered when he put his question to Senator Petten. All through those years, Senator Petten was Whip of a majority, a large majority, and Senator Phillips was Whip of a minority. The question I should like to ask is: Since Senator Petten became Whip, has he ever threatened to come in before being told by the opposition Whip that the opposition was ready to vote? That is the question that should be asked.

Honourable senators, as my colleague and seatmate, Senator Grafstein, has said, not one of us is proud of what went on in the Senate the other night. I have had 30 years of parliamentary legislative work, and I can tell you that back in 1965 I was Minister of Municipal Affairs in New Brunswick. At that time, honourable senators, we actually changed the Constitution of the Province of New Brunswick within our powers. We changed the taxation system completely. We thought we were right and we had the support of the people. The opposition thought we were wrong, which was their right. As Minister of Municipal Affairs, I was designated to present the legislation to implement the program we had said we would put into effect on January 1, 1966.

Let me relate what happened. I stood up in my place day after day after day, but we did not amend the rules. We never amended the rules. We had a majority but we never disobeyed the rules. We sat in that house at the time set by the rules, with extensions in the evening, from Tuesdays to Fridays, and for 29 days the government had to wait and listen before the opposition permitted us to introduce the first bill in that legislature. We could have done other things; we had a majority. Not only that, we were announcing a program that was popular. It was a change of taxation. Much discrimination existed in taxation at that point, and the cornerstone of our program was the new Assessment Act, which was my responsibility as Minister of Municipal Affairs under the premiership and leadership of Louis Robichaud. I listened for 29 days while the opposition members read the telephone book and magazines, cover to cover. They felt it was their right. They had been elected, and we took it. The result of that filibustering in the legislature was that the program did not come into force on January 1, 1966, as we had hoped, as we had planned and budgeted for. It was delayed for a year because of the obstruction of the opposition. It was delayed for a year. So what? A year is not the end of the world in the history of a country or a province.

The opposition members were not denied their rights. So how does a person like myself feel about what occurred here in the Senate on October 4? I was in caucus that afternoon, and I tell you that all your suspicions of what took place in that caucus are false. I was not in my office. I went from the caucus to do other things. I did not see any television. I did not learn of what had happened until 7 or 8 o'clock that night, when I appeared in this house and was told by my colleagues that I had been denied my fundamental rights, rights as I have believed them to be from the first day I was elected to a municipal office in my province to this day, especially my right to vote.

Honourable senators, I have worked the best part of my adult life in Parliament, so how do you think I felt? It was tyranny, in my humble opinion, and I have never heard even the Leader of the Government deny it. Instructions were laid down by the government, or the government leader, and I have not heard any senators on the other side say they did not hear about the vote. Had they not heard of the vote, I am sure that some of them would have been on their way to Montreal or Quebec or to their place of business in this city while the bells were ringing. Until that day, in the history of the Parliament of Canada, a Speaker had never ordered the bells to stop ringing.

I am sure that many senators remember the Conservatives in the House of Commons storming the Speaker. They stormed the Chair with clenched fists.

Senator LeBlanc: I was there.

Senator Thériault: They were pretty upset and angry. The minority opposition party, the Conservative Party in the other place, through their bell-ringing episode, forced the majority government of the day to split the energy program bill before they would agree to stop ringing the bells. It was a good thing. It is sometimes a good thing that someone puts the brakes on executive government in this country.

I have been around politics for 35 years. I know a lot of people, and a lot of people know me; but for the first time in my parliamentary career I have been stopped on the street by strangers who say, "Keep it up. This government has not the right to impose this tax." We have never seen in this country the almost unanimous repulsion to a government measure that we see now.

Ask government members, members of the Conservative Party from Alberta and from the Maritimes, how they are received by their constituents because of this tax. We are told day in and day out by the government that we have no right to do what we are doing because this measure has to go into force on January 1, 1991. Well, I have just related in a smaller context—and the facts are there in my province to verify what I have stated—that the opposition delayed a popular major tax reform by a year.

I should like those honourable senators who have been appointed to come here to vote for this tax to tell me: Would the country be paralysed if this tax did not come into force on January 1, 1991? Of course not. The manufacturers' tax that is supposed to be replaced has been in force in this country for many years, and it has been more than doubled by the present government. Can you tell me that the country could not carry on for another year or two until a new tax program is designed, one that may not please everybody but one that would be fundamentally acceptable? People appeared before the committee this summer and said that they were prepared to pay their taxes.

Having made those few points, I would like to go on with the presentations of petitions. While I am on this subject, I think it was agreed when I was on duty last that a letter is a petition. Although it may not be in the proper form of a petition, when a senator or a member of Parliament or legislature receives a letter from a member of the public, it is up to him to decide whether to make that person's point of view known in the legislative body in which he sits. I believe that this was eventually agreed to last night. So, I may read some personal letters that I received from many constituents, and many electors in my province and other provinces, who stated their reasons for their opposition to this tax. However, I should first like to read the following petition. It contains 23 names.

(*Names of signatories read*)

Many of the names on these petitions, as was stated earlier by my colleague, Senator Molgat, are from areas that have voted Conservative almost since confederation.

(*Names of signatories read*)

I wish to table this petition from humble taxpayers of New Brunswick.

Senator Kinsella: Senator Thériault, would you permit an observation? It is more by way of a general question. While I support the right of petition ultimately without reservation and without hesitation, I am curious to understand the relationship between the expression of an interest by interest groups, and the legitimate interpreter of public opinion, which I have been led to understand from my reading of political science, rests with the elected government. It is the elected government that is to be the sole legitimate interpreter of the public interest at the end of the day.

Senator Cools: Who said that?

Senator Thériault: Honourable senators, that is a good question and I am glad to answer it. As a matter of fact, as one who has worked for most of my life in elected offices, I have no quarrel with what Senator Kinsella has said, and I think we are living proof of that here in this Senate. Since 1984, we have had a majority in the Senate until the famous eight were appointed, and we have passed every single measure, some of which we disliked—

Senator Stanbury: Immensely!

Senator Thériault: Some 300 measures were passed by this Senate, with a majority of Liberals, because we believed to the limit in what you have just said. However, if you have read any political science—and I don't doubt that you have—you must have seen some constitutional studies. In fact, since 1867 this place has had the constitutional right to amend or to reject legislation. This place had that full constitutional power until 1982, when the Constitution was amended and we were given a six-month time limit to consider of constitutional amendments. As I look back on it now, perhaps that was the wrong decision—

Senator Cools: It was a bad decision.

Senator Thériault: —because of what I see happening with the present government. Political scientists will tell you—and we have had proof of that in Eastern Europe over the last couple of years—that when governments, appointed or elected, do exactly the opposite of what people in their jurisdiction expect them to do, the people find a way to stop them. While I am not about to divulge secrets from caucus, I can say that it was not without hesitation and a lot of consideration that we arrived at our decision.

There have been pieces of legislation that have come to this Senate since 1984—not all that many but a few—that I would have stopped if I had had the support of my caucus. I never would have allowed Bill C-22 to be passed into law because, I believed—and I will believe this until I die—that it was a

direct result of pressure from the drug companies on the government. Everywhere we went in this country, people told us not to pass it because they knew what would happen. In spite of the report that has been quoted here, you could check with my government of New Brunswick and they will tell you that the cost of their drug program for seniors and hospitals has increased by more than 50 per cent since Bill C-22 became law. We passed it.

Bill C-21 and Bill C-28 are still not passed, and they are major pieces of legislation. I remember the Prime Minister swearing on his mother's head in public meetings that the sacred trust of the universality of social programs would never be touched. There were pieces of legislation that came here that are totally and fundamentally against what I stand for and what I have worked for in my 35 years in public life, including the de-indexation of Family Allowance, the claw-back. I am not against paying taxes, and if it has to be that those people earning $50,000 or more pay a little extra, then fine. That, of course, includes all of us; we cannot deny that much. I am sure that we could afford to pay $500 to $1,000 more per year in order to retain the sacred trust of universality, enabling anyone, regardless of his or her financial position, to receive the old age pension upon reaching the age of 65. I recall how good people felt when the St. Laurent government passed the pension legislation. They suddenly realized that everybody would be getting an old age pension, on reaching 65 years of age, and the poor would not have to be welfare recipients.

We passed many pieces of this government's legislation that were totally against the fundamental philosophy of the Liberal Party. That was not easy for us. We passed that legislation, but there comes a time when you have been trampled upon long enough and you have to say no. I say to you, Senator Kinsella, that after what happened in the New Brunswick legislature, the Conservatives agreed that it was a good program, although they changed it and improved on it. In the meantime, they had delayed it for a year. This time, with the GST, I believe that the federal government has overstepped its legitimate authority from the people of Canada.

Hon. Noel A. Kinsella: Senator Thériault, thank you very kindly for that explanation. At the end of the day, though, in our system of government, who should decide what is in the public interest? We all know that there is a tremendous need for reformation of all our institutions in contemporary society, including this august body, but who decides what is in the public interest?

This may be a false analogy, but it seems to me a comparison can be made with the judicious parent and children in the candy store. The children want to grab all the candy and eat it all at once, and they express great outrage when the judicious parent says, "No. That is not good for you now. We think you should have your dinner first and then have the candy." The children protest and they petition by saying, "Please, please, may I?" Is there not some analogy available to us here, whereby the government can make a decision in its wisdom or lack of wisdom? After all, judicious parents often make a wrong decision, although they make it believing it to be best for the family. Is it not the responsibility and duty of the Government of Canada to interpret the public interest as a collective, just as it is the duty of the judicious parents to make the right decision for that family?

• (1700)

Senator Thériault: The new child psychology is different. The new psychology is that the parents should listen more to the children.

Senator Cools: There is a Child Welfare Act.

[*Translation*]

Senator Beaudoin: I would like to ask a question about the famous 1982 amendment. You seem to indicate that in 1982 the government of the day perhaps made an error when it decided that the Senate veto on constitutional amendments would be a six-month suspensive veto. Of course you have a right to your own opinion. Personally, I think we were right in planning for a six-month veto. Your argument seems to go as follows: if we had an absolute veto for all matters, which is not the case for constitutional amendments, when the public wanted a measure to be defeated, we would be able to use our power of absolute veto. Is that your theory?

Senator Thériault: It is not a theory.

Senator Beaudoin: Perhaps that is your viewpoint and I respect that. It is obvious you are opposed to Bill C-62 and that is your right, but I can think of a situation where you yourself would approve an unpopular bill. That could happen in one's lifetime. It could happen that in the course of their parliamentary life, senators or members found themselves backing an unpopular bill. Perhaps at that time they would be sorry if the veto were absolute. In other words, you would be stuck with your own reasoning.

You say: "A measure is unpopular, I am convinced that it has to be voted through, but because most of the population is against it, I am going to vote against the measure." At that time, you would accept that a non-elected House jeopardize a bill that you would have liked passed.

Senator Thériault: Why?

Senator Beaudoin: I want to know why you would accept that if you were convinced the measure was good. Are you not changing your viewpoint? Am I to assume that as soon as a measure is unpopular it has to be defeated in this House, even if it is a good measure? Is that your theory?

Senator Thériault: I am sorry, Senator Beaudoin, it is difficult to think of psychology and constitutional matters at the same time. I am not an constitutional expert, but I do know a little psychology.

Senator Beaudoin: That has nothing to do with it.

Senator Thériault: I said: I wonder. I did not say the government was wrong, I never asked a question about social

measures but on constitutionality, and I accept that I am not a constitutional expert, but the Constitution, as I see it, and as I understand it, as it was explained to me, and as I read it, gives me the power as a senator to refuse to vote for one measure or another, if I am fully convinced that it is not good for the country. I generally accept that the elected Chamber has priority. That has been proven and I have just said that. It has been proven, but there comes a time when the wishes of Canadians, the nearly unanimous desire of the public has to be heard, and I do not know if you were here when I told the story of our political agenda, gave the history of the New Brunswick government that was delayed for one year because of the opposition's position. I do not think the country, the Canada I love from one coast to the other, will disintegrate or stop working, that Canadians will be deprived in any way if the Senate, for once, even if it only happens once in its history, refuses to accept a measure that the majority of senators cannot accept.

Let me add something: if your government decided to delve into the 1867 Constitution, probably with your support but I hope not, and did so for the second time in 123 years—the first time the request was refused—it retrieved an obscure clause in the Constitution, unbeknownst to the public, to appoint eight additional senators to pass a measure that 80% of the population does not want, and if the result of our actions in the Senate is to delay the bill until the government goes to the people—and the head of the Liberal Party said so yesterday, if I am not mistaken—if you are convinced of the soundness of your measure, it will not be the first time a government goes to the people two or three years into its mandate. Why do you not go and find out, if you do not believe what people are telling us?

Senator Beaudoin: That is not the question.

Senator Thériault: Come on!

Senator Beaudoin: That is not the question I am asking you.

Senator Thériault: What is the question?

Senator Beaudoin: I know very well that you are against the bill.

Senator Thériault: I told you what I was going to do.

Senator Beaudoin: You are against the bill and you have the absolute right to vote against it. No one is denying you this right, Senator Thériault, but let me put it to you this way: suppose you approve of a measure, but that measure is unpopular. Well. Would you then say to yourself that even though you were firmly convinced that the measure is good, that you would vote against it because it is unpopular? That is my question! I am not stopping you from defending your ideas; I am very pleased to let you do so, and you are perfectly entitled to defend your ideas. You are perfectly entitled to be for or against Bill C-62. No one is denying that. But if you are convinced it is good for the country, are you going to say "No, I cannot, I cannot vote for this measure because it is unpopular at the present time"? That is all I am asking you!

Senator Thériault: Honourable senator, you do not know many politicians who would answer hypothetical questions, but if there were any, it is true, those questions can be asked.

Senator Beaudoin: Take the death penalty. Personnally, I am against the death penalty. But if a poll were taken, I am sure most people would be for the death penalty. At least that is what all the polls indicate; but then would you have said "Because the majority is in favour, I am going to vote for the measure"?

Senator Thériault: Senator Beaudoin, there have been several elections since we discussed the death penalty and that issue never influenced the election results, never. Perhaps you did not follow the issue very closely, perhaps you were more involved in the politics of the Liberal Party until you were appointed to the Senate.

Senator Comeau: At the last election, the Conservative Party spoke of the GST, so it was an election on the GST.

[*English*]

Senator Grafstein: Could you repeat that last question? We did not hear you.

Senator Comeau: Senator Thériault was saying that we did not have the moral right at this point to contemplate the GST. He was referring to the fact that the GST had not been part of the election platform. In fact, it was part of the platform in the last election.

Senator Thériault: No. The platform was tax reform.

Senator Comeau: Check the record.

Senator Thériault: Senator Comeau, I know your area very well.

Senator Comeau: May I make one more point? I was a candidate in the last election.

Senator LeBlanc: You were defeated!

Senator Comeau: I was defeated, yes. However, a great many of you did not run in the last election and a great many of you will not run in the next election. That is the point we are trying to make with the Canadian people; that you people are unelected and should not be running the country from the Senate. The people of Canada have a choice in the next election as to what they want to do with this government, but they do not have that choice with respect to the Senate.

Senator Cools: That is true. The gentlemen who constituted this country originally intended it to be so. The discussion we are having here is not unique.

However, let me come back to Senator Kinsella. I would like to state definitively before all of you here that I believe that my Senate appointment has equal validity with the appointment of the Prime Minister of Canada. I would just remind Senator Kinsella and Senator Beaudoin that a lot of people in this room and in this country do not realize that the position of Prime Minister of Canada is not a elected position.

Senator Beaudoin: But he is indirectly elected.

Senator Cools: Do not give me that "indirectly" stuff! The honourable senator is too well educated and steeped in this matter to engage in that pretence. You and I know that the position of Prime Minister is an unelected position and that when the Governor General appoints the Prime Minister, the Governor General is not concerned with how the Prime Minister is chosen. You know that very well.

Senator Beaudoin: I do not accept that for one moment.

Senator Cools: You know that very well.

Senator Beaudoin: Under our conventions, which are very clear, the Prime Minister has to be either a member of the Senate or of the House of Commons, within a reasonable time, at least.

Senator Cools: Rubbish!

Senator Beaudoin: If he is a member of the House of Commons, he has been elected. The Prime Minister can be appointed from the Senate, but for nearly a century no senator has ever been appointed Prime Minister. However, that does not mean it is impossible. To say that the Prime Minister is not, in practice, an elected person, is strange thinking.

Senator Cools: The Commission of Appointment for the Prime Minister is not based on being elected. The Prime Minister is the first minister, and the Prime Minister is a member of the House of Commons just like any other member. This country has had Prime Ministers who sat in this very Senate chamber, and the honourable senator knows that.

Senator Stewart: Senator Cools, is it not true that in the history of Canada there have been Prime Ministers who were not a member of either house for a short period?

Senator Cools: John Turner is an example.

Senator Stewart: I am thinking, for example, of Mr. King, who won an election but lost his own seat. He remained Prime Minister, and he went what we would call, "carpetbagging".

Senator Cools: There are other examples. Just in the past few years, Mr. John Turner, Mr. Robert Bourassa and Mr. Don Getty were in that position. We know very well that the position of Prime Minister is an unelected one. The people on the other side have perpetuated the mythology surrounding this viewpoint, and it is so well entrenched that people do not see it for what it is. The Prime Minister is appointed, just like we are.

Senator Beaudoin: I agree.

Senator Cools: You agree?

Senator Beaudoin: Yes. When the Governor General calls a person to be named Prime Minister—as in the case of John Turner, who was neither a senator nor a member of Parliament—that person must become a member of one or other of the two houses within a reasonable time, according to a convention.

You cannot have a Prime Minister for four years who is neither a member of the Senate nor of the House of Commons.

Senator Lucier: Of course you can.

Senator Cools: Not only is that not true, but your own Prime Minister has appointed cabinet ministers before they were elected. Lucien Bouchard was appointed to the cabinet before he had a seat.

Senator LeBlanc: Then he saw the light.

Senator Beaudoin: Yes, of course, but there people must be elected within a reasonable time, or become senators.

Senator Stewart: I do not think there is any controversy there.

Senator Cools: This point is very important, because in the last while we have had discussion after discussion about these powers and have talked about the elected and the unelected. Let us get to the heart of the matter and let us understand that our system is based on a balance of the elected and the appointed. Let us understand that when someone sits in the Speaker's Chair, they are sitting under the guidance of the Queen.

Senator Stewart: Senator Cools, may I take you to another aspect of this constellation? We have heard it said, again and again—and I suspect you have heard it here this afternoon—that under the system of responsible government, the people elect members of the House of Commons and, in turn, the members of the House of Commons sustain, by their confidence, an executive government. I know you have been doing extensive research into the history of our Constitution. Is it not true that the doctrine of responsible government relates primarily to the relationship of the executive government on the one hand and the House of Commons on the other hand, and has relatively little to do with the relationship between the House of Commons and the electorate, except in the minds of some journalists?

It happens again and again, particularly in Canada where we have a very rapid turnover in the membership of the House of Commons, that members do not plan to run again. We have Prime Ministers who do not plan to run again. It is true that the parties persist, but you can hardly say that it is the party that is being held responsible for the acts of a Prime Minister who has retired, who perhaps has gone back to his law office or into business. Is it not true that, before we base an argument for the enactment of the GST on the doctrine of responsible government, we ought to examine that doctrine and discover what indeed it means?

Senator Cools: Absolutely.

Senator Kinsella: May I comment on that point? My question to Senator Thériault related to who is the legitimate interpreter of the public interest. In your scenario of responsible government, would it be the government in the House of Commons?

Senator Stewart: This is a question to which there is no one-line answer. Senator Balfour and I had an exchange earlier in this sitting—I do not remember the exact day—on this very topic. However, you have put the problem more precisely than I did when discussing it earlier.

Let us say that we are going into an election. Sometimes there are election questions that are very clear and are pushed right to the very front of every platform. In the election of 1988, the question of the Free Trade Agreement was pushed right to the front. Insofar as anyone is likely to get a mandate in a country with several parties, I would have to say that there is no question that the present government got a mandate to carry through the Free Trade Agreement in 1988, and this house acted on the basis of that reading of the outcome of the election.

Then there is the situation where a House of Commons is elected supporting a particular executive government, and some new issue arises—perhaps it is entirely new or perhaps it is something that had been out on the fringes at the time of the election. In this case we have now moved away from an election on what they used to call "measures" to an election on what they used to call "men". Senator Marsden is not here now, so I can get away with putting it that way. Then we have the assertion from the Prime Minister that the people of the country elected him as Prime Minister and that, consequently, they gave him a mandate to do whatever he wants to do on these several important questions. I do not think that we ought to confuse that mandate, on the one hand, with the kind of mandate where you have a specific measure pushed to the front in an election, on the other hand.

That brings us to the Senate. As John A. Macdonald said in 1865, it is unthinkable that "... the members of the upper branch of legislature will set themselves deliberately to oppose what they know to be the settled opinions and wishes of the people of the country. Over the years the Senate occasionally dug in when a government attempted to do things on which it had no mandate at all from the previous election, because the matter was simply not to the fore or was out on the fringes at the time of the election, as was the case with regard to the GST. Sure, it was mentioned before the election, but it was not front and centre.

Senator Comeau: It was part of the platform.

Senator Stewart: It is precisely in that situation that the Senate comes to the fore, as it was intended to come to the fore—not to veto the clear will of the people expressed in an election, but to put the brakes on bills dealing with very important questions where the people have not had an opportunity to speak clearly.

As we all know, there are so many issues in most elections that it is seldom that more than one or two occupy the front of the stage. If you look at the attitude of the Conservative party in Great Britain, I think you will find that it is exactly as I say: namely, that if an election has been fought on an issue, such as joining the European Common Market, then, regardless of what that party feels, the Tory peers are willing to go along with it; perhaps reluctantly, but they go along with it. If, on the other hand, a very important issue has not been pushed front and centre in an election, the Conservative party in the House of Lords, according to Lord Salisbury, feels that it is free to dig in to give the people a chance to make their will known.

As I said, this is a complex constellation, and I do not think we will get any precise list of tests as to what is front and centre and so on. I often say—and I believe some honourable senators here today have heard me say it—that if a Prime Minister gets support from, let us say, 43 per cent of the electorate, it is fair to say to someone, for example, when they sign a petition against the GST, "Did you know when you voted for the Mulroney government that you were in fact voting for the GST? Did you know that you were voting for the Meech Lake Accord?" It seems to me that that is a very fair question to ask a Tory petitioner.

Senator LeBlanc: Honourable senators, I have been waiting to get back to Senator Kinsella, who tried to make an argument over the elected versus the non-elected. He called as his witnesses political scientists. First of all, when were political scientists ever subjected to an election by their students? They usually spend the first three years of their appointment scrambling about for tenure which, of course, is usually not voted upon by the students, who are, after all, the users of their merchandise, such as it is. He also appears to put in some doubt the legitimacy of this body by separating those who are elected and those who are not. I assume that the restrictions he has for the non-elected apply also to the appointees to the Supreme Court, who are not, to my knowledge, subjected to a periodic review such as an election every four or five years.

On the question of whether or not there was an election on the issue of the GST, I would like to call as my witness a Member of Parliament from Alberta named Doctor Alex Kindy, who is present here now and who has confirmed what I have always suspected; that if there had been even a hint of GST legislation, very few Tories would have been elected in Alberta. In fact, the level of democracy in his former party is such that as soon as he voted his conscience, he was immediately removed by the Whip.

Senator Molgat: Senator LeBlanc, should I assume from what you are saying that the present government was elected illegitimately and under false pretences, because if its members would not have won in Alberta, that may have been the case in other provinces as well.

Senator LeBlanc: I am sorry, I did not quite hear all that the honourable senator said. In fact, I wish that I could let Mr. Kindy answer the question, but I am one who occasionally tries to live by the rules. The argument we are making is simple: If this supposed mandate was the sort of thing that was whispered about by people in a corner, then we expect it is the same type of people who whispered to the Speaker.

• (1730)

I would like to finish with Senator Kinsella. If he can make such a fuss over the legitimacy achieved by being elected—and he certainly appears to be in his elected transition a fighter for human rights and many other things—how could he allow his name to be recorded in his first vote in this place without asking the question "Where are the others?"

Frankly, Senator Kinsella, do not try to convince me of the virtues of the elected versus the nonelected when you participated in the most serious denial of the right to vote of any group in the history of this Parliament.

Senator Spivak: Honourable Senators, I should like to ask Senator Stewart a question. It seems that Senator Kinsella has raised one of the most important issues before us, which is how and by whom is the public interest to be represented. I do not think that question has been properly answered, although I find Senator Stewart's comments interesting because they get into the essential questions here.

It seems to me that the position of the members opposite is that they are attempting to represent the public interest because they have evaluated a government measure, the GST, and they have found it singularly lacking. They have been supported in that position by hearings across the country and so forth. Then we come to sticky ground. Is the public interest being represented here by the attempt not to have a vote? I understand the position of the checks and balances that are needed against an executive that has a majority in the House of Commons. I understand that checks and balances are needed in the Senate. The system in Australia operates well, but what are the limits? Surely you cannot say that the public interest is being served if this issue never comes to a vote.

I take my duty of representing the public sincerely. I feel I have a duty to represent the public interest, and it is not often enough spoken about in this chamber. What are the limits, and how can you justify delaying a vote indefinitely when that vote, in and of itself, is an indication of how serious the public interest is being taken in this chamber?

I do not know if I am interpretating Senator Kinsella's question properly, but it seems to me that the question of how and by whom the public interest is represented is an essential question. If, out of all this brouhaha, we come closer to some analysis of that situation, we will have accomplished something.

Senator Stewart: I thank the honourable senator for her thoughtful question. I do not think there is any room for doubt but that our legislature was set up on the basis of two different principles. One is the principle of responsible government, and we know the implications of that. We also know that there were those in Canada west—now Ontario—who felt that there should be "rep by pop" and responsible government and that would be it. However, we also know that if they insisted on that alone, rep by pop and responsible government, there would have been no Dominion of Canada. So they had to bring in a second principle, namely, the federal principle.

The federal principle finds its manifestation in the Senate. They did not go for an elected Senate. They had some experience with an elected legislative council in the old province of Canada, which did not include Nova Scotia, New Brunswick, etc. They went for an appointed second chamber. So you have two basic principles thrown together. What we are seeing today is a clash of those two basic principles. I see the senator nodding, so I think she understands my point. However, we do not stop there.

Because the House of Commons is an elected body, the assumption is that, in a sense, it is the motor in the vehicle. The function of the Senate, on the other hand, is rather like that of the brakes. It becomes clear in the case of appropriation and taxation. We cannot make a move here, but we surely can stop. There has been some controversy over our competence to amend, but no one has questioned the competence of the Senate to put the brakes on all the way.

It seems to me that was how these two approaches came together, without which Canada—that is the Dominion of Canada as distinct from the province of Canada—would never have come into existence. Starting from there, you move on to ask, "How far should the Senate carry its putting on of the brakes and how far should what appears to be a minority opposition in the Senate go?" If an opposition in either the House of Commons or the Senate says to the majority that we will have a vote on this matter two weeks from today it has signed the warrant for its own execution. I do not think anyone is prepared to do that. It is a form of suicide.

I think it is fair to say that when a major question is on the public stage, as is the GST now, it is reasonable to expect a prolonged discussion and debate, particularly in a country like Canada. It is different in the United Kingdom where you have a metropolitan press that is on everyone's breakfast table the next morning. This is a big country, and a lot of the electors are distracted by their constant attention to the news from the United States. It seems to me that it is reasonable for a group in the Senate, which appears to be in a minority, to attempt to push this matter into the conscienciousness of the Canadian public.

In this particular case, the situation has been aggravated by Senator Charbonneau. The argument that many of us would make relative to the goods and services tax has been inflamed by the fact that in one instance two weeks ago he closed off the bells on his own, but there was no vote. Then a week later he closes off the bells again on his own and there is a vote.

It seems to me we have two motivations in putting on the brakes in this instance. One is directly related to the GST, and the other is related to a matter which may be more important in the long run; namely, your rights, my rights and the rights of every senator to know when the votes are coming and to be able to be present to vote. I will cease and desist at that point, senator.

Senator Spivak: I do not wish to prolong this, but the question was: Who and what represents the public interest. I

do not know if you can say that you are representing the public interest by indefinitely delaying the vote. I do not think there is any evidence for that. Also, just as convincingly you can argue that you are, in effect, exercising a tyranny of the agenda and a lockout of other issues. For example, if I wanted to speak about the Rafferty-Alameda Dam, which is threatening my province, I would not have a chance to get into that debate until this issue is settled. I was asking you to clarify that point more precisely, but perhaps that is not possible at this time.

Senator Stewart: I doubt that there is anyone who is in a position to announce that he has made a decision that is in the public interest. We have a process of government. It involves the House of Commons and the Senate, and that process is supposed to work to produce legislation that is in the public interest. Within the House of Commons they have rules by which they work; in the Senate we have rules by which we work as we perform our role in the constitutional structure.

My burning indignation revolves around the fact that Senator Charbonneau on two occasions stripped me of my right to participate in the formulation of public measures that are supposed to be in the public interest.

Senator Cools: Honourable senators, this matter started because Senator Kinsella raised his question and then Senator Stewart put a question to me. Perhaps for the time being we can leave Senator Stewart's question with respect to the meaning of responsible government by saying that responsible government means that the executive is responsible to the House of Commons, not to the public.

However, with respect to the wider issue that Senator Kinsella raised, which Senator Spivak also raised, I think public interest changes, particularly as it applies to the two questions posed. In the particular scenario of the parents and the children, using the metaphors of social work and social psyschology, one would have to be cognizant of the relationship between the parent and the child and understand the guidelines for the well-being of the child. One would have to be cognizant of things like the Child Welfare Act. With respect to the metaphors the persons who would ensure that the parents are doing a good job with the children would be the grandparents, which would be the Senate in our system. If the system were to keep going using your metaphors, then there would be great grandparents, which would be the Governor General. It is a sad thing in a way. This matter began with Senator Beaudoin's intervention as well. In this century many countries have had to make decisions about what models of government they would use, whether they would be republics, constitutional monarchies or whatever. The histories of countries moving towards responsible government and then to full independence are well documented and available.

Because so many things are so often put before the public, and because those measures were so well entrenched, the public does not see them for what they are. One of the measures that has been put before the public for years, and which the public has been thoroughly "inoculated" against, is the phenomenon of the Crown and the role of the Governor General. We must remember that the Governor General is a member of Parliament. Every time we pass a bill, it says at the top "Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada." One of the shocking things for me, as I have seen these events unfold, was that the Governor General did not summon people from here, mainly Senator MacEachen, to ascertain the facts of the case. It is important in our system that the Governor General walk head and shoulders above all of us.

I do not know if Senator Kinsella and Senator Spivak are aware of it, but they are both sitting under the name of Lord Dufferin. I would like to put on the record what Lord Dufferin had to say with respect to this business of impartiality and the Governor General. He said:

> If there is one obligation whose importance I appreciate more than another, as attaching to the functions of my office, it is the absolute and paramount duty of maintaining not merely an outward attitude of perfect impartiality towards the various parties into which the political world of Canada . . . is divided . . . As the head of a constitutional state, as engaged in the administration of parliamentary government, he has no political friends . . .

I would remind honourable senators that our system has vehicles and means which we must use, as the citizens of this country have used the petition.

I want to leave one other reference with you with respect to the role of the Governor General, because I sincerely believe that this Governor General has a duty to follow in the traditions and the precedents of the Governor Generals of this country. I shall quote precisely:

> A second duty of the Governor General is to offer his services as a mediator and conciliator between the political party leaders when the occasion warrants. Intervention of this kind is usually of an emergency nature and will occur only in time of crisis. Thus the Duke of Devonshire in 1917 summoned Sir Robert Borden, Sir Wilfred Laurier, and four others to a meeting at Government House.

So the precedents are there. So to return to the matter at hand, which was petitions and the question as to who truly represents the people and the public interest in our system, whether you like it or not, it is the Governor General and the Crown. Last week I quoted Charles Vincent Massey. There are many other sources before us. The Prime Minister is the head of the Government of Canada. The Governor General is the head of the people of Canada. Thank you.

Senator Comeau: May I ask a question. I have here a newspaper article from the *Ottawa Citizen* of two or three days ago. The article is an interview with the Leader of the Opposition in the Commons. I would like to refer to one of the comments he made. I believe he is not yet elected, but he is going to be the leader.

Senator Cools: What are you talking about?

Senator Comeau: Jean Chrétien.

Senator Cools: He is the leader of the party. He was elected at a convention to be the leader of the party.

Senator Comeau: I will quote the article.

> The leader said Mulroney's cavalier attitude and public opinion—

"Public opinion" meaning polls.

> —shifted his initial reluctance to have the Senate kill the GST. He insisted he made the final decision, not the senators.
>
> "They will not do anything that I don't want them to do."

Do you accept this? If you do, I would like you to say so. If you do not, I would like you to refute that despicable statement.

Senator Cools: Senator, I told this house last night that I do not have much regard for the *Ottawa Citizen*, and I do not pay attention to the articles in it.

Senator Comeau: Do you deny the quote?

Senator Cools: I am trying to tell you with a little bit of subtlety that I am ignoring you. .

Senator Grafstein: Before 6 o'clock, I would like to return to petitions and perhaps after 8 o'clock we can return to Senator Cools' important issue. I congratulate her for introducing a different perspective that has not been properly aired in the chamber during this most important period when we are dealing with petitions.

Earlier when I was presenting my petitions from Toronto, I made some comments directed toward Senator Di Nino, and he was not here. He is here now, and during the few minutes that are available before six o'clock, I would like to return to petitions and draw his attention to a petition I received yesterday from an area of Toronto that he would know well. The area of Toronto I am addressing his attention to is St. Clair Avenue West. I know that the honourable senator is not only familiar with that area, but has spent much of his life there. This gentleman not only saw me yesterday while I was in Toronto, but repeated his viewpoint with respect to the GST. I must say that some months ago he raised this with me as a passing matter, and has subsequently repeatedly told me to stop the GST. So the form of petition that he makes to me is quite interesting. Before I table it, I would like to tell honourable senators about this man and his family because I think the story represents the great qualities that we so value in Canada, those being hard work, energy, and creativity which not only brings about success to a particular family but to the workers and their families.

This gentlemen's name is Lou Litwin. He is the president of a company called St. Clair Paint and Wallpaper, which is one of Canada's largest paint and wallpaper companies. It was started on St. Clair Avenue, not too far from where Senator Di Nino started his company. The origins of this company are interesting. Mr. Lou Litwin's father was born in an area of Russia that was famous during WWII because it was a war-ravaged area. Mr. Harry Litwin, now deceased, came to Canada in 1919. From 1919 to 1939 he was a painter. He worked hard and finally opened a store on St. Clair Avenue West called the St. Clair Paint and Wallpaper Company. From that modest beginning, Mr. Litwin, with his young son, built up a business from 1939 to the present day which includes over 150 stores across Canada, with manufacturing plants in Ontario. He built a paint factory in Nova Scotia. I believe Senator Buchanan would be familiar with that factory, because it brought jobs to Nova Scotia. He built a paint factory in England.

Senator Buchanan: I opened it.

Senator Grafstein: Senator Buchanan says he opened the plant, so he is familiar with it. This is a hardworking, industrious family encompassing three generations, from the late Harry Litwin, to Lou Litwin, who is the head of the company, to his young sons, Jeffrey and Harry—Harry named after his father. They are now working in the business.

Yesterday, he asked me what I could do to stop the GST. He said he is not involved in politics, but he wants to do the right thing. He wants me to do everything in my power to stop the GST. I was taken aback by this because Mr. Litwin is, as Senator Buchanan knows, a moderate, decent and apolitical man. I asked him if it was proper—and this goes to Senator Kinsella's question —for senators to do this, and he told me to do what I have to do because it is not helpful to the country. I asked him why, and he said because it is difficult, complex, costly, and is going to hurt his customers and contractors. Mr. Litwin said he would have to cut jobs not only in Toronto but across the country. He said he has employees with families across the country who look to him to be the engine of their life's work. He said that he wants to create more franchises, more stores and more jobs, but he said this tax is going to hurt him and the families that work for him and with him. He is a public company and his employees have shares in his company. He told me to go back to Ottawa and tell those senators—particulary the senators from Toronto, Nova Scotia and Ontario—to stop the GST because it is going to stop him from building a company to create more jobs, which is all he wants to do.

I said that perhaps there were other alternatives. He said that there are other taxes and that he would agree to pay more corporate taxes or more personal taxes. He does not feel that this is a fair tax. He said his customers are telling him that, along with the painting contractors and the housing industry. Then he concluded with something that I think is quite telling: He said that what bothers him more than anything else is that it is going to be an invitation for people to cheat. They will not want to do it, but, as a result, the government is not going to collect any more money. The tax will force a lot of people to cheat. That is not the Canadian way. He said that is not what his father said, what he says or what his two sons, who are working in his business, say. They want to build a bigger company than he did and create more jobs, and they do not

like it either. So he said, on behalf of the Litwin family and on behalf of the St. Clair Company, stop the GST.

Honourable Senators, it is 6 o'clock.

The Hon. the Acting Speaker: Honourable senators, I now leave the Chair to reconvene at 8 o'clock this evening.

The Senate recessed at 6 p.m.

At 8:00 p.m. the sitting of the Senate was resumed.

BUSINESS OF THE SENATE

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I think most of us are aware that, over the last few days, there have been contacts made and discussions at various times and in various places among various people with a view to finding a way to solve at least some of our present problems and return to a more normal regime and agenda here in the Senate. I do not have anything that I can usefully report to honourable senators at the moment except that discussions are continuing and that, after consultation with the leadership on the other side, we have decided that we should give the discussions a fair chance to proceed tonight and tomorrow. Therefore, I am proposing, with their concurrence, that we suspend the present sitting of the Senate until tomorrow afternoon at 2:00 o'clock.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, that is quite acceptable to us. In the meantime, we will take advantage of the time to see whether some of the ideas that are in play might lead us to a solution, as Senator Murray says, to at least some of the problems we are presently facing in the Senate. I should just add that, if we do not succeed in reaching any conclusions, we will, of course, be back tomorrow on the same item, which leaves the situation as it is at the moment. That will occur in the absence of a conclusion which, I hope, will take place on at least some of the points at issue.

The sitting of the Senate was suspended until Monday, October 15, at 2 p.m.

[*Editor's Note: For continuation of proceedings see Issue No. 97H.*]

THE SENATE

Tuesday, October 9, 1990

[*English*]

[*Editor's Note:* Continuation of Proceedings from Issue No. 97G.]

At 2:15 p.m., October 15, the sitting of the Senate was resumed, the Speaker in the Chair.

Prayers

BUSINESS OF THE SENATE

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senator, I move that this House proceed to the reading of Orders of the Day, and that—

Hon. Royce Frith (Deputy Leader of the Opposition): No. No. Such a motion may only be moved when a question is under debate. It cannot be moved by—

Some Hon. Senators: Sit down.

The Hon. the Speaker: Please sit down. I cannot make a ruling if I do not hear the argument. Order, please.

Honourable Senators, I cannot make a ruling on any point if I cannot hear the honourable Senators.

Senator Murray: I have good standing power, I can tell you that.

Senator Frith: These motions are moved in the course of debate on questions that they seek to set aside. They may only be moved—only be moved, not put—and they cannot even be moved when a question is under debate, and cannot be moved by a member rising on a point of order. Continue, Senator Perrault.

Senator Roblin: We are entitled to be heard.

The Hon. the Speaker: Order, order!

Senator Frith: Read the rules. They cannot be raised on a point of order.

An Hon. Senator: Why not?

Senator Frith: Because it says so. It cannot be raised on a point of order. It says so. It cannot be done.

An Hon. Senator: Let the Speaker be heard.

An Hon. Senator: Rules, rules, rules.

Hon. Raymond J. Perrault: Notwithstanding the fact that some 50 per cent of periodicals and books are returned due to non-sales, the periodical marketers called for an exemption from GST at the time of importation.

In response to a request, the Minister of Revenue noted that the periodical marketers would be eligible for an input tax credit at the time of importation and would not have to wait for the items to be sold to claim the credit.

The minister's response ignores the fact that input tax credits, although nominally claimable at the time of import, are actually eligible to be filed no sooner than the end of the month of importation.

Furthermore, Revenue Canada does not begin to pay interest on the claim until a further 21 days after the sale is received by the department.

• (1420)

The Hon. the Speaker: Order. Honourable Senators, my understanding . . . .

Some Hon. Senators: Oh, oh.!

The Hon. the Speaker: Honourable Senators, with all the noise—my understanding was that Senator Doody was getting up on a point of order.

Senator Murray: I am standing on a point of order. Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Translation*]

Honourable Senators, I would like to speak to Senator Frith's point of order.

[*English*]

Honourable Senators. Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault reads names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault reads names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

An Hon. Senator: You raised a point of order. I wish to argue it. I wish to argue your point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

• (1430)

Senator Perrault: Honourable Senators, we are now moving on to another community. This time it is Kelowna, British Columbia, the vacation capital of British Columbia.

Mr. Cropay was visiting from Dryden, Ontario, went to Kelowna for his summer holiday and became so concerned about the GST that he signed this petition in a bookstore in British Columbia. That is the nice feeling we get between British Columbia and Ontario.

His wife Angie also signed—a very firm signature. They are obviously concerned.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Perrault: We have a petition from Madge Barry of 1684 Bernard Ave. in Kelowna. She is humbly praying and calling upon us to stop the introduction of the proposed goods and services tax. This is the position she has taken.

We have a Petten here. There is a Petten who signed this petition in Kelowna. Senator Petten, were you up in the BC interior this summer?

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak on the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak on the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

An Hon. Senator: Do we get a copy of this?

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

Senator Perrault: Now I want to move on, honourable Senators, to a list of names from that great city Calgary, one of the finest cities in all of Canada.

Some Hon. Senators: Hear, hear!

Senator Murray: I wish to speak to Senator Frith's point of order.

Senator Perrault: These names were collected at a bookstore in Calgary, where they are very concerned that in the year when we are battling illiteracy, we have decided to tax books. This is the brief explanation for this particular one.

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I ask to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

Senator Perrault: These people are very concerned about the effect of the GST on the Northwest Territories. The Senator spoke very eloquently on that point the other day.

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

An Hon. Senator: What was that, again?

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

• (1440)

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

Senator Perrault: I must observe that my Vancouver Canucks defeated Edmonton in hockey last night. I know it is unparliamentary to say that.

An Hon. Senator: It is absolutely wonderful.

An Hon. Senator: But it is nice.

Senator Perrault: Yes, it is. We have another petition here. This one was also collected at a bookstore by people who are outraged about the anti-intellectual thrust of the GST, that we are now going, for the first time, to attack learning by taxing books.

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

Senator Perrault: They asked us to report . . . . I know that the honourable Senator there will want to fight that terribly oppressive burden being placed on literacy.

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

An Hon. Senator: You sit down.

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

Senator Perrault: We want to make sure that all of these addresses are correct.

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

Senator Perrault: Honourable Senators, if any members of the government side have petitions they would like to present of those supporting this bill we would be very pleased to hear them.

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order. You raised a point of order. I wish to argue your point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

• (1450)

An Honourable Senator: Some of the Senators are interested in the names here. Can we not have it a little more quiet, please. Will you please listen to these names.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Perrault: Mr. Webb is very concerned about the proposal to tax periodicals as well. He really believes it is unfair.

[*Senator Perrault continues to read names of petitioners*]

Some of these people have written to say that Canadian publications are barely surviving now and this is going to kill Canadian pubications. This is why they are signing the petition.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

• (1500)

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Perrault: We have another group of petitions. I have just been informed that the names are pouring in from my home province of British Columbia. I feel honoured to be [*Inaudible—Editor*]. All the members of our western caucus are impressed with the number of westerners who are expressing their grievance.

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

Senator Perrault: These petitioners signed these petitions, I presume, at a bookshop. Again, they are very concerned about the proposal during our year in which we are battling illiteracy to make it difficult for people to read. We feel that is inconsistent with what we are trying to do. That is the explanation.

Senator Murray: Hon. Senators, I wish to speak on a point of order. I wish to speak to the point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

Senator Perrault: Kimberly, British Columbia, is a community that has suffered a great deal as a result of the mismanaged economy by the Conservative government. No wonder they are signing petitions there because they suffered so badly.

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith. The Speaker tells me I have the floor. The Speaker says I have the floor.

Senator Perrault: I have not finished reading my petition yet, honourable Senator.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to argue the receivability of Senator Doody's motion.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

Senator Perrault: It is very wonderful to get these letters coming from all regions of the west, big towns and small towns. That is up in northeastern British Columbia.

[*Senator Perrault continues to read names of petitioners*]

We hope that others will write in and let them know their views, whether or not they support the GST or whether they oppose it. We want democracy in this House. If honourable Senators want to present their petitions in support of the GST, we will certainly listen to them with respect.

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

Senator Perrault: We will not take away from the time of the Speaker who want to read those names. I want to do that—

Senator Murray: Honourable Senators, I wish to argue the receivability of Senator Doody's motion.

Senator Perrault: You will be given respectable silence by the opposition.

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to argue that Senator Doody's motion is in order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senator, you argued against the receivability of Senator Doody's motion. I wish to argue in favour of it.

Senator Perrault: We have a petition from Fernie, British Columbia. Fernie is one of the great coal-mining areas of Canada, contributing to the wealth of this country, suffering under present economic policies, but valiantly striving to maintain a viable base.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Perrault: We have another petition, which has come in from a university book store. You see, together with millions of other Canadians, she wonders why the Conservatives are attacking universities and knowledge, books and periodicals. It seems so contrary to all of our traditions, so she has signed that petition.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

Senator Perrault: There must be real anger in Cranbrook, because so many have signed with a red pen. They seem to be particularly angry. It is almost as though they signed in blood, or something.

An hon. Senator: Their blood is boiling.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: I wish to wish to speak to the point of order raised by Senator Frith.

• (1510)

I want to speak to the point of order raised by Senator Frith.

Senator Perrault: This petition is from Cranbrook, British Columbia. They are very concerned about the employment in Cranbrook. The lumber deal that was signed by the Conservatives is ruining the lumber industry in British Columbia and they are one of the victims of this process. Cranbrook is suffering.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

Senator Perrault: There is a gathering storm in Radium. They are very concerned about what this bill is going to do to

the tourist industry. Tour operators say it will be ruinous if we in the Senate allow this bill to pass. I assume that is why this petitioner has written to us.

[*Senator Perrault continues to read names of petitioners*]

An Hon. Senator: They are going to charge a 7 percent increase for the price of swimming.

Senator Perrault: Yes, that is right, they are going to charge a 7% increase on the price of swimming.

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

Senator Perrault: These petitions contain the names of people from Toronto. They were visiting western Canada. This is what we should do. More people from the west should visit eastern Canada, the Atlantic provinces and vice versa. Then we would have less misunderstanding.

[*Senator Perrault continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

Senator Perrault: The letters are still coming in from Willowdale, Ontario. It is heartwarming to see the way these letters are coming in.

Mr. McDougall McIntosh, who lives on Murray Street in Toronto, is an outraged Scot at the idea of the GST; imagine living on Murray Avenue.

Senator Murray: Honourable senators, I wish to speak to Senator Frith's motion.

Senator Frith: Hon. Senators, Senator Murray does not seem to understand that he broke his word again. We have a book with rules in it, and we are going to follow it. We are not going to have precedents in points of order beeing set by Senator Murray. That is the problem.

Hon. H.A. Olson: Only a few minutes ago, when Senator Murray stood up, he immediately tried to move a motion. When we had the recess a few minutes ago an appeal we made was that we were going to go back to petitions where we were.

Senator Murray got up and interrupted someone who was doing what he agreed to do in the truce when we had some discussion. As soon as he got on his feet he violated the agreement he made by trying to move a motion.

Hon. Senators, not only that, but we have the petitions right here. They do not seem to be able to understand. I have a number of petitions.

They keep coming in. Every day we get more and more. The people of Canada are trying to express their views to Parliament, which is their ancient and undoubted right.

• (1520)

What members of the government side do not seem to realize is that you can fool us once, you even fooled us twice, but we are not going to have any more rules that change. You can get out the bulldozer. There will be no more bulldozing, thanks, we have had enough of that.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order read by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: We do not want the rules changed. These people want their rights. They offered petitions to this place, and we are going to have that.

Senator Murray: Senator Frith raised a point of order—

Senator Olson: All these people want the Senate to know what they are talking about. They have a right to carry their message to the Senate and anybody who gets in the way is going to be sorry. The people will never get over this.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Senator Frith raised a point of order. I wish to argue it.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Hon. senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Hon. senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Hon. senators, I wish to speak to the point of order raised by Senator Frith.

Senator Olson: These are all people who wanted us to know. They all want the Senate to know that they are distrubed because . . . . I am not allowed to read the petitions and I never break the rules, but what they are really saying is that we humbly pray and call upon the Senate to prevail the Government of Canada to stop the introduction of this Goods and Services Tax.

I know they used to support the Conservative party, but I bet you not any more.

Senator Murray: Honourable senators I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Hon. senators, I wish to speak to the point of order raised by Senator Frith. I would like to argue the point you raised.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I want to argue the receivability of Senator Doody's motion.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: The Senate will decide. The Senate will decide.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable senators, I wish to speak to the point of order raised by Senator Frith.

• (1530)

Senator Olson: There are hundreds and hundreds of names here of people in southeastern Alberta. I know all these people. They do not get riled up like this very often.

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to argue the receivability of Senator Doody's motion.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

Senator Olson: The list is endless. You know, every night there are more petitions.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: We are not talking on a point of order. You made a point of order last time and then you got up and moved the motion.

Senator Murray: You argued that Senator Doody's motion was not receivable. I wish to argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Senator Frith argued that Senator Doody's motion was not receivable. I want to offer the argument that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: There are hundreds more names. Here is a good friend of mine, Tommy Charleton. He has made a great contribution. He is a storekeeper. He knows the kind of work he is going to be getting involved in. He knows what he is going to have to do if this tax ever goes through.

Senator Murray: Hon. Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

Senator Olson: A Mr. J. C. Cleland from Lethbridge, Alberta, wants us to know that he objects to the way the government is carrying on its business down here.

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

Senator Frith: There is no receivability of motions when you are on petitions. When you are discussing petitions you cannot get up on a point of order as you did a few minutes ago.

Senator Murray: Senator Frith got up on a point of order and I want to speak to it.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[itSenator Olson continues to read names of petitioners]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's the point of order. I have been recognized twice by the Chair.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[itSenator Olson continues to read names of petitioners]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[itSenator Olson continues to read names of petitioners]

Senator Murray: I wish to speak to Senator Frith's point of order.

[itSenator Olson continues to read names of petitioners]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

• (1540)

Senator Olson: Now, we have a few more here from Calgary and, if we look down the list, there is a Greg Alexander from Regina, Saskatchewan.

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

Senator Olson: If you look at these petitions, you can see that whole families are signing, and they do not want Senator Murray or anybody else to take away their right to present petitions.

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

Senator Olson: These are all people who want us to know their views. They are very disturbed by what is going on here.

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to Senator Frith's point of order.

Senator Olson: Prices have not been good, but they want us to know they are not going to sit quietly and idly by while this government bulldozes like this.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: They never quit. They have bulldozed it all through the House of Commons. Now they are going to bulldoze it here, too.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: That is why they do not want it. They are sick and tired of bulldozers . . . bullying tactics all the time.

They mine a lot of coal at Sunnynook. As a matter of fact, they mine it for several reasons. There is a big power generator there using coal, and of course they ship some out too, but the power now is the main thing. They are terribly concerned about this.

Senator Murray: Honourable Senators, I would like to speak to the point of order raised by Senator Frith.

Senator Olson: We know that. If you have some petitions—

Senator Murray: I would like to speak to the point of order raised by Senator Frith.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: Honourable Senators, I would like to speak to the point of order raised by Senator Frith.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: Honourable Senators, I would like to speak to the point of order raised by Senator Frith.

Senator Olson: Just in case you are wondering, I also have a small petition here—

Senator Murray: I would like to speak to the point of order raised by Senator Frith.

Senator Olson: —and there is another petition.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: Honourable Senators, I would like to speak to the point of order raised by Senator Frith.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: Hon. Senators, I would like to speak to the point of order raised by Senator Frith.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: I have been recognized by the Chair.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues reading names of petitioners*]

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

• (1550)

Senator Olson: The Senators from Nova Scotia can look after reading the names coming from their province. Canadians, no matter where they are in Canada, want to carry their message to the Senate, because it is their last resort.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: They know it has been bulldozed through the other places, and this is where they think their democratic rights should be recognized.

Senator Murray: Honourable Senators, I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: All of these people are determined that we get their message, and I think we are starting to get it.

An Hon. Senator: Do you have an area code there?

Senator Olson: Yes, we have an area code. It is 403 for the whole province—if you want to phone him. I am sorry, a lot of them did not put their phone numbers in but the postal code is here.

Senator Murray: I would like to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I would like to speak to the point of order raised by—

An Hon. Senator: Do you want him to speak?

Senator Olson: The list goes on and on. I am sure that by the time I get back to my office, I will have another long list.

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: People are making a last desperate attempt to carry their message to the Senate. We have to respond to that.

Senator Murray: I wish to speak to the point of order raised by Senator Frith. I would like to argue the receivability of Senator Doody's motion.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: All these people insist that their voices be heard, because they want the Senate to know—

Senator Murray: I wish to speak to the point of order raised by Senator Frith.

Senator Olson: How many have I got here? I am running out of breath.

An Hon. Senator: Keep going.

Senator Olson: That is right. We want David Hall—

Senator Murray: I wish to speak the point of order raised by—

Senator Olson: I know you want to speak on a point of order but the last time you got to speak on a point of order you started to move motions.

Senator Murray: I wish to argue the receivability of Senator Doody's motion.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: He rose on a point of order. Why can I not speak to it?

[*Senator Olson continues to read names of petitioners*]

Senator Murray: You spoke on a point of order. Why can I not—

An Hon. Senator: It is not receivable.

Senator Murray: You have said it is not receivable. Let me argue that it is.

Senator Olson: No, no.

Senator Murray: Let me argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: You say it is not receivable. Let me argue that it is. You say it is not receivable. Let me argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: You say it is not receivable; let me argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: You say it is not receivable; let me argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: You say it is not receivable; let me argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: You say it is not receivable; let me argue that it is.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: Senator Frith made a point of order. I wish to speak to it.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Olson continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

• (1600)

Hon. Peter A. Stollery: Honourable senators, I have some petitions as well. I might add that these petitions are complaining about the fact that this tax will be applied on magazines, books and newspapers, something that has never been done since Confederation.

[*Senator Stollery reads names of petitioners*]

Whitby is a town to the east of Toronto, a very small community not far from the Pickering nuclear reactor.

[*Senator Stollery continues to read names of petitioners*]

Mr. Bahr from Toronto is also complaining about the tax. The goods and services tax will be applied to magazine subscriptions. When he goes to a drug store he will have to pay the goods and services tax, and he is definitely not in favour of it.

[*Senator Stollery continues to read names of petitioners*]

This petitioner from Scarborough's complaint has to do with the magazines, which she gets every week.

The Hon. the Speaker: Senator Murray.

[*Senator Stollery continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Stollery continues to read names of petitioners*]

Senator Murray: The Chair has recognized me.

[*Senator Stollery continues to read names of petitioners*]

Senator Murray: I have been recognized.

[*Senator Stollery continues to read names of petitioners*]

Hon. Sidney L. Buckwold: Honourable senators, I have the names of several petitioners.

An Hon. Senator: Mr. Speaker, we have a point of order. I suggest you make a ruling and send it around in writing.

The Hon. the Speaker: A point of order has been raised on the floor. The rule book says that when there is a point of order on the floor, we will discuss it. I have a ruling here. There is a point of order.

Senator Buckwold: This is a very important petition.

The Hon. the Speaker: You have a point of order and it takes precedence over petitions. You know that.

Some Hon. Senators: Sit down.

The Hon. the Speaker: I will not sit down—certainly not when you tell me to sit down.

[*Senator Buckwold continues to read names of petitioners*]

• (1610)

The Hon. the Speaker: Rule 15 says:

> the Speaker shall preserve order and decorum . . . points of order . . . to the Senate—

Some Hon. Senators: Oh, oh.

The Hon. the Speaker: Senator Frith, Senator Murray brought a point of order. He brought a point of order. It takes precedence over petitions. You know that.

Some Hon. Senators: Oh, oh.

The Hon. the Speaker: Senator Murray wishes to speak on the point of order, which takes precedence.

You have the floor, Senator Murray.

Some Hon. Senators: Oh, oh.

Senator Buckwold: A lot of these petitions . . . . The town of Fort Erie would be very hurt. The town of Fort Erie would be very hurt if they did not know that this important list of their citizens' names was read at this time, because after all, someone went to a great deal of difficulty to get this list of names together. Certainly I will do the best I can to ensure that people in Fort Erie have their names read publicly and are heard by the Senators, who I know are very interested in hearing their names. In fact, I appreciate the attention everyone here is giving these names, because I think the people here find these names important, and that someone has gone to the trouble to compile a list—to take a Sunday, or one of their days off, and compile a list of names—

Senator Murray: Why can I not speak to your point of order?

Senator Buckwold: —of those opposing this tax on books and other things is a great credit—

Senator Murray: I want to know whether the Speaker has ruled on this point of order.

[*Senator Buckwold continues to read names of petitioners*]

An Hon. Senator: Has there been a ruling?

[*Senator Buckwold continues to read names of petitioners*]

Senator Murray: I want to know whether he has brought in a ruling on your point of order.

[*Senator Buckwold continues to read names of petitioners*]

Senator Murray: I want to know whether the Speaker has ruled on your point of order.

[*Senator Buckwold continues to read names of petitioners*]

Senator Murray: If he has not, I want to speak to it. If he has, I would like to know what the ruling is.

Senator Buckwold: The petition has actually followed the Niagara River, and they have joined all those communities in the Niagara peninsula and along the Niagara River, because the next name is . . . .

[*Senator Buckwold continues to read names of petitioners*]

Senator Murray: Hon. Senators, I wish to speak to Senator Frith's point of order.

[*Senator Buckwold continues to read names of petitioners*]

Senator Murray: I wish to speak to Senator Frith's point of order.

Senator Buckwold: This, of course, is what happens when you have a government that refuses to compromise on anything, so here we are in an uncompromising situation.

Senator Murray: I wish to speak to Senator Frith's point of order.

[*Senator Buckwold continues to read names of petitioners*]

The Hon. the Speaker: If you agree, hon. Senators, I would like to suspend the sitting and if the two leaders would meet with me in my office, maybe we can find a solution to this.

Some hon. Senators: Hear, hear.

The sitting was recessed.

At 5.57 p.m. the sitting was resumed, the Speaker in the Chair.

The Hon. the Speaker: The sitting is resumed. If there is agreement, and there is agreement amongst the leaders, we shall suspend the sitting as of this moment and come back at the call of the bell at 2 p.m. tomorrow. Is it agreed, honourable senators?

Hon. Senators: Agreed.

The sitting of the Senate was suspended until approximately 2 p.m., October 16.

[*Editor's Note: For continuation of proceedings, see Issue No. 97I.*]

THE SENATE

Tuesday, October 9, 1990

[*Editors's Note: Continuation of proceedings from Issue No. 97H.*]

At 6 p.m., October 16, the sitting of the Senate was resumed.

The Hon. the Speaker: Honourable senators, as the clock says 6 o'clock, I must leave the Chair. We will suspend the sitting now and reassemble at the call of the bell.

An Hon. Senator: Will that be at 8 o'clock or 9 o'clock?

The Hon. the Speaker: I do not know, but it will not be before 8 o'clock.

The sitting of the Senate was suspended.

At 8:50 p.m. the sitting was resumed.

The Hon. the Speaker: Honourable senators, at the risk of sounding like a broken record, I must say again that the sitting is suspended. We will recess now until tomorrow, October 17, at 2 o'clock because negotiations are still going on.

The sitting of the senate was supended until Wednesday, October 17, at 2 p.m.

At 2 p.m., Wednesday, October 17, the sitting was resumed, the Speaker in the Chair.

The Hon. the Speaker: Honourable senators, the sitting is resumed.

RULES OF THE SENATE

POSSIBLE CHANGES—STATUS REPORT

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I think I can speak for the leadership on both sides, although I am sure that the Honourable the Leader of the Opposition will have something to add to my comments. In reporting in a very general way on discussions that have taken place over the past few hours concerning possible changes in our rules regarding voting and concerning the legislative business that is now before the Senate, first of all, I think I can reassure all of you that we have not been idle these past few hours. We have been working very hard and very seriously in an effort to reach agreement on these matters. I want to acknowledge that and acknowledge also the assistance of various people who have been helping us in that endeavour. Today, for the first time, I can report solidly that we have made good progress. However, we are not ready. There is some drafting and translation to be done. What we do has to be done in both official languages, and there are final approvals to be given on both sides.

That being the case, I would suggest that we suspend the sitting until 8 o'clock this evening. That will give us time to get the drafting and the final agreement done, and it will also provide some certainty for honourable senators, who will not be required to sit around and a wait the call of the bell. I believe that the consensus is that we should suspend until 8 o'clock this evening.

Senator Frith: Oh?

Senator MacEachen: I guess it is all right.

Senator Murray: At least, the agreement that was reached between the Leader of the Opposition and me in our last discussion was that it would be better to have a fixed time to return to the Senate rather than having to wait. I hope that in the meantime we can bring this matter to a successful conclusion. Therefore, when honourable senators come back at 8 o'clock, they should come back prepared to work.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, what the Leader of the Government has said is agreeable. We have had some meetings and we are making some progress. We will never be sure until we are at the last comma and period, but I am confident that we can resume at 8 o'clock with some definite results that will be an improvement over the situation that existed—when was it, Monday?

The Hon. the Speaker: Is it agreed, honourable senators, that the Senate be suspended until 8 p.m?

Hon. Senators: Agreed.

The sitting of the Senate was suspended until 8 p.m.

PROPOSED CHANGES—STATUS REPORT

At 8 p.m. the sitting of the Senate was resumed.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I have a brief report to make for those of you who did not have the pleasure of seeing Senator Kirby on CBC *Newsworld* a few moments ago bringing the nation up to date on our discussions.

First, the leadership of the two parties continue to work on an agreement, the elements of which, as honourable senators

know, are changing the rules and the agreement on the business that is now before the Senate. The legal drafting is complex and painstaking. It is excruciatingly slow, but I hope that when we have finished it we will have documents that we can all understand and live with. It also needs to be translated.

Our proposal, therefore—and the proposal that would find support on both sides of the chamber—is that, while we continue to try to put the finishing touches to these documents, the Senate might take up Bill C-28 this evening without prejudice to the positions that we were in on either side.

An. Hon. Senator: What? No Question Period?

Senator Murray: The Leader of the Opposition and our friends and I would continue to work this evening; the rest of you would direct yourselves to Bill C-28 before suspending the sitting this evening. We would then return here tomorrow at two o'clock.

Senator Bosa: What time are you going to suspend the sitting?

Senator Bonnell: Do we adjourn now?

Some Hon. Senators: No.

Senator Murray: No. You will proceed with Bill C-28. The adjournment stands in Senator Frith's name. I understand that there are one and possibly two speakers in the opposition who might wish to speak tonight on Bill C-28. There will also be at least one speaker on the government side to address that bill. We will then suspend the sitting and come back here tomorrow at two o'clock, by which time our work will have been completed.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I had intended not to be associated with this announcement because to some extent it represents failure of our process. After having given such a strong indication that we might be back with an agreement at eight o'clock, we have to ask for more time. Perhaps it is a helpful sign that we are recommending to begin with the legislation that would be contained in any parliamentary timetable if we have a general agreement. Let us hope that commencement of this will stimulate us all to reach an agreement soon so that we can get some business done and change some of the rules that have created so much difficulty.

The Hon. the Speaker: Honourable senators, do you agree that we move to Order No. 1 on the Orders of the Day?

Some Hon. Senators: Agreed.

INCOME TAX ACT AND RELATED ACTS

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR NON-INSISTENCE UPON CERTAIN SENATE AMENDMENTS—DEBATE ADJOURNED

On the Order:

Resuming the debate on the motion of the Honourable Senator Doody, seconded by the Honourable Senator Phillips:

That the Senate do not insist on its amendments to the Bill C-28, An Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, to which the House of Commons have disagreed; and

That a Message be sent to the House of Commons to inform that House accordingly.—(*Honourable Senator Frith*).

Hon. Sidney L. Buckwold: Honourable senators, before I was so rudely interrupted on June 19 I was saying that I am here to oppose the motion of Senator Doody that the Senate do not insist on its amendments to Bill C-28, An Act to Amend the Income Tax Act and other associated Acts in the legislation.

To those of you who were not here earlier in the year, Bill C-28 is a long, involved and complicated piece of legislation involving a variety of income tax changes—many of them important. The legislation was carefully reviewed by the Standing Senate Committee on Banking, Trade and Commerce. We looked over the income tax changes carefully. Some things we did not accept with joy, but they were accepted.

The major controversial point was the so-called clawback legislation, in which over a certain threshold, namely, $50,000 of income, old age pensions would be taxed back along with family allowances. This relatively minor section—that is, in relation to the overall bill—was probably the most contentious aspect of the legislation.

Like other bills presented by the government in this session, it invoked a revulsion on the part of literally millions of Canadians. They resented very deeply the fact that the old age pension—and I refer especially to the old age pension, although there were certainly problems with the family allowances—and the universality of the system were being eroded. The whole concept that we would have a universal pension regardless of income and without a means test for our old age pensioners—something that all of us have looked forward to, for example, people like myself who draw that pension and others who are dependent very much on it for their financial security—was being eroded.

An. Hon. Senator: Bill C-28 made me vomit!

Senator Buckwold: Bill C-28, with regard to those aspects involving the clawback and the removal of the universality of the pension, represented to the Canadian public another attempt of the government's to take away what was considered a basic, fundamental right. There are those of us who to this day absolutely insist that we do not have means tests, that if you are in a wealthier position you still receive your pension and that it will be taxed back at normal rates that represent a good percentage.

• (2010)

That type of representation was made to us time and time again by important organizations whose representatives appeared before the committee. As I have said, this measure is a major change in principle.

Some may ask why the committee did not reject the basic philosophy of a tax on what up until now has been a program of universality. The answer is one in which the importance of money was a very relevant fact. That fact is that the government will gain $500 million by taxing back through the clawback provision old age pensions and family allowances above the ceiling about which I have talked.

Quite frankly, the committee looked at the measure and realized that it would be a highly contentious issue. That issue was whether or not the Senate should involve itself in removing a source of $500 million in revenue from the government so sorely in need of money. Yet, we held our noses. We swallowed whatever objections we had to the basic change of philosophy that the government had placed on the people of Canada against their will. As I say, it has created revulsion among taxpayers across the country.

In doing this we brought in two relatively minor amendments. Basically, we said, "Okay, Minister of Finance, the least you can do is make sure that the threshold amount of $50,000 will maintain its purchasing power and be fully indexed rather than having the first 3 per cent of that amount eroded by inflation." As honourable senators will recall, the government in its lack of concern for those who draw pensions, regardless of income, originally wanted to tax all old age pensions by limiting the indexation level to 3 per cent. The government brought forward a proposal in which it stated that after a certain point in time old age pensions would not be fully indexed, as they are today. There was an outcry from the people of Canada a few years ago when the government said, "Regardless of income the first 3 per cent of inflation will be carried by the pensioner". This would mean that in a relatively few short years the purchasing power of the pension would be eroded.

I remind honourable senators that such a measure could mean the difference between living in semi-comfort as opposed to complete poverty. As you will recall, there was a great protest. Dear ladies marched on Parliament Hill. That is the way Mr. Mulroney was going to deal with his sacred trust. The old age pensioners built this country, and they did so in a decent, equitable and consistent manner. They were told that their pensions would be wiped out. The outcry was very effective.

I can well remember the pictures on television of the dear old ladies—I think they were mostly older ladies—who accosted the Prime Minister and said, "You can't do this to us. This is not the way the government is supposed to operate". The government backed off and changed its direction. To this day, thanks to those wonderful older people who protested vehemently, pensions are fully indexed.

[Senator Buckwold.]

However, the government does not back down that easily. What it does not get through the front door it turns around and takes through the back door. Thus, it does not intend to index the clawback. One of the problems we have with the infamous goods and services tax is that those in lower income brackets will not receive fully indexed credits. I am sure that we will talk about that measure in due course.

I think honourable senators can see what the problem was. The people were asking the government not to take everything away and to at least maintain a $50,000 threshold. That may seem like a lot of money now but, as I will report later from evidence given to us, it will not be long before the purchasing power of that $50,000 with a 3 per cent erosion year by year will not even amount to a modest income. Canadians will then have their old age pensions taxed back. This is what so outraged Canadians from across the country. This is the reason the committee which I have the honour of chairing said, "Mr. Wilson, the least you can do is make sure that we maintain the purchasing power, and if people have $50,000 of income, or the equivalent, in purchasing power in years to come then it must be guaranteed that that purchasing power will not be eroded as the years go by".

The answer is always the same: "The government fully intends to do that. We are not going to hurt pensioners. We are a government with a heart. You can rest assured that in due course the government will raise those levels, as it did with family allowance and other programs. Trust us." Imagine this government saying, "Trust us," and expecting people to swallow it.

I think it was responsible for the committee to say in a very mild way, "Mr. Wilson, please make sure you don't erode that pension and wipe out purchasing power as the years go by. If you are going to do it, then why not put it in the legislation?"

The second part of our amendment involved what is called the old age security fund. Some of our younger senators might not know this but for the period between approximately 1952 and 1972 taxpayers contributed to a fund which was earmarked on their income tax forms as "old age security tax". It was promised by the government, and fully expected by taxpayers, that they were contributing to their pensions. I will read some of the evidence given to the committee in that regard later.

The committee decided that there must be a fair formula to apply to these people who claim that they paid into this fund. They said to our committee that if an insurance company had done what the government is doing now, then its principals would have gone to jail for larceny, fraud or theft. I do not think it would be too much to say to the government that it should at least recognize the fact that people have paid into this fund and feel that at the very least they should get their money back. By the way, the sum of money was not very large, and we worked out an average amount for each contributor. That was the purpose of the second amendment.

• (2020)

After careful study, we took an average of 10 years for those people who had worked and contributed during the period 1952 to 1972 and considered what an average Canadian paid on tax and it worked out to approximately $75 a year. We suggested to Mr. Wilson that, in fairness, those who were paying the clawback should be given back a credit of $75 a year for a period of 10 years amounting to the $750 that they paid. Not the interest, not any more, but an average of $75 a year out of equity and common decency, the same as anyone would do who did not have a gun in his or her hand. There was absolutely no response from the government and it rejected that suggesting.

On September 6, I received a letter from the Honourable Michael Wilson which urged me, as the chairman, to have my colleagues pass the bill because we were holding up the whole Income Tax Act. It has been thrown at us a million times that big corporations are not paying their tax, which they will pay, but do not have to until the bill becomes law. Mr. Wilson stated that we were holding up the whole process, although basically the government is collecting money on all their tax bills, with these few exceptions. Mr. Wilson stated: "In the interest of the country, please get this bill passed." I will read my response to Mr. Wilson, since it is a public document. I said:

> Dear Minister:
>
> I have your letter of September 6 in which you urge the Senate to pass Bill C-28.
>
> I suggest that you and your government take another look at the two modest amendments which are delaying this legislation.
>
> I refer to changes that would ensure full indexation of the $50,000 threshold after which the "clawback" becomes operative and the compensation that should be due to those Canadians who for a period of many years actually made specific payments through income tax for Old Age Security benefits.
>
> Both these significant concerns were strongly presented to my committee by witnesses who were heard during consideration of the Bill.
>
> Surely the full indexation of the threshold figure should be acceptable to you, especially when we are told the government would eventually be doing this in any case.
>
> The same argument that changed your government's mind when Old Age Pension indexation was under consideration should apply in this case.
>
> The other amendment recognizes the obligation of the government to provide some relief for those taxpayers who have paid in advance a designated tax for their old age pension.
>
> Witnesses representing millions of taxpayers asked for these changes (along with many more drastic amendments).
>
> The time has come for your government to listen and respond to the protest of informed citizens who are disturbed with the taxing-back of old age pensions.
>
> The Senate Committee recognizes the importance of having Bill C-28 become law and fully supports your reference to the Large Corporations Tax, as well as other parts of the legislation which, as you state, "improve the fairness of the tax system." That system certainly needs improvement.
>
> But it is wrong to put the blame on the Senate for the present situation.
>
> Accept two relatively minor, but important, amendments and the Bill is yours.

That is as simple as it was. I sent this letter to the Minister and, I am sure, senators can well imagine the response.

Senator Bosa: Two amendments?

Senator Buckwold: Two minor amendments. The response was the usual stonewall. One might as well drive one's car into a brick wall. There was absolutely no give at all.

This has been one of the problems with the government. Government members do not talk to us. I know our people talked about a conference. "Let us meet, talk, and maybe we can come to some conclusion." But somehow the government members have the feeling that whatever they do is absolutely right. There is no reason for them in any way even to acknowledge that this house, in its wisdom and as a result of hearings and listening to people and very considered recommendations, has any contribution to make as a chamber of "sober second thought".

In looking over legislation that is presently in conflict, much of it could have been resolved through an atmosphere of acceptance by the government that in fact we exist and that we should not be ignored. They look down their long noses at us and say, "No, we don't talk to you. You have absolutely no right". No matter how good the amendments are, they have not accepted any.

Other governments have seen fit to accept reasonable amendments. I have to say to members of the government that the two amendments on this iniquitious legislation are reasonable. They are not difficult and they are amendments I would have like to talk to the minister about, but he never talked to me. However, after some months he did write a letter and said, "Come on, you fellows, get it passed. We need the money and you are holding up the income tax rules".

That is how the government operates. I do not think people sitting across the way think those two amendments are so terrible. If they are looked at objectively and not politically, it is not unreasonable at least to keep the purchasing power there, if it is going to be indexed.

I wish to quote some of the evidence given by the witnesses who appeared before the committee. Family Service Canada stated that:

> When the government put forward a discussion paper on family and elderly benefits in 1985, what the govern-

ment was proposing was a removal of indexation, which, in effect, caused indexation to occur at that greater than 3% rate.

This is a very direct erosion of the base from which the tax is initiated. In other words, the threshold continues to drop as inflation continues to rise, and in this case—this is not my figure, but comes from a statement from the National Council on Welfare, and many of us agree with it—a straight-line projection some nine years from now would indicate that an individual tax filer with an income of between $35,000 and $39,000 a year, in 1988 dollars, would be subjected to the total clawback . . .

In other words, those earning a relatively modest and average income would be subjected to the complete removal of an old age pension in a period of nine years.

Senator Bosa: In nine years?

Senator Buckwold: According to this evidence. I should qualify that, at least part of it. That means that a program which started off with a $50,000 high income clawback becomes, for want of a better term, a moderate-income clawback, and with family incomes in this country averaging $46,000 a year any individual with an income of $39,000 will not be considered a high-income earner, but will lose the old age pension. I do not think that is fair, and I would guess that my colleagues across the way, deep down, feel the same way.

The following is what the Canadian Teachers' Federation stated in its brief:

● (2030)

Failure to index the income threshold to the full increase in the Consumer Price Index ensures that the constant dollar value of the threshold will steadily decline.

They then go on to give some figures, whereupon they say:

. . . those figures indicate that there will be nothing to stop the threshold from continuing to fall until it is equal to the poverty level. Once the threshold falls to the poverty level, the benefit will be completely at the discretion of the government to give or withhold, to increase or decrease, and there will be no directly concerned parties left to take an interest in seeing that the benefit continues. We have seen no evidence to suggest that money gained by ending universality is being redirected to Canada's most impoverished citizens . . .

That is important. If they are saving money by not spending it on universaltiy, then they should redirect it to those who need it, those who are less able to enjoy the good life that many of us enjoy. They go on to say:

. . . nor do there appear to be any plans to bring about any such redistribution. In our view, then, the ending of universality confers no immediate benefit on the poor and in the long run may prove detrimental to their interests.

Let me quote from the testimony of the National Pensioners and Senior Citizens Federation, which represents literally hundreds of thousands of the people who built this country. They said in part:

The legislation provides that the threshold at which the security pension will be clawed back will be indexed only by the rate of inflation minus 3 per cent. Thus, each year, if inflation continues, thousands of additional seniors will be affected. In twenty years' time, the threshold expressed in 1989 dollars will be down to $28,000 and will affect two million Canadians.

I have dozens of such quotations from the evidence we received. Here is one from—and Senator Marshall will be interested in this one—the Armed Forces Annuitants Association of Canada, an organization for which he has done so much work. They said in their brief:

If the primary objective cannot be achieved, then the fallback position must be that the $50,000 ceiling be fully indexed to inflation so that this tax will always apply only to the relatively well-to-do. If this is not done, then at some future date no one will be eligible for OAS because all incomes will rise to that arbitrary ceiling. In time, the OAS will itself reach that "magnificent" sum of $50,000.

I could cite comments by the Canadian Association of University Teachers, the Canadian Labour Congress and all the other groups that appeared before us and said, if you cannot hold the clawback back, at least make sure that the $50,000 level is maintained.

Let me come back to the old age security fund. I mentioned it briefly. It was established between the years 1952 and 1972. Between the years 1952 and 1972 the government earmarked personal income taxes, corporate taxes and sales taxes for contribution to a special fund, called the old age security fund. For individual Canadians, a separate tax, clearly identified on their income tax form, identified the amount of their contribution to the fund. I believe someone brought me a copy of the income tax form.

Senator Bosa: I remember it.

Senator Buckwold: In 1972, the special earmarked tax was discontinued but the fund was credited with the amount of revenue that it would have received had the tax been still in place. The old age security fund had an accumulated deficit of $121 million when it was abolished in 1975.

It is for these reasons that the committee recommended that Bill C-28 be amended to grant a non-refundable credit of $75 to be applied against the tax on old age security benefits. Seniors would have access to this credit for a maximum of 10 years. Those who reached the age of 65 after the year 2015 would not be eligible for this credit. To explain why we did this, let me read two or three excerpts from the testimony. The first one is from the Royal Canadian Mounted Police Veterans' Association, and they said in part:

The commitment of the government at that time was clear and taxpayers ever since have had every right to expect they would receive their Old Age Security payments without a "means test." They were for all intents and purposes purchasing an "annuity contract" and the government of the day was to be the "custodians of their funds." Financial and retirement planning since 1952 has

> been predicated on the expectation that this "annuity contract" would be honoured. For example, the Royal Canadian Mounted Police Superannuation plan was integrated with the Canada Pension Plan in 1966 in the expectation that full and indexed benefits would be paid as contracted.

Here is another quotation from the Armed Forces Annuitants Association of Canada, friends of Senator Marshall's. They said:

> During the debate on the 1971 revisions to the funding of the OAS as part of tax reform, the government stated: "Personal income taxes as well as other earmarked taxes have been collected from citizens since 1952 to finance this program, establishing an expectation and a right to the pension."

Here is a brief one from the Public Service Alliance of Canada, and they said:

> Hence, without putting too fine a point on it, it can be concluded that old age security pensions are an obligation to the Canadian people inherited by the current government. As a result,it should, like any other government financial obligation, be paid.

Honourable senators, those quotations give a clear indication of why we did what we did in a very reasonable way. The Minister of Finance could have negotiated with us for the benefit of the senior citizens of this country who presently draw pensions, and perhaps, more importantly, for those millions who will be drawing pensions and who will find that they will not receive as much as they had expected.

I know what the answer would be, and I gather that Senator Simard will speak for the government and will tell us. It will be, "Don't worry about it. Trust us." And I trust him of course." "We'll index it. Whenever it gets down a little low, we'll raise the thresholds. You won't lose your purchasing power. So don't worry about it."

However, old age people are worrying, and that worry is indicated in my mail every day.

The second answer is,"The government has no commitment to those people who paid into this fund. It really was not an annuity and there was never enough to really finance it, and we will not accept the fact that this is an obligation of the Government of Canada."

Yet, the fact is that if you have paid into the fund for 20 years and your contribution is indicated on your income tax, you do have a claim. So those are the arguments of our colleagues across the way, who will try to justify this obnoxious legislation by saying, "You really do not have any commitment from the government. Sure, you paid into the old age pension fund, but you are getting a little bit more in any case, so don't come crying to us."

Honourable senators, for these reasons I cannot accept Senator Doody's motion that we do not insist on those amendments. Speaking for this side of the house and representing millions of Old Age Pensioners, we do insist.

Some Hon. Senators: Hear, hear.

• (2040)

Senator Buckwold: We insist to our very core that the rights of Canadians are once again being trampled on, and that we have a government that has no concern for people, obligations or commitments. I cannot in any way encourage people through my committee, through the members on this side and through others, to say, "No, forget these other things. Go along with the government."

Honourable senators, we insist that our amendments be proceeded with and returned to the House of Commons for affirmation.

Senator Doody: Come on. Be reasonable!

Hon. P. Derek Lewis: Senator Buckwold, would you mind answering a question? Could you explain to us the effect of the $50,000 threshold on a two-income family?

Senator Buckwold: That was an amendment, and I will not go into detail on it. As you will remember, we made an amendment that was ruled by the Speaker to be unacceptable. Do you remember that? It concerned two-income families. I do not think I should take your time to go into it, but if you want me to I would be glad to do so.

This was the part of the legislation that was objected to, namely, that a single-income family would be seriously prejudiced. In other words, an individual earning $51,000 a year as a sole-income would pay the clawback—for example, a senior citizen drawing the old age pension—but two individuals earning $48,000 each, with a family income of $96,000, would pay no clawback. We brought in a recommendation of an amendment, but that was one amendment that was ruled not acceptable by the Speaker. With some regret we did not accept that but we said, "We have the other two amendments. We will let them go." That was the story.

Hon. Jean-Maurice Simard: Honourable senators, Senator Buckwold told us that he was here and he was glad to be here to oppose Senator Doody's motion.

Senator Olson: That's right!

Senator Doody: Shame!

Senator Simard: Well, honourable senators, I was here on September 25; so were my colleagues. We have been here since the 25th. We were here to discuss Bill C-28 and Senator Doody's motion as we were prepared to discuss, debate and vote on Bill C-21 and Bill C-62. We are not too impressed by the opening shot of Senator Buckwold, who says that he is here tonight.

Since September 24 we could have used those days—and nights, if need be—to discuss Bills C-28, C-21 and C-62, because these three bills, among others, are key elements of the government's agenda for economic improvement so that we can build on our social programs. As people have said many times lately, and over the last few years, because of the Liberal heritage we should not be so concerned with beefing up or enriching programs; we should be mainly concerned about

keeping the programs that we have, because Canada has to have the means for its political programs and policies.

[*Translation*]

As an introduction of sorts, honourable senators, I should like to read a few lines from an editorial published in *Le Soleil*'s October 14 issue and signed by Georges Angers. I think it is a fair description of the prevailing economic climate and the difficulties . . . I also believe the editorial I am about to quote briefly adequately explains the reasons why the three bills I have already referred to must be adopted.

I expect to end my remarks in 20 minutes or so, at which time I will urge you to support Senator Doody's motion. Now I get back to the editorial in question because it refers to the actors, the people who are responsible, the creators of Canada's current fiscal situation. As you will see it dates back to the years 1980, 1981, 1982 and 1983, and the leading actor and maestro at the time was none other than Senator MacEachen.

As I listened to Senator Buckwold this evening—and I am among those who believe that the Senate ought to be reformed—I said to myself that he and his cohorts have given us an eloquent demonstration of their irresponsible approach over the past three weeks in particular. They have also proved that their past mistakes did not teach them anything and that they remain as impenitent as ever. Having analyzed the situation and seen the evidence, as many Canadians undoubtedly did, I hope they came to the conclusion that the situation we are in now can be traced back to the policies implemented and upheld at the time by the former régime and to the budgets which were the logical outcome of these policies. No way, for Senator Buckwold made it quite clear that as far as he is concerned, regardless of revenues, the government should go right on spending, which means paying pensions even to people earning $50,000, $100,000 or $200,000. It tells us also that he is reading from a number of testimonies heard during consideration of Bills C-28 and C-62. Clearly he has been rather selective in his choice of testimonies, but no matter. What I have noticed as a result of Senator Buckwold's comments is the fact that neither he nor his colleagues seem to have learned anything from their past mistakes. They seem unwilling to consider new policies specifically designed to get people back to work and to provide those who need it most with enough money to live on. I think that in the current economic and fiscal context, this is what Canadians mostly expect from their government. We shall deal with the universality principle later on.

Getting back to Georges Angers' article which deals with these brave Liberal senators who have been wreaking havoc in the Senate for the past three weeks. Mr. Angers writes and I quote:

> I would be the first to praise them if I did not have any doubts. I especially have some doubts about Senator MacEachen, the Liberal Leader of the Opposition in the Senate who has orchestrated the whole filibuster. The fact is that Mr. MacEachen, before being appointed senator, had been a minister, and a senior one at that, in Mr. Trudeau's Liberal government. In fact, he had been Federal Minister of Finance in 1981 and 1982.
>
> In November 1981, Mr. MacEachen, the Federal Minister of Finance, had tabled a budget under the guise of a tax reform. The fact is that as a result of his so-called "tax reform", the honourable senator was able to collect $6 billion more from Canadian taxpayers but this is something that most of us have probably forgotten.
>
> At the time, Mr. MacEachen felt also that the manufacturers' sales tax (which the GST is about to replace) had to be amended because it was not only inefficient but counterproductive. Mr. MacEachen's proposal to replace the said manufacturers' sales tax was abandonned, however, because it was unanimously thought to be at least as stupid.
>
> Mr. Marc Lalonde, who succeeded him as Minister of Finance, set up a committee who, having looked into alternative solutions to the manufacturers' sales tax, recommended essentially a consumers' tax fairly similar to the GST which Michael Wilson is trying to introduce. Because they were on the eve of a federal election, the Liberals decided to overlook the idea rather than face the people with a project potentially as explosive, because it shattered a great many accepted notions, or even destroyed a great many vested interests.

[Senator Simard.]

● (2050)

It is a well know fact that before an election, the Liberals never introduce any new tax. They complete church basements and make senior citizens all sorts of promises: That is the method which the Liberals use and which brought us to the brink of bankruptcy. I am about finished with Mr. Angers' article which I feel explains the belligerence and arrogance of Liberal senators over the past three weeks, the very people who were first and foremost responsible for the financial mess Canada is in today and from which we are trying to get out. I quote:

> Now, about the good Senator MacEachen. His days at the head of the Department of Finance were not only marked by his inability to find an alternative to the federal tax on manufactured goods, but also by the most remarkable ineptness ever observed in the history of the federal Department of Finance.
>
> In fact, the 1982-1983 Budget Mr. MacEachen tabled in November of 1981 forecasted a $10.9 billion deficit. Six months later, in June, he tabled a new Budget containing revised estimates for a $19 billion deficit.
>
> A few months later, after a public confession and 87 amendments to his Budget—as you surely recall; the people do— Mr. MacEachen was replaced as Minister of Finance by Marc Lalonde, Mr. Bogeyman. By then, the budget deficit had reached $23.6 billions.
>
> For the same Mr. MacEachen to pose today as the champion of the Canadian taxpayers bothers me somewhat. Frankly, that makes me . . .

Hon. Philippe Deane Gigantès: It makes you what?

Senator Simard: "In crisis". The article goes on to say:

> Even though the federal government's overall deficit is disturbing, there is no reason to panic (according to our friends opposite). In fact, Michael Wilson has succeeded in reversing the situation created by Mr. MacEachen and company whereby the federal government was borrowing to cover its current expenditures.

In closing, this is Georges Angers' conclusion:

> This is how the federal government's debt became a structural component of our economic reality. For six years Michael Wilson has been trying to deal with this problem which, unfortunately, can only be corrected in the long term through progressive disengagement by the government or gradual cuts in its current expenditures.
>
> Anyway, it is history in the making, and Michael Wilson will one day be remembered as a better forecaster than Mr. MacEachen. At least the deficit he predicted did not double.

Let us go back to the motion put forward by my colleague, Senator Doody, that I am asking you to support. I also want to talk to you about Bill C-28 and the state of affairs I referred to a while ago which motivated the government to introduce this bill. It contains major amendments to the Income Tax Act announced in the April 1989 Budget. It is nothing new.

I think this bill will have a major impact on this country's economy and tax system because it will help us achieve the overall objective of the economic policy adopted by the government. As I was saying before, it is part of a series of measures undertaken to deal with one of today's major economic issues: How can we bring our growing debt under control?

[*English*]

Honourable senators, I am sure that everyone recognizes that the size of the debt makes it the single largest problem facing the federal government's economic policy of today as it faces the economic and social policies of the ten provincial governments. As far as the federal government is concerned, it is the most costly straitjacket any Canadian government has ever had to wear when it proposes public finances. The reality is that the size of the debt leaves us dangerously exposed to external economic forces. As the Minister of Finance warned in Edmonton a few months ago, the level of interest rates, which was difficult enough in itself, added substantially to the cost of paying the charges on the public debt simply because the debt is so large.

[*Translation*]

Controlling the increase of the debt is not an option, honourable senators, it is a necessity. It is essential to conceive a well-balanced program of measures to cut spending and increase revenue if we want to maintain the social security net about which Senator Buckwold and Senator Hébert talk so often. By bringing a few of those amendments, Bill C-28 is an important legislative measure that we should examine attentively and efficiently.

[*English*]

A second important point about the measures in Bill C-28 is that they will contribute to greater fairness in the system. As we have to take steps to increase revenue and cut spending, it is important that this be done fairly. We certainly urge Senator Buckwold and other members of the banking committee to remember that Canadians who have presented testimony have insisted, pleaded, begged and prayed for a more fair tax system. I think Bill C-28 is another step in that direction.

The burden of cutting the growth in the debt must not fall on just one group either. In particular, it must not be imposed on those in our society who are the worse off. Therefore, I think it is important to examine the measures set out in Bill C-28 from the point of view of whether or not the package of measures in the budget is a fair one imposed in a fair and appropriate manner.

The most prominent measures in the budget of 1989 with respect to personal income are those relating to the personal surtaxes. The point I believe to be most important about the surtax is the new surtax of 3 per cent imposed on high incomes, those with incomes over $70,000. This ensures that those with large incomes, as of July 1, 1989 will be paying a surtax of 8 per cent. Perhaps some senators on the other side will want me to restrict my comments to those two amendments. However, there are new senators here and we all remember the scenes we have witnessed during the last three weeks, and I think it is important that I remind senators of the 1989 tax measures; obviously those people on the other side choose to ignore the financial situation of our country and the provisions contained in Bill C-28 which will improve it.

• (2100)

We are speaking of fair and progressive taxation. Many groups, and Senator Buckwold will remember, pleaded for fair taxation and called for a more progressive income tax system. The surtax is one element of a fairer income tax system. The first witness who pleaded for more progressive income taxation was Professor Kell Antoft of L'Association Canadienne des Artistes. Brooks & McQuaig, Coalition Against "Free Trade" requested, required and I am told continue to pray for fair taxation. This is what Bill C-28 is all about. You and your colleagues, Senator Buckwold, have been sitting on it and ignoring it for the last seven or eight months. This is what those people told you and told us. You did not want Bill C-28 passed. You did not want big corporations to pay increased income tax. You did not want those large corporations, those with capital in excess of $10 million or more, to pay additional tax.

Senator Buckwold: Why don't you talk some sense.

Senator Simard: Do you know how much you have cost Canadian taxpayers this year alone?

Senator Stanbury: Which you would have taken from the old people.

Senator Simard: In interest alone you have cost over $100 million. That is a lot of money. Senator Buckwold will say that is a lot of money. Maybe he will not say that, but will say

rather that it is in the name of democracy that the Liberals fought the clawback provision. We know the clawback provision only triggers when people earn $50,000 or more. The Liberal majority has cost the federal treasury $100 million because the government has had to borrow money. I am told that 90 per cent of companies have refused to pay. They are going to have to pay retroactively, but the government will not be able to charge them interest. This is great "responsibility" from Liberal senators.

I see you have been selective again in your choice of supporters and opponents of Bill C-28. However, I have mentioned four and I will continue with the list of people asking for elements of Bill C-28 to tax the big corporations and for a fairer tax system for individuals.

[*Translation*]

The Episcopal Commission for Social Affairs; the Canadian Labour Congress; the Canadian Council on Social Development; the Advisory Council on the Status of Women; the United Church of Canada.

[*English*]

. . . and the Edmonton & District Labour Council. Most of the witnesses were not invited by us. We were glad to see them, but you will remember, Senator Buckwold, all the trouble you went to and all the late phone calls you made to get them there. They were there. You did not like what they said, and tonight you chose to ignore and not report what they stated.

Senator Buckwold: Why do you not talk about the amendments? It is the amendments that we are debating. We have not heard one word about the amendments.

Senator Simard: Senator, you chose to talk about petitions, you read the phone book and you read all those things. We are dealing with the spirit of the amendments and why they should be denied.

Senator Stewart: Are you filibustering this bill?

Senator Simard: No.

You talk about universality. You can choose what you are going to say, but I hope you are going to let me make my speech. You do not have to like it, all you have to do is keep quiet. I will take your questions, if you feel like asking questions, but let me finish here.

Another advocate of fairer taxation—and the clawback means fairer taxation, as does the surtax for bigger corporations—is the Edmonton Inner-City Church Committee.

[*Translation*]

The British Columbia Teachers' Federation; The Ontario Secondary School Teachers' Federation; The B.C. Labour Federation; The Alberta Labour Federation; The Manitoba Labour Federation; The National Pensioners and Senior Citizens Federation; The Voice, The Canadian Seniors Network.

[*English*]

Senator Buckwold, you remember you were almost in tears awhile ago when speaking about the plight of seniors.

Senator Stanbury: You should be.

[Senator Simard.]

Senator Simard: I was, too. However, I want the government to have the resources to continue making payments to people whose only income is their senior citizens' pensions. I do not care about retired senators or present senators who would be entitled to a pension. I am worried about those other people. This is also what the seniors told us.

[*Translation*]

The United Steelworkers of America, among others, the National Anti-poverty Organization—

[*English*]

PEI Women's Network, Réseau Pro-Canada, Saskatchewan Action Committee on the Status of Women.

[*Translation*]

—The Canadian Union of Public Employees, The Amalgamated Clothing and Textile Workers Union; The United Electrical, Radio and Machine Workers of Canada—

[*English*]

United Senior Citizens of Ontario told us to bring in a fair system, to get the government's deficit under control, and to put people to work.

Senator Gigantès: One hundred and sixty-five thousand manufacturing jobs lost.

Senator Simard: Why don't you play with your kazoo, Senator Gigantès.

Senator Gigantès: We don't have to use it in this chamber. You are a kazoo!

• (2110)

Senator Simard: While no one likes paying a surtax—or any tax, for that matter—it is important that this tax be imposed fairly. I believe that putting this burden on those with high incomes, which is in addition to the burden they share with other taxpayers, is a reasonable and effective move towards fairness.

[*Translation*]

Another important modification to the personal income tax is the refundable credit for the sales tax. To protect those with lower revenues, the government established this credit in 1986 and has since enlarged it. In this bill, the government has doubled the tax credits for the adults and children. Moreover, the revenue limit to which the complete credit is assured will be increased.

For the tax year 1990, those tax credits will provide $655 million to Canadians with low revenues. This will more than compensate those who receive the full credit for the increase of the sales tax announced in the budget.

Now, let us talk about this security net about which the Liberals talk so often. Canadians have invested, have paid taxes for this security net. Its main purpose, we should never forget it, is to help poor Canadians and not to subsidize the individuals with high revenues. All Canadians over 65 years old can receive old age security payments, whatever their needs or the level of their revenues. All families with children under 18 can receive family allowance. Those programs being

offered to all Canadians, without considering their resources, they are considered universal.

[*English*]

Senator Buckwold says that because they are taxed through the income tax system it is no longer universal. That is not the case, as there is no means test and everyone will be receiving it.

Senator Buckwold: But you are taxing it all back.

Senator Simard: For many years people have thought that "universality" meant that you must give the benefit to everyone, whether it be Mr. Irving, Mr. McCain or other wealthy people. I am glad the government has moved in this new direction. Of course, we will have to explain the system to people, as I am trying to do this evening, but I think that Canadians who are fair minded people will understand that this country can no longer afford to give out $500 or $600 to the Irvings and the McCains of this world.

[*Translation*]

As I said, the fact that the individuals must fill in a request before receiving payments and that they are subject to the income tax measure was never considered as a limit to their universality.

The measure proposed in the budget and included in this bill respects the universality of these programs. It starts with the principle that they are already subject to the income tax law. I think it will ensure that the benefits will be more efficiently focused on those who need it. On a period of three years, the benefits of these two programs will be refundable at a rate of 15% of the net personal revenue over $50,000.

I think that the government is not taking anybody by surprise. Only 4% of the recipients of old age security will be concerned. And less than half of them will reimburse the totality of the payments that they receive. Even if 14% of the family allowance recipients will be touched, less than 10% will reimburse the totality of the money received.

This is the reason why I am asking the honourable senators to support the motion of Senator Doody.

Other measures concerning the personal income tax, like the new deductions for part-time helpers for handicapped workers and the new income tax carry-over for the stock breeders, who have had to reduce the size of their reproduction cattle because of the drought, by helping those with special needs, continue to enhance the global fairness of the tax system.

It is not in the motion of Senator Doody, but I think it allows us to describe the wisdom and the elements of this tax reform that Mr. Wilson has undertaken a few years ago. I think this should reassure you, Senator Buckwold, and your colleagues also. These benefits, for stock breeders or others, will continue to be paid to the extent that the government will not be crushed even more in the years to come.

So, all these measures illustrate the solemn commitment of the government to ensure that those who need it the most get assistance.

[*English*]

One important element of a fair tax system is having a fair tax base. Therefore a number of measures are included in this bill to ensure that the tax base is equitable. Changes to the corporate tax system will also improve the fairness of the system as a whole. The new tax on large corporations, for example, ensures that all large companies pay federal tax. It will do this by levying a tax on corporations in Canada having capital in excess of $10 million. It is expected that about 3,600 firms will be subject to the tax. Together with other changes to the corporate surtax, this measure will raise $965 million in its first full year of application.

Let me remind Senator Buckwold and others that while we were travelling across the country and discussing Bill C-62 with witnesses, hand-picked almost daily by the people opposite, sometimes in concert with Senator Kirby but rarely with Senator Poitras, some companies and groups were actually advocating more taxes on corporations. There were, among others, Professors Kell Antoft, Brooks and McQuaig. Other groups include Commission d'action sociale de l'archidiocèse catholique de Saint-Jean, the End Legislated Poverty group, the Fédération du travail de la Colombie-Britanique, Fédération du travail de l'Alberta, Fédération du travail du Manitoba, and look here, Global Economics! that is the firm that the Liberal Party hired last year to look into Bill C-21. They were good enough then to be consultants to the Liberal Party. They too recommended that large companies be taxed. Other groups on this list include the Liberals cousins in politics, the NDP Party of British Columbia and Prince Edward Island. This is what Bill C-28 is all about, Senator Buckwold.

Senator Buckwold: We agree.

Senator Simard: Other groups include the Ontario Coalition for Social Justice, the Syndicat national de la Fonction publique province. All these measures taken together demonstrate that the present income tax system can be flexible, more progressive, and can respond to the demands for increasing equity, if there is a government that has the courage to introduce, defend and vote in the needed new measures.

Senator Buckwold has mentioned that because the system was terminated he would like some pensioners to receive a $75 non-refundanble credit. Perhaps I can best describe this by relating a little anecdote concerning a former politician in New Brunswick who said when he was accused of giving out small bottles on election day, "We never give out small bottles; we always give out big bottles."

• (2120)

This $75 is the Liberal Party's small bottle for people for ten years, because of the reduction in the OAS payments. Essentially that is what this issue is all about. That is essentially what it is. You people, you Liberal senators, will not be believed. We believe that it was not an insurance scheme. The funds had dried up and a new system needed to be implemented.

I will skip some of the points I was going to make, but I will continue to deal with the $75 deduction, and in fact, the

second amendment deals with the $75 deduction in the OAS for ten years. The Liberal majority argued that this would recognize the contributions made by Canadians from 1952 to 1972 on the basis that the old age security system was designed as an insurance type of plan. But that is not the case, as should be perfectly clear to those who have studied the matter carefully.

Certainly an old age security fund was established and money from an ear-marked tax went into it, Senator Buckwold. Improvements in OAS payments during the life of the fund far outstripped contributions. When it was wound up in 1976, it was $121 million dollars in deficit. Clearly—and I am repeating myself here—this was not an insurance type of system.

Indeed, the debates at the time the fund was introduced make it clear that the purpose of the ear-marked contributions was to ensure that the cost of the OAS was clear to taxpayers.

Therefore, I conclude that this amendment as well should not be insisted on and we should agree with the other house.

Finally, I wish to point out—as did the Minister of State for Finance when he spoke to this point—that the way our amendments were drafted gives rise to a significant problem. The effect of the Liberals' amendments will be to increase, not decrease, tax on those people who receive both family and OAS payments. This is a problem, of course, for those who are directly affected, although they may be relatively few in number. It also causes an increase in the amount to be recovered by the tax.

Although I do not want to deal with questions of procedures, I must point out that this would also be contrary to the criteria set out by our own Speaker in his ruling of May 31, 1990.

Yes, honourable senators, this bill is important, and it is important that we also support Senator Doody's motion and thus reject the Liberal amendments not only for its contribution to dealing with the deficit but also for the additional fairness it will bring to the tax system. The amendments proposed by the Senate and rejected by the House of Commons will not improve this bill. Indeed, by insisting on them we continue to hamper the ability of the government to take effective action to strengthen the economy and our social programs.

[*Translation*]

In closing, I think it is important and urgent to recognize the bill as is. It is also important to support the amendment so that we stop costing a lot of money to the Federal Treasury, and in the name of Canadians who are deprived or who will be eventually deprived of programs because of the delay to vote on Bill C-28, the delay to tax the big companies, to tax the Canadian taxpayers with revenue over $50,000.

In interests only, again, the Liberal majority will have cost to the Canadian Treasury between $100 million and $150 million this year.

So I invite you to stop your filibuster, not only on Bill C-28 but also on Bill C-21. We will have a chance to talk about Bill C-21 in the weeks to come.

[Senator Simard.]

Honourable senators, I thank you.

(On the motion of Senator Kirby, the debate is adjourned.)

[*English*]

The Hon. the Acting Speaker: Honourable senators, it is my understanding that by agreement of all parties the Senate will suspend its sitting until tomorrow at two o'clock. Is it agreed?

Hon. Senators: Agreed.

The sitting of the Senate was suspended until Thursday, October 18, at 2 p.m.

At 2 p.m., October 18, the sitting of the Senate was resumed, the Speaker in the Chair.

RULES OF THE SENATE

PROPOSED CHANGES—STATUS REPORT

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I was not present when the sitting was suspended yesterday. However, I do know that you were engaged in debate on Bill C-28.

Senators MacEachen, Roblin, Murray and I have been meeting. I can tell you that we have narrowed the field of negotiation and have agreed on many things. However, at the moment, we are not ready to offer for your approval a complete document on both the legislative program and the proposed changes to the rules.

Therefore, I recommend that the debate on Bill C-28 be continued. I can certainly report an open-minded and shared hope that we will be able to reach an agreement.

INCOME TAX ACT AND RELATED ACTS

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR NON-INSISTENCE UPON CERTAIN SENATE AMENDMENTS—DEBATE CONTINUED

Hon. Michael Kirby: Honourable senators, I rise to speak on Bill C-28 and, in particular, to urge that senators on this side of the house oppose Senator Doody's motion that the Senate do not insist on its amendments to Bill C-28.

I should like to make comment in reply to some of the outlandish things that Senator Simard said last night and in particular, to some of the comments he made with regard to Bill C-28 in general and how fair the government's taxation measures were to Canadians. First, I should like to deal with the issue of tax fairness.

I am delighted that Senator Simard is with us this afternoon because it is always fun sparring with him. Yesterday, Senator Simard expressed concern and regret that it had taken from September 25 until yesterday to begin debate on government legislation. He expressed the hope that the rest of the government's legislation would be dealt with as soon as possible. To prevent Senator Simard from getting any false hopes, I should

like to say that those of us on this side of the house have no regrets about the fact that it has taken from September 25 to yesterday to begin to deal with government legislation, nor will we have any regrets about the fact that it may take a long time before we finally finish consideration of Bill C-62.

Honourable senators, I should like to deal with the basic thrust of our opposition to Bill C-28. The opposition to Bill C-28 on this side of the house is based on the way that bill treats seniors and low-income Canadians.

If honourable senators look at many of the definitions of "social security", which have been introduced in academic literature in various places, they will find that social security is defined in the following way; as the legislative acknowledgment of the state's responsibility for the welfare of its citizens. The benefits of this concern—and I think this is the central point-accrue to citizens as a right; as an obligation of the state, and not merely as a consequence of the contributions made by a particular individual. One of the best examples of that in Canada is the old age pension which, when it began many years ago, was designed to apply universally to all Canadians over a certain age. It was not restricted simply to Canadians who had made a particular contribution.

Indeed, when honourable senators look at the recommendations of the Standing Senate Committee on Banking, Trade and Commerce contained in the report presented to this chamber in May of this year, honourable senators will see that the committee said, in effect, that the bill should not go forward without amendment. We really felt there were only two or three areas that needed change. I point out to honourable senators that many of the comments made by Senator Simard yesterday about the Liberal position are not only inaccurate, but totally false. The best example of that is his comments—which he has made repeatedly here and elsewhere—that the Liberal opposition to Bill C-28 means that we are not in favour of increased corporate taxes, for which Bill C-28 provides.

As Senator Buckwold pointed out yesterday in a letter which he read into the record, a letter which he sent to the Minister of Finance last June, the Liberal members of the committee, along with the chairman, were in fact very much in favour of the corporate tax changes contained in Bill C-28, and in fact none of our opposition to Bill C-28 has anything to do with the corporate tax provisions. Our opposition, as we have made clear, and as members opposite, including Senator Simard, know full well, is based essentially on the clawback provisions and the way in which the provisions of C-28 affect seniors and low-income Canadians.

What I should like to do in the next few minutes is deal with two or three specific provisions of Bill C-28, particularly in light of the fact that 24 senators opposite were not here when we considered that bill. I understand one of the conditions for their appointment to the Senate was that they simply rubber-stamp this legislation, and therefore educating them on the bill is not of great interest, but nevertheless it does seem to me to be appropriate that I do that so they have some understanding of what they will be voting on.

If honourable senators go back to the origins of the Old Age Security Act, what they will find is that when it began in 1952 it was to be funded through an earmarked tax. Back in the 1940s and 1950s, earmarked taxes were somewhat common at the federal level and slightly less so at the provincial level. In 1952 when the Old Age Security Act came into force, what the legislation did was impose a special levy—essentially a special tax—which had three components to it, one of which was a tax on the manufacturers' selling price of goods. It was essentially a form of tax which was to be paid on the value of all items covered by federal sales tax. A second component was a personal income tax component. A third component was a corporate income tax component.

● (1410)

In the act of 1952, those taxes were increased. The moneys generated by those taxes were to be paid into a fund and the minister was then to make the old age pension payments, or old age security payments, out of this fund.

Through the sixties and the seventies, the act was changed. Under various Liberal administrations it was made more progressive and, indeed, more responsive to the needs of older Canadians.

I merely provide senators will a couple of illustrations of the changes that were made to increase the progressivity of the fund and to have it better meet the needs of older Canadians. Effective January 1, 1967, the tax rate on personal income was increased from 3 to 4 per cent, again to increase the money available in the fund. A change was also made to begin the reduction of the minimum age at which this pension would be paid. In January 1970 the eligible age was ultimately reduced from its initial age of 70 down to 65. Up until 1972, which was 20 years into the period during which the old age pension was available, the old age security tax appeared as a separate line on the individual income tax form. The change to abolish this particular line in the income tax form was made in January 1972.

Therefore, for 20 years Canadians were making what they thought was a specific contribution on their income tax forms to a fund which would be used to pay their pensions when they got to the age at which they were eligible to collect them. It is precisely the fact that, for a long time, people were making specific contributions, and they thought these funds were being put aside for their benefit.

As a result of this perception, the committee heard from many witnesses representing literally hundreds of thousands of seniors across the country who made the argument that the payment of old age security tax between 1952 and 1972 represented an obligation on the part of the government to deliver old age security benefits. These witnesses before the committee claimed that, in effect, what they thought they had done was to make a contribution that the government would hold in trust for them, and that subsequently, when they had reached the appropriate age, the age of eligibility, these funds would be given back to them.

I simply provide senators with one quote from one of the many seniors' groups which appeared before the committee. This group was the Federal Superannuates National Association, but I am sure similar quotes are available from every seniors' group that appeared before the committee. I think this quote reflects the attitude or belief that seniors had when they were making those contributions in the period from 1952 to 1972, when, as I have said, there was a special deduction on their income tax forms through which the special tax contribution was made.

The Federal Superannuates National Association said to the committee the following:

> People paid for something, and when they reached the age at which they would become eligible they expected to have that paid . . . In effect the government has changed the rules of the game because it extracted a payment . . . This has been a clear breach of that undertaking and I do not think that you gentlemen or the government would allow a similar breach of an undertaking, for example, by an insurance company that had provided an annuity and then turned around and refused to pay it when it was due.

In other words, we had a situation in which seniors, through all of their national organizations, made the argument to us that the funds they had contributed from 1952 to 1972 were funds over which, in their view, the government had a legal obligation. At the very least, they all contended that the government had a moral obligation not to claw back any of the pension which these individuals would receive as a result of contributions they had made in that 20-year period.

It was as a result of trying to understand the position of seniors who have contributed to a trust fund, and believe that funds held in trust should not be absconded with by anybody, even if that "anybody" happens to be the government. It was in trying to meet seniors' firm belief that those trust funds ought to exist, and that the government had a moral, if not a legal, obligation to continue to treat those funds as trust funds. It was in this context that our committee recommended, as one of our amendments, that Bill C-28 recognize the trust nature of these prior contributions to the old age security fund, and that no clawback of this portion of their contributions should be allowed. However much one wants to argue the nice legalism that government has every right to change the rules as they go along, the fact of the matter is that that perception was held among every seniors' group and every witness representing a seniors' association that appeared before the committee. Therefore, one of the three amendments that we proposed was an amendment designed essentially to deal with that issue.

The second issue which came before the committee in some detail was the issue of the relatively unfair way in which, under the Income Tax Act, various types of income held by seniors would be taxed differently because of the form in which they receive the income. If I may, I should like to give honourable senators one illustrative example of this problem. This particular example, or a variant of it, was put before the committee by group after group, not only by seniors' groups but also by other organizations. A pensioner whose retirement income is composed, in part, of dividends may find his or her old age security clawed back, even though his or her real income is less than the $50,000 threshold. The reason for that is that, under the Income Tax Act, "net income" is defined as actual income plus a 25 per cent gross-up due to dividends. So there could easily be a situation in which a pensioner who had no dividend income but had $49,000 in income would suffer no clawback, while another pensioner who had, say, $45,000 in income, half of which happened to be derived from dividends and half of which happened to be derived from pension, would, in fact, be subject to the clawback because, when you gross-up the dividends, the total comes to more than $50,000.

The point that many of these groups were making was that, if there is to be a clawback of any kind of government payment, that clawback ought to recognize the principle that a dollar of seniors' income is a dollar of seniors' income, and the clawback should not be treated differently if part of that income happens to come from dividends or some other source rather than simply as regular pension income.

• (1420)

That particular anomaly in the bill would have been easy to fix. The government, in its usual view that absolutely everything it does is correct and that nothing can be changed—to quote a now famous line, "nothing can be changed, not even a comma"—could have easily corrected the problem. I provide that as a technical amendment that would have been easily handled by the government.

There were a number of other technical issues the committee discussed, such as the way Bill C-28 happened to impact on particular industrial sectors. There were a number of provisions like that which would have required technical amendments, but it became clear the government had no intention of doing anything about them, simply because it did not want to accept any amendments proposed by the Senate.

I have dealt with the first two issues of the trust fund and the technical changes to the bill to illustrate the concerns on this side of the house, but now I want to deal with a major, substantive question; that is, the issue of the clawback itself and the decision to do away with universality without doing away with universality. By continuing to pay funds directly to all Canadians and thereby making the argument—as has been made repeatedly in the other place—that these programs are still universal while simultaneously changing the tax structure in a way which gives with one hand and takes back with the other is typical of this government's stulduggery.

In 1944 the family allowance program was introduced, and the federal government undertook to pay a monthly allowance to every child. This money was normally paid to the mother of the child. These payments began in 1945. Subsequently, in fact, that act was amended. Originally, the allowance was paid to every child under 16 years of age, but the legislation was changed to include children up to the age of 18. Finally, those payments became indexed to cost of living increases as measured by the consumer price index.

Shortly after this government was elected in the summer of 1984, in its budget of 1985 it moved to index family allowance benefits, not to the full level of inflation but only to the level of inflation minus 3 per cent. Also in 1985 there began the first in a long series of steps by this government, designed to dismantle many of the universal aspects of the country's social security system and, indeed, many of those aspects that were particularly important to low income Canadians and senior Canadians.

So in 1985 we had the government moving away from the full indexing of family allowance to the rate of inflation; and now, as you know, family allowance is only indexed to the rate of inflation minus 3 per cent. It does not take much mathematical ability to see what happens if the rate of indexation remains the same over a long period of time. The compounding effect of de-indexing by the rate of inflation minus 3 per cent is that over a period of time—and I will illustrate this in a moment with a specific reference to the social security program—it has a dramatic impact in terms of the money that Canadians will actually receive.

Of particular concern is the nature of the clawback itself, however, and not merely the principle it has violated with respect to universality, but that the clawback—particularly the clawback now proposed, which is being applied to the old age security program—will hit one-income families especially hard. If there is one thing one would have thought in this day and age, it is that one would not introduce programs which were specifically biased against one sector or the other, or against one-income families versus two-income families.

Just to illustrate, particularly for the 24 new senators, let me give them an example. A single-parent family earning $56,000 with two dependent children, according to the current rules, will have 100 per cent of their family allowance clawed back. That is one of the consequences of Bill C-28. A two-income family with one spouse earning $45,000 and the other $35,000 a year, with a gross family income of $80,000, will not have any of its family allowance payments clawed back.

The clawback provision does not depend on the family household income but on the income of individual parents. It leads to the rather ridiculous situation in which a single-parent family can have an income some $20,000 or $30,000 below the income of a two-parent family, yet the government will make the taxes on that single-parent family significantly higher than they are on the twoparent family.

That is a simple example to show that the net effect of this bill is to hurt many of those people in society who most need help. I believe it illustrates very clearly that this bill is patently unjust and equally unfair.

It was interesting to note in his comments last night that Senator Simard spent a considerable amount of time talking about the fairness of the tax system and the fairness of these bills. I know something about the kind of budgets Senator Simard introduced when he was Minister of Finance in New Brunswick. In many respects, they were progressive. He has now come to the Senate to support, among other things, cutbacks to payments to seniors and payments to single-income families in a way which is clearly inequitable. He also supports cutbacks on unemployment insurance payments and increased costs to all low-income Canadians through the GST. It is a remarkable conversion for someone who has come from the Atlantic provinces and who, until he started to mingle with his colleagues on the other side, was quite a progressive Progressive Conservative. As someone who has known him for a long time, I think it is indeed regrettable that Senator Simard has moved to the other wing of the Tory party after such a short time in Ottawa.

I want to comment briefly on the government response to some of these issues. The minister, the Hon. Perrin Beatty was asked why he did not deal with the obvious inequity of the single-parent family versus two-parent family problem. If there is to be a clawback, why not have it based on household income, as child tax credits are, rather than being based on individual income? The reaction of the government was quite amazing. This is a direct quote from the Hon. Perrin Beatty. He said:

● (1430)

> On this issue of whether the repayment should be on a family or individual income, this was carefully examined by the Department of Finance in developing the proposal. It was concluded that using individual income was advantageous in terms of administrative simplicity . . .

When translated, what that means is that the bureaucracy decided it was too complicated to put in a family or household income test with respect to the clawback. Thus, bureaucratic efficiency and administrative simplicity is why we are now having a provision introduced through Bill C-28 which is clearly inequitable with respect to the issue of one-income earner families versus two-income earner families, as I set out in the example I gave a moment ago.

I merely make the observation to senators on both sides of this house that it seems to me absolutely ridiculous that we are making decisions which are inequitable to various groups of Canadians merely in the interests of making life easy for the bureaucrats in the Department of National Revenue and the Department of Finance. When we see that consideration of so-called administrative efficiency for the bureaucracy will take precedence over issues of equity and issues of fairness and, perhaps above all, issues of compassion, I think that reflects the concerns of the government. I say that because, when we consider the example I gave of the single parent family being taxed at a higher rate than the two-income earner family earning considerably more, clearly we on this side of the chamber cannot help but have some compassion for those people who are being subjected to such a blatantly unfair tax regime.

The reason we propose that this kind of a change be made is that a move to a family income test rather than an individual income test strikes us as both fair and reasonable, and not impossible since that is precisely the same kind of test which is now introduced and which now exists with respect to child tax credits, in spite of what Mr. Beatty said.

Finally, I would like to comment on the issue of the clawback itself. I think it is interesting to look at one or two illustrative examples of what the consequences of the clawback will be; that is to say, what will happen to what looks like a very simple proposition five or ten years down the line.

The committee heard from a number of witnesses who had done a series of calculations which showed the impact in terms of income levels at which the clawback would cut in, and the impact as a result of the indexing of the $50,000 to inflation minus 3 per cent. Those calculations showed what would happen in real terms to that level over a relatively short period of time, such as a decade.

To begin with, the clawback in Bill C-28 taxes back family allowance and old age security benefits at the rate of 15 per cent of income in excess of $50,000 up to the total benefits received by the taxpayer. Using the illustrative example I gave a few moments ago, if you were a single income earner with two children as dependents, earning, for example, $56,000, you would lose all of your family allowance benefits.

In the current tax year, 1990, the government estimates that 535,000 families and 128,000 old age security recipients will be subject to this clawback. It claims that as a result of the clawback, the government will raise close to half a billion dollars.

In effect, the government has decided that a major source of new funds will come from parents receiving family allowance and recipients of old age security. Moreover, over time, because of the indexing provisions, the real value of the $50,000 threshold will decline fairly rapidly.

I wish to give merely two examples which come from data presented to the Senate committee from two or three different studies, but in fact all the numbers turn out to be essentially the same. Using the government's projected rates of inflation for the rest of this century—in other words for the next ten years—that $50,000 amount in real income terms will shrink to less than $36,000 by the end of the decade. In real income terms it will have dropped by more than 25 per cent. Indeed, the 100 per cent clawback will kick in, again in real income terms, at under $40,000.

Therefore, over a relatively short period of time, what is now regarded by members opposite as a reasonable level of $50,000 at which the clawback will cut in, in real terms will drop fairly rapidly to less than $36,000 by the end of the decade.

As a result, more and more pensioners will ultimately be subject to the clawback because, as the threshold in real income terms is lowered, more and more people will fall pray to the threshold. One study presented to the committee showed that although 128,000 current old age recipients will be subject to the clawback, in less than 20 years there will be 2 million old age recipients subject to the clawback. Over time, two things will happen simultaneously: The $50,000 threshold will drop because of a lack of indexation, and in real terms the $50,000 threshold will be much lower. The effect of that is to increase at a very rapid rate the number of seniors who will be subjected to the clawback.

[Senator Kirby.]

Since it is clearly the intention of the government to use this clawback provision as a means of ultimately killing the family allowance and old age security programs, one wonders why the government did not have the courage to actually do that outright. The government essentially seems to be operating on the principle that slowly strangling needy Canadians is preferable to doing what it clearly wants to do, namely state its intentions directly and set out to kill those programs.

Members opposite will make the argument that the government has stated that the indexation level and the level at which the clawback cuts in will be reviewed periodically to ensure that it remains at the appropriate level. They then go on to state that Canadians ought to trust them because, after all, look at what the government has done for them thus far.

It was extremely difficult, if not impossible, to persuade the witnesses who appeared before the committee that they should trust the government to take care of this problem and ensure that they would be treated fairly. Witness after witness expressed before the committee a very strong desire and belief that trusting the government was not the thing to do.

• (1440)

The final question we ought to ask ourselves, having made very clear the nature of the impact of the clawback provisions on people receiving family allowances and old age pensions, is: What will the government do with this money? This really gets at the issue Senator Simard raised repeatedly in his comments yesterday on the deficit. The government says that they will save the $500 million under Bill C-28 and that they have absolutely no intention of redistributing the money to low income Canadians, whether they be pensioners or otherwise, and that they have no intention of using the money to help Canadians who are in need. They intend to use the money to reduce the deficit.

Having come that far in his comments yesterday, Senator Simard set out to do what he has been doing and, indeed, what every government spokesman in this place and in the other house has been doing since 1984, namely, to try to effectively say that all the problems of the country at the present moment are due to the previous administration. Before I deal with a couple of specific points raised by Senator Simard, I cannot help but wonder out loud: At what point does this government think that it has any responsibility for anything that is going on in the country, and at what point do they start to take some responsibility for their own administration, which has been in power for some period of time?

Let me deal with two specific points made yesterday by Senator Simard with regard to the question of the deficit. Yesterday he said:

> I am sure that everyone recognizes that the size of the debt makes it the single largest problem facing the government's economic policy today . . .
>
> The reality is that the size of the debt leaves us dangerously exposed to external economic forces.

In light of Senator Simard's concern about the debt, I would like to point out to him that when his government took office

in September 1984, the total debt was $170 billion, and today the total debt stands at $400 billion. In six years his government has managed to raise the country's debt by $230 billion, whereas in the period from 1867 to 1984, the first 117 years of Confederation, the total debt was $170 billion. So it is very hard for me to listen to Senator Simard talk about the enormous, deep, abiding conviction and concern he has about the size of the country's debt when, in six years, his government has managed to increase the debt by a cumulative amount that is substantially higher than the cumulative debt which the country acquired as the result of government expenditures from the time of Confederation.

The second observation I would like to make deals with Senator Simard's repeated comments and apparent concern for the fairness of the tax system. He said, "Bill C-28 . . . will contribute to greater fairness in the system." Canadians who appeared before the committee pleaded, begged and even prayed for a fairer system, and I say that in all truth. The only difficulty we have is that one should understand what Senator Simard believes constitutes fairness. On the basis of the comments he made yesterday about his support for the tax policies of the government, he obviously knows that the average Canadian will pay $3,000 more in taxes in 1991 than they did when the Conservatives came to office in 1984. He obviously thinks that that $3,000 tax increase on the average Canadian family is fair. He also obviously thinks, as he said yesterday, that cutting back on payments to senior citizens is fair. He also believes, as we will hear when he discusses Bill C-21, the unemployment insurance bill, that cutting back on unemployment insurance payments is fair.

In general, in representing the views of the government on this question, what we find in Senator Simard's comments is that fairness basically consists of increasing taxes on low- and middle-income Canadians, increasing taxes on seniors, increasing taxes on single-parent families, but decreasing taxes on corporations and the wealthy. If there is a basic reason why those of us on this side of the house and on the committee disagree with the government on Bill C-28, why we intend to vote against Senator Doody's motion and why we believe that this house should insist on its amendments, it is that fundamentally we disagree with the definition of "fairness" as it is defined by members opposite.

In our view, it is not fair to develop a tax system that is clearly designed to help the rich and the corporate sector. Furthermore, it is not fair to develop and to design a tax system that hits seniors and low-income families particularly hard. It is not fair to design a tax system that is biased against those Canadians who most need help, and it is not fair to devise a tax system that is fundamentally lacking in compassion.

It is basically for that reason that I should like to support the comments of Senator Buckwold and to urge all members on this side of the house to oppose Senator Doody's motion. I would urge all members in the house to insist on the amendments that we proposed last spring when this bill was sent back to the House of Commons. We still believe that those amendments should be adopted by the other place.

Hon. Douglas D. Everett: Honourable senators, in rising to speak on the amendments proposed to Bill C-28, I have to confess at the outset that I am not in favour of the concept of universality. It has never occurred to me to find favour with the idea that those who can afford their own protection should somehow be covered in the same manner as those who cannot. It seems to me to be an egregious use of taxation revenues by a government.

What we are dealing with here is a narrow situation in which the Senate has proposed two amendments to the bill put forward by the government. The first is that the government proposes to index over the threshold of $50,000 above 3 per cent annual inflation. The second amendment is that indexation take place from zero, so tht there is full indexation of the $50,000 threshold.

• (1450)

In addition, the committee is suggesting that there be a rebate of the contributions to the old age security fund made between 1952 to 1972, and that that rebate be by way of a tax credit of $75 per month for ten years. No one under the age of 41 will be eligible for that rebate.

There was a third amendment which attempted to use family income as the test for the threshold of $50,000. That was ruled out of order because it was, in effect, extending the incidence of a tax. In the committee report and in the Senate's action, we are proposing only these two amendments to the legislation.

There was no particular delay in dealing with this situation. As I understand it, the bill arrived in the Senate on December 21, 1989 and received first reading. On January 24, 1990, the Senate completed second reading and the bill was sent to the Banking, Trade and Commerce Committee. Hearings of quite an extensive nature were undertaken, and on May 16, 1990, the committee reported. There was the Speaker's ruling that I referred to and on June 5 the bill was returned to the Banking, Trade and Commerce Committee. It was reported again to the Senate on June 14 with the two amendments, and passed at third reading. The bill was then sent to the House of Commons, and on June 18 the House of Commons sent back a message refusing the Senate amendments.

Honourable senators, I should like to give you my understanding of the Senate's rights. We have a constitutional authority and duty to review legislation from the other place, just as the other place has a constitutional duty and right to review legislation which starts in this house. The exception to that rule is money bills, which must start in the House of Commons.

I believe there should be a rather restricted definition of money bills. It has been vogue to extend the definition so that it includes almost all legislation, but what it should be confined to is revenue-raising measures that arise out of the budget of the government and global appropriation bills that arise out of the Main Estimates and the Supplementary Esti-

mates. There are other money bills that could be included, but it is the main money bills that we are talking about. They must start in the House of Commons. In the United States, they must start in the House of Representatives. In Britain, they must start in the House of Commons. That goes back to Charles I.

However, there is nothing to say that this place cannot deal with those money bills and at least amend them. The standard of care is a good deal higher in the kind of money bills I have defined than it would be if we were dealing with an ordinary bill.

Indeed, the raising of revenue and the appropriation of funds goes to the very heart of the government's program. It should be only interfered with by this body for extremely good reasons. I would have some difficulty refusing or gutting the budget bill or an appropriation of the bill. I would have some difficulty amending it so that it took out the heart of the government's program.

However, that does not mean that something cannot be done by this body. The kind of amendments we are dealing with here that make good fiscal sense should be recognized by the government as being worthwhile. I have no problem if the government decides to reject the amendments. They have the final say. Sir John A. Macdonald, when he discussed whether there should be an appointed or elected Senate, decided on the appointed Senate. When Upper Canada and Lower Canada were united, there had been an elected Senate, but he decided on an appointed Senate.

Senator Bosa: The Fathers of Confederation decided.

Senator Everett: That is correct; the Fathers of Confederation decided. I was quoting Sir John A. Macdonald, who was asked how the appointed Senate would work. He said that legislation would come from the other place to the Senate. It would be reviewed by that body and could be amended or rejected. If it went back to the other place, and if after due consideration and consultation with the electorate—and in those days of poor transportation and communication, that meant letting it go one session—the House of Commons repassed it in the next session, he could not conceive of the Senate turning it down. That is my view of the role of the Senate.

In the case of money bills, that duty is considerably escalated and is probably confined to amendments that make the legislation work better.

One can accept the fact that with today's communications and transportation, we do not have to wait one session. If we send a bill back to the other place, they can communicate with the electorate in a reasonable length of time. If they repassed it in a reasonable length of time, then it would come back to us and, in my opinion, we should accept the judgment of the other place.

What has happened? Look at the borrowing bill; look at the pharmaceutical bill; look at this bill. The government has said that the Senate has no right to interfere with legislation, especially if it is a money bill. So they close off any consideration, any consultation with the public, and in that they are interfering with the legitimate exercise of the power of the Senate.

• (1500)

In the case of the borrowing bill, as I understand it—and I was the Chairman of the National Finance Committee when this occurred—the previous Finance Minister, Mr. Lalonde, brought forth a borrowing authority bill. He did that before there was a budget, and the committee was very upset and said: "How can we approve a borrowing authority bill when we do not know what the budget is?" Mr. Lalonde said that from that point onward they would bring in the borrowing authority bill after the budget.

When the new government came to power, a borrowing authority bill was brought forward prior to a budget and prior to the Estimates. The National Finance Committee—and by this time I was no longer chairman of that committee—rejected the bill and said that it wanted a budget first. The committee later compromised and said that if the Estimates were tabled instead of a budget they would accept that.

In my judgment, that was a reasonable point of view of the Senate, as expressed by the National Finance Committee. However, the reaction of Mr. Wilson and Ms. McDougall was that the Senate had no right to interfere with the revenue measures of the Government of Canada, and that was that. That was a mistake.

Again, with respect to the pharmaceutical bill, I found myself in an interesting position then because I happened to be in favour of that bill; I wanted to vote in favour of it. However, when amendments to that bill were made here with which I disagreed, they went back to the other place and the other place rejected them without consideration. Harvie Andre, as I understand it, was quoted as saying, "The Senate has no right to interfere with this bill." Because of his attitude, I found myself voting against a measure that I favoured.

So it was many years ago with the wire-tap legislation. The legislation was passed by the other place, came to the Senate and was referred to the Legal and Constitutional Affairs Committee. That committee received representations from the Police Chiefs Association of Canada to the effect that the bill should be amended because, in its then present form, it required the police to notify a person whose wire was being tapped 60 days after discontinuation of the tap, which would seriously interfere with legitimate police investigations.

The committee bought the argument and proposed an amendment to the Senate, and that amendment was endorsed by the then Minister of Justice, Otto Lang. The bill went back to the other place, and Stanley Knowles got up and said: "It is a good amendment, but we cannot accept an amendment from the Senate. We cannot allow the Senate to interfere with our bills."

The result was that that amendment was refused. It came back here and the Senate knuckled under at that time. I am happy to say I was not one of those who did knuckle under.

However, the fact of the matter is that the Senate has a right and a duty to review legislation that comes from the other place, and for that right or duty to be refused by the other place is wrong. The reaction every time will be: Are you telling us we have no function? Are you telling us we have no rights? I cannot understand why the government does not and has not from the beginning said: "The Senate has rights. If they refuse a bill or amend a bill then we will consider that and consult with the electorate and we may then reject the Senate's action." If they reject it on that basis, I certainly would have no quarrel. But when they reject legislation on the basis that the Senate has no rights, then I and every senator should complain.

That, it seems to me, is the situation now. There are two very reasonable amendments being made. As I understand it, neither one of them extends the incidence of taxation. They are amendments that should be considered by the other place, but what occurred? On June 14 the report of the Banking, Trade and Commerce Committee was passed, as was third reading of the bill, and on June 18 the House of Commons disagreed with the Senate's amendments and sent back a message to that effect. The members of the House of Commons did not agree to a conference, which I believe was suggested; they just said that the Senate had no right to amend.

We used to have here—and I think Senator Molson referred to this—something called the "Hayden Formula". Under the Hayden Formula we used to pre-study bills like this in the Banking, Trade and Commerce Committee. So a bill of this nature would not have been passed in the other place and then come to the Senate; it would have been pre-studied while in the other place.

Amendments were proposed time and time again under that formula. Senator Hayden would take them to the Finance Minister of the day and say, "We think there are some amendments that can make the bill work better." Time and time again—and you can go back into the history of the Banking, Trade and Commerce Committee to verify this—those amendments were accepted.

It is my view that if we had operated under the Hayden Formula on this legislation the amendments would have been accepted, but that does not change the issue. The fact of the matter is that the Hayden Formula made it work. The fact of the matter is that the Senate has the right to do the same thing without pre-study.

I think that these are reasonable amendments and I am sure many other senators in this House would agree. If there is a $50,000 threshold it should be fully adjusted for inflation. That only makes sense, otherwise it will erode, and indeed I think even the government itself said it will make adjustments every so often. So I do not think there is a great deal of difference here. If this had been handled by the Banking, Trade and Commerce Committee under the pre-study formula, I think it would have gone through.

I am not so sure about the $75, but I rather like the idea that if somebody has paid a specific amount for old age security, they are entitled to see that they get their old age security. I think it is reasonable to say, "If you did not get what you contracted for, at least you will have your contributions returned."

This is not the GST. That is a different matter. That is a confrontation of monumental proportion. That is partisanship, which I deplore in an appointed Senate, and which I spoke out against when the Conservatives were in the minority and were using delaying tactics in respect of the GST. I also spoke out against the Liberal's delaying tactics following the appointment of the eight new senators.

• (1510)

However, with respect to this bill, C-28, these are amendments that make sense. They do not harm the fiscal program of the government. They are amendments that the government should carefully consider. If the government wants to do something to dampen down the bad feeling that is abounding, then I think that at the very least it should go through the exercise of taking the amendments, considering them and indicating its willingness to have a conference with the Senate to talk about them.

Then, as far as I am concerned, if the government has consulted with the public and rejected the amendments, then so be it. The elected representatives will have spoken, and that is fine by me. But for goodness' sake, do not just go ahead and say out of hand that the Senate has no right to interfere with legislation or to make reasonable amendments like this.

Honourable senators, that is wrong. I am in favour of an elected Senate and I have spoken out on that many times. But if the Senate has no legislative rights, then for goodness' sake abolish the place.

Hon. Efstathios William Barootes: Honourable senators, I appreciate very much the comments of the preceding speakers. I, on my part, am happy to have the opportunity to participate in this debate on Bill C-28. It gives me the opportunity to discuss one of the key elements of the government's economic program, to which this bill makes a significant contribution. By that, I refer to the reduction of the deficit and the national debt.

In this debate we have to face up to the repercussions on our national finances of our actions in respect of Bill C-28. We have to remember that measures taken in the April 1989 budget reflected the reality of the burden placed on the government and on the economy by the size of the deficit and the accumulating national debt. The longer we delay this bill, the greater will be the grave consequences on the national debt and, if you will, the deficit. I must remind honourable senators that every dollar added to the national deficit is a dollar that we must borrow as a government, adding an upward pressure to interest rates and increasing the eventual burden on all taxpayers in Canada.

Measures in this bill are intended to reduce that burden. To the extent that the lack of final approval adds to this uncer-

tainty and confusion, it impedes deficit reduction and increases the load on our economy.

Surely, as responsible legislators, it is important to remember that during this debate. The Minister of Finance has recently updated the report of the government in respect of the deficit. The information he provided in Edmonton is further evidence of success in dealing with government spending and the deficit. Senators will recall that he indicated that the preliminary financial statements show a deficit for 1989-90 of $28.9 billion, $1.6 billion less than was forecast in the April 1989 budget and confirmed in the February 1990 budget.

The Minister of Finance also pointed out that the spending forecast for 1989-90 came in at just 0.3 per cent higher than his original forecast. That is a remarkable degree of accuracy when dealing with figures of this enormous size.

The government's actions on limiting spending increases have indeed had considerable success. Since 1984, the size of the public service had been reduced by 12,000 person years. In the army, that is the equivalent of one full division. It is now the size it was in 1973-74, and the number of employees in Crown corporations has been reduced by 75,000.

The cost of operating the government is virtually the same today as it was in 1984. Program spending has increased at an average rate of 3.7 per cent per year, which is well below the average rate of inflation.

Hon. Philippe Deane Gigantès: Would the honourable senator, at a convenient point, allow me a question on these figures?

Senator Barootes: I would prefer that Senator Gigantès not interfere with my thread of deep thought, please.

Senator Gigantès: I said, when it is convenient.

Senator Barootes: Thank you.

I want to point out that the expected rate of program spending for 1990-91 will be less than 3 per cent, again well below the anticipated rate of inflation. This means that in real terms—that is what my friend Senator Kirby was referring to—program spending has been cut. As a proportion of our total Canadian economy, the gross domestic product, it has fallen from 19.5 per cent in 1984-85 to 15.9 per cent in 1989-90, a decline of 20 per cent in program spending. In fact, this is its lowest level in 20 years.

This success in limiting spending has had positive effects for the government far beyond decreasing its proportion of the economy. As well, it represents a significant turnaround in the annual operating balance. Many who are prominent businessmen will recognize what we mean by "operating balance". This means the difference between revenue and program spending. Since 1984-85, that figure has moved from a deficit of $16 billion to a surplus of $10 billion in 1989-90. I might add that in 1991 the operating surplus is expected to reach $14 billion.

Cost-cutting measures have indeed been a major factor in this progress and have provided the largest share of it. But increases in revenue are also necessary to achieve a balanced and reasonable approach to the problem of the deficit. Therefore, the measures proposed in Bill C-28 include some provisions to raise revenue. These provisions are an integral part of the balanced package that places a greater burden on those who are better able to bear it, contrary to some of the observations and selective examples which we have heard to date.

Some of the changes to personal income tax will increase revenue as well as add to the overall fairness of the tax system. The increase in the personal surtax from three to five per cent, and the additional high-income surtax of three per cent on, if I may use the term, the rich, will both increase the government's revenue and help decrease our deficit.

● (1520)

The role of the income tax system in managing the overall spending of government by providing a basis for income-tested assistance, and by providing for taxation at progressive rates on most of the government assistance received by individuals has been a long-standing policy of this government. The measures in Bill C-28 expand this role, but they do not change it.

That these changes provide for the recovery of various types of federal social assistance from those taxpayers who do not need help from the government is obvious. I repeat, these are people who do not need help from the government. We heard of the example of the single-parent family earning $56,000 as being an area of need. I myself would not have used that example but, rather I would consider the responsibility we have to those single-parent families with annual incomes in the range of $25,000 or $30,000. They are the ones who will benefit from this program. Maintenance of our social safety net for those who need it most is most important and is not infringed by the measures in this bill. The purpose of that safety net is to assist those who need help, and not to subsidize those with high incomes, as we are doing at the present time.

Benefits from the old age security and family allowance systems will become repayable at the rate of 15 per cent of an individual's net income—I repeat: "net income"—over $50,000 in terms of 1989 dollars. The expenditure saving, once these measures are fully in place, is, as Senator Kirby announced, expected to yield about $500 million—and every cent of that saving, in my opinion, will be coming from those who are high-income earners. It is important to note that only 4.8 per cent of the recipients of the old age security, the richest recipients of the old age security, will be affected, along with about 14 per cent of those receiving family allowance.

I should like to respond to some of Senator Kirby's observations, which I noted very carefully. I was pleased to hear him pointing out the history of the development of the old age security system from 1952 to 1972, when we all contributed a small amount of money on one line of our income tax. However, it was in 1972 that the Liberal government incorporated that into general revenues at a time when the fund was found to be already $125 million in deficit.

Senator Kirby spoke of thresholds for tax-back of benefits from the old age security and family allowance systems. To make his points, he presumed that these thresholds would be cast in stone and would never change in the future. That was the basis of the examples that he gave us, not accepting that necessary changes will occur as incomes lose their real buying power through inflation.

Senator Kirby's example of this single-parent family earning $56,000 was, to me, a bit of an exaggeration, and I would be far more interested in the lower-income, single-parent families than I would be in those whose net income is $56,000 per year.

Senator Kirby spoke of our responsibility for debt. He told us that this government came into office with a debt of around $140 billion. By the time this government was able to review the situation, let us perhaps accept that the debt was $160 billion to $175 billion and that it is, indeed, now $360 billion and rising. I am surprised that an economist and mathematician of Senator Kirby's ability would somehow or other fail to take into consideration the effect of the compounding interest rates which would occur on $160 billion or $175 billion at today's rates. Let me tell you, honourable senators, that that accounts for virtually the entire increase in the national debt that we have in this country today.

Senator Simard: Eighty per cent!

Senator Barootes: It represents the original debt plus the compounding.

This bill, honourable senators, also includes provisions that will increase corporation taxes. Those provisions will ensure that all large corporations contribute to debt control and to deficit reduction. The large corporations tax will ensure that all large corporations in Canada pay federal taxes. Some 3,600 of our largest corporations are included. Those 3,600 corporations represent 75 per cent of the capital in Canadian corporations. This tax will probably add to revenues close to $1 billion in this coming year. This tax can be applied to corporate income tax. So it comes to pass that this large corporations tax is designed to tax those large corporations that have been avoiding paying any income tax, or very little income tax, in the past. They will be subjected to this tax with no way of escaping through the loopholes established by Liberal administration.

As an example, we keep hearing about the banks that escape paying tax. The major Canadian chartered banks, in this coming year, under this provision, will be paying $1 billion in income tax.

Senator Buckwold: It's about time!

Senator Barootes: Coming from an ex-director of the Bank of Montreal, I find that somewhat ironic.

Senator Buckwold: Not at all. It just shows how fair we are.

Senator Barootes: Honourable senators, this provision relating to the income tax, and the provisions for taxing back old age security and family allowance from the very rich, instead of subsidizing them, is designed to follow the words of Karl Marx and the words you see pasted on billboards and on telegraph poles: "Make the rich pay". That is exactly what these measures will do. They will tax the rich.

Senator Simard: I wonder why the Liberals did not talk about that!

Senator Barootes: This tax proposal provides an excellent example for the need to proceed quickly with approval for legislation, because already some of the large corporations are withholding tax that should have been paid under the large corporations tax. There have been many reports of these companies not complying fully with the provisions of this legislation. The result, apparently, has been lower revenues for the Government of Canada.

There is undoubtedly, with the delay in this legislation, considerable confusion in the system. May I remind honourable senators that this bill came to this chamber for first reading on December 21, 1989. Were it to pass this week, it will be 10 months since we first received this bill, which is, as Senator Everett so clearly outlined, a taxation or revenue-raising bill. It is time to fish or cut bait.

• (1530)

This is an undesirable situation. Therefore, I believe it is important that we proceed as quickly as possible to approve this bill, which would ensure an end to this confusion and help reduce the deficit of Canada. Thank you, honourable senators.

Some Hon. Senators: Hear, hear!

Hon. Philippe Deane Gigantès: Senator Barootes, would you allow me a question?

Senator Barootes: Yes.

Senator Gigantès: I have in my hands the *Canadian Economic Observer*, which is published by Statistics Canada every month. This issue is entitled *Historical Statistical Supplement 1989/90*, and it includes figures to 1990. On page 6, table 1.3, government current expenditures is given at 1986 prices—in other words, inflation is factored out. It is speaking of government current expenditures on goods and services. If you take five years of Tory rule until December 1989, and five years of Liberal rule immediately preceding that, you will find that the annual rate of increase in the expenditure of goods and services, which excludes interest on the debt, was twice as much under the Tories than it was under the Liberals. If you provide this figure to your aides, they will do the calculation for you. How do you reconcile that with what you said earlier?

Senator Barootes: I did not understand Senator Gigantès' selective quotation from that tome. You are saying that the rise in expenditures—

Senator Gigantès: The rate of increase in expenditures, year over year, is 4.4 for the Tories as compared to 2.2 for the Liberals. Inflation has been factored out. This is not a debatable point.

Senator Barootes: I am sorry. I have not looked at all of the tables, but you have picked out a line.

Senator Corbin: Is that a government publication?

Senator Gigantès: Of course. It comes from Statistics Canada. What I am suggesting, senator, is that you tell your speech writers to do their arithmetic first.

Senator Barootes: The arithmetic that I know of, which has been repeated across this country, is that the annual rate of program expenditures in the five years preceding this party in government had been around 10 plus per cent per year. In this particular instance you surely cannot disagree with the 3.7 per cent figure with respect to program expenditures. Next year it will be below 3 per cent. I can use those figures and you can use yours.

Senator Gigantès: We must be speaking about the same figures. You include transfers to provinces and people in this figure.

Senator Barootes: Are those not programs? Those are statutory programs.

Senator Gigantès: They cannot be cut because of statutory agreements. But government current expenditures on goods and services are the public service and what the public service buys. Those are the things that a "frugal" government should be able to cut, but which this government has not. In fact, the government has increased its expenditure under this item, which is the one item that is totally under its control; whereas transfers to the provinces for medicare and education are not under the government's control or the control of the Liberals because of the agreements that are in place.

Senator Barootes: There is no need to quarrel about this, my dear friend. You and I can look at those statistics together. The disparity arises, honourable senators, because Senator Gigantès has selected goods and services but excluded all statutory spending. When I give you these statistics, I am speaking of the spending of the federal government excluding interest on the inherited debt. We are using total figures, not your finely selected figures.

Senator Gigantès: Statutory spending is spending that cannot be helped. The federal government has to pay a certain amount toward medicare, post-secondary education, social assistance and so on by agreement. Those things are out of the control of the government, and I have endless statements by Mr. Wilson to that effect.

Senator Kinsella: What is your question?

Senator Barootes: Let me outline what has happened with transfers and provincial payments, because I participated in the extended program funding when a previous government, under that sacred Minister of Health Marc Lalonde, decided that the government would reduce expenditures on Established Programs Financing on education and everything else. Those transfers to the provinces were reduced—I do not say entirely, though to a great extent, and I think my friend Senator Castonguay can confirm that—by another administration between 1977 to 1984. That is where those major reductions were made; not by this organization.

Some Hon. Senators: Hear, hear!

[Senator Corbin.]

Senator Gigantès: I was not speaking of the reductions you made. You introduced the subject. Are you suggesting, sir, that there should not have been reductions? I thought you were frugal.

Senator Simard: Oh, oh!

Senator Gigantès: I know you do not want to look facts in the face, Senator Simard, probably because you would not recognize them.

Senator Barootes: Use all of the facts, not just your selected facts.

Senator Gigantès: I was talking to Senator Simard who interjected, but one never knows why.

Hon. Richard J. Stanbury: Honourable senators, it is always interesting to hear a good discussion among us. I was particularly interested in noting that since I am standing to speak on Senator Doody's motion, which deals with the amendments that are being proposed by the Standing Committee on Banking, Trade and Commerce, neither Senator Simard nor Senator Barootes mentioned those amendments at all. They talked about great macro-economic theories, but said nothing about the amendments, which Senator Everett pointed out are perfectly reasonable. They talked about the supposed cost of the holdup in the Senate because of those amendments. What they do not seem to be willing to admit is that because those were reasonable amendments in the first place, there was no need for them to be held up here. If the government had acceded to any kind of negotiation or discussion, those matters would have been cleaned up months ago. The intransigence of this government caused the delay.

Bill C-28 is another of the Mulroney government's attacks on the most important social programs in Canada. There has been a long and, indeed, an important history associated with social programs which have developed over the years in this great country. Successive governments have tried to deal with those particular programs and, where they could, they embellished upon them and, in doing so they have brought many benefits to Canadians, Canadians in every region, Canadians in every community, rich and poor, young and old alike.

• (1540)

The social programs such as old age security and family allowance are an integral part of Canadian life. To suggest that they are merely social programs providing a benefit to a select few is really missing the point in its entirety. A policy of good social programs such as I have referred to is also good economic policy. There are countless Canadians who have young families and there are countless senior citizens who look forward on a regular basis to receiving the generosity of the people of Canada.

That is where the Conservative and Republican governments in Canada and in the U.S. went wrong in the depression of the 1930s. They thought that by squeezing the economy and the people into greater and greater stoicism and denial, they could somehow produce a growing economy and a prosperous society. They were painfully wrong!

Now, as we face another recession, which is looking more and more each day like a depression, both governments are doing the same thing again.

The social programs underpinning the ability of consumers to buy are also the basis upon which our economy is able to grow. They are the foundation of business prosperity. This government, in slashing program after program benefitting ordinary people, insists that it is doing us all a favour. But the spending does not come down. The benefits in tax costs flow to those who profit from the horrendous tax structure we have created.

What we need is a straightforward progressive tax system; not one which discriminates against the old and the children as this bill does, or loads more of the burden on the ordinary consumer, the small business person and the professional person as does the GST.

For many senior citizens, their old age security cheques provide the only sense of dignity they have. There are women, men and couples who have relatively limited income, but the old age security in itself allows them to exercise their wishes and to live in dignity.

What is dignity? Dignity to a woman of 67 years of age may in point of fact mean receiving her old age security cheque and thereafter purchasing items for family members. It may mean a trip to another part of the country to see a loved one. It may also mean paying for a telephone call to someone somewhere else in Canada. That is the significance of that program which touches many Canadians.

But this particular bill proposes that income taxpayers will repay old age security and family allowance benefits through the tax system. The universal nature of these programs with respect to access has supposedly been maintained as high income earners will continue to receive old age security and family allowance cheques. However, universality of these benefits with respect to quality of benefit has been destroyed. The level of benefits received by families and individuals will no longer be equal, but will be dependent upon the level of income above the established threshold.

The explanatory notes of the committee's report state at page 6:

> Most witnesses that appeared before this Committee disagreed with the Government's assertion that Bill C-28 maintains the universal nature of Canadian social programs. As Family Service Canada noted, "Although we have heard in other discussions that there is no abandonment of the universal nature of the program, to provide someone with a benefit and to withdraw it totally, undermines the basic principles of the purpose of the family allowance program."

At page 7 of the committee's report under the heading "Universality", it states:

> Under this definition, the clawback does not violate the universality principle because the test is applied after the receipt of benefits. However, most witnesses disagreed with such a narrow definition of universality arguing that the concept should not include the targeting of benefits by a special tax, even if this is applied on a post-receipt basis. They contended that OAS and FA payments should be taxed at the same rate as other sources of income; that income from these benefits should not be discriminated against.

These measures violate a long-held principle in tax policy known as horizontal equity. This principle dictates that individuals are treated equally by the tax system. Individuals at the same level of income should pay the same amount of tax, provided that all other circumstances are equal.

This bill will treat old age security pension differently than other forms of income, and tax it back from high income taxpayers at a higher marginal rate than applies to other forms of income. For example, a senior citizen earning $75,000 a year will pay more taxes than an individual at 64 at the same income level because the former old age security benefits will be subject to a higher tax rate. At this level of income, that portion of the senior citizen's income comprised of old age security will be subject to a marginal tax of about 100 per cent, while the income of a non-senior will be taxed at the top rate of 29 per cent.

Where is the fairness? Where is the equity? My view of universality has traditionally supported the concept of equal access to equal benefits across income levels. This concept of universality was integrated with that of a progressive tax system. Successive Liberal governments strove to increase the level of progressivity in the tax system. The tax system was a corrective, progressive mechanism to assist in a fair distribution of benefits. Every individual within a defined client group received the same benefit, regardless of income.

At the same time, the tax system introduced the element of fairness by ensuring that high income Canadians paid higher marginal tax rates. Granted, a perfect degree of progressivity was not attained. Yet the tax system under Liberal governments provided a more equitable and fair range of marginal tax rates. Prior to tax reform, the upper marginal tax rate was 34 per cent, exclusive of surtaxes. The Conservatives have now reduced this rate to 29 per cent, exclusive of surtaxes. This move has resulted in lower overall tax rates for upper income Canadians.

The Conservative assault on the old age security and family allowance programs has three distinct components, all of which represent regressive departures from traditional equitable policies. For the first time, in this bill the tax-back rate of universal programs is linked directly to the benefit received. The tax-back rate was previously determined by utilizing progressive marginal tax rates which are impartial as to the sources of income. On its own, this linkage between benefit and tax-back rate renders universality a sham.

The measure is doubly insidious coupled with the regressive tax measures instituted by this government. As noted above, tax reform has benefitted the rich, and further changes to the child benefits package has significantly eroded the principle of horizontal tax equity. The poor and middle class are paying a

substantially higher rate of tax today than they were in 1984. The committee report, at page 7 of the explanatory notes, deals with indexation:

● (1550)

> Bill C-28 provides for indexation of the $50,000 clawback threshold at the same rate as other income tax measures which amounts to the rate of inflation that is in excess of 3%. Barring periodic adjustments by the government, the real value of the threshold would decline substantially over time. For example, an inflation rate of 4.5% per year would result in the nominal value of the threshold increasing to slightly more than $58,000.00 after ten years. However, the purchasing power at the threshold would have declined to less than $37,000.00 over this period. If nominal incomes rose at a faster rate than the threshold, the number of taxpayers affected by the clawback would increase over time. Even pensions that just keep pace with inflation would increase in relation to the clawback threshold so that individuals with indexed pensions would increasingly be subject to the clawback.
>
> This aspect of the clawback was mentioned by virtually every witness that appeared before the Committee on Bill C-28. Many of the briefs included projections of the number of taxpayers likely to be affected by the clawback. As Mr. Herbert Hanmer of the National Pensioners and Senior Citizens Federation stated, "Thus, each year, if inflation continues, thousands of additional seniors will be affected. In twenty years' time the threshold expressed in 1989 dollars will be down to $28,000 and will affect two million Canadians."

It goes on to state at page 8:

> This view was reiterated by Mr. Gaston Garceau, Dominion President, Royal Canadian Legion. "With the reduction of the real income level at which the tax kicks in, more seniors will have to pay more money. Perhaps not coincidentally, the number of seniors will be increasing as Canada's population ages collectively. In a little more than a decade, a very large number of seniors will be caught in the net and will be required to return their Old Age Security, at ever decreasing thresholds."

Representatives from the Public Service Alliance and the Professional Institute of the Public Service of Canada expressed concern that a change in government or in financial circumstances could, in a later period, affect the commitment to adjust the threshold.

The government has embarked on a slippery slope. By varying the level of benefit from universal programs relative to income, the thresholds for the reduction of benefits under both the old age security and family allowance is to be $50,000 of net individual income. However, this threshold is only partially indexed. The government has indicated that the threshold will be reviewed periodically and adjusted as appropriate. This is a signal they are sending to Canadians that next year, six months or eighteen months from now, the threshold could very well be reduced if they wish to take additional forms of income from poor and middle-income Canadians.

We know the track record of this government. We all know what we have seen in the willingness of the government to take money from the poor and middle-income people. This means that as the government looks for additional income or additional savings next year, the threshold could be dropped to $40,000 of net individual income, thereby capturing the family allowance benefits of an additional 530,000 families. Once the precedent is set, I suggest that the desire to achieve greater savings may prove irresistible to a hungry government looking for new cash.

Under this provision, if the old age pension can be taken away at an income level of $70,000 today, it can be taken away at $60,000 tomorrow and $50,000 the week after. The government will not stop at family allowances or old age pensions. It will get into medicare and into every social program in this country.

We come now to the old age security fund. The government will simply forget that, for 20 years, people were taxed specifically for the old age security fund. The whole purpose of the surcharge was to be up front with the people of Canada about the cost of old age security, so that every Canadian who paid that tax knew that he or she was contributing to his or her own dignified retirement.

Witnesses made it clear that the government has an obligation to deliver old age security benefits to contributors to that fund, and I do not blame them.

The Federal Superannuates National Association said:

> People paid for something, and when they reached the age at which they would become eligible they expected to have that paid . . . In effect the government has changed the rules of the game because it extracted a payment . . . This has been a clear breach of that undertaking and I do not think that you gentlemen or the government would allow a similar breach of an undertaking, for example, by an insurance company that had provided an annuity and then turned around and refused to pay it when it was due.

The committee recommended a reasonable gesture of acknowledgement to those who have paid their contribution for 20 years; a refundable credit of $75 a year. However, the government would not listen and would not even discuss it. "It is our way or no way." That has been a constant refrain throughout the last six years. Once again, ignore the obligations to ordinary Canadians and ride roughshod over their rights.

The following paragraph appears at the conclusion of the committee's report:

> In January 1985, the Government released the Consultation Paper on Child and Elderly Benefits, which concluded that a special surtax on Old Age Security payments "would seriously disrupt our retirement income system" and "would unduly penalize those most affected by reason of retirement income resulting from private savings in earlier years". Thus, the provision for clawing

back OAS benefits in Bill C-28 represents not only a change from the policies of previous governments but also a direct repudiation of this Government's earlier position.

Many Canadians have a deep concern about the direction in which this country is going with respect to social programs. We have seen the demise a number of government programs and an attempt to de-index benefits which the Prime Minister said he regarded as a "sacred trust."

There is a great deal of concern not only by provincial governments but by individual Canadians and organizations about the erosion of universality which began as recently as 1984 and has been coupled with successive tax measures brought in by the government and the most recent budget of the Minister of Finance. When you take the cumulative effect, in essence one must conclude that there has been a major assault against the principle of universality which will cause havoc, concern and a great deal of anguish to many Canadians who are presently receiving benefits and hope to receive benefits in the years to come.

This bill is wrong-headed and should not pass without the amendments proposed by the Senate Standing Committee on Banking, Trade and Commerce.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, I have been requested to suspend the sitting until 5 o'clock, or to the call of the bell.

At 6.20 p.m., the sitting of the Senate was resumed.

The Hon. the Speaker in the Chair.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, may I suggest that we not see the clock?

Hon. Senators: Agreed.

THE SENATE

PROVISIONAL RULES, OCTOBER 18, 1990

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, permit me to read the document on the provisional rules so that it will be presented in the *Debates of the Senate* in both official languages for the perusal of all honourable senators at their leisure. Perhaps at the conclusion of the reading, I will be permitted to make a number of comments as to my understanding of the effects of the Provisional Rules of the Senate, October 18, 1990.

ORDERED THAT the following be Provisional Rules of the Senate.

P-1 (a) Notwithstanding any other rule or practice of the Senate, when, after 5:45 o'clock p.m. on a Monday, Tuesday, Wednesday or Thursday, any Senator moves pursuant to these Provisional Rules "That the Senate do now adjourn", "That the debate be now adjourned", or "That strangers be ordered to withdraw", the sitting shall be suspended forthwith until 2:00 o'clock p.m. the following day, at which time the Senator then in the Chair shall order the bells to call in the Senators to be sounded. If any time before the Senator then in the Chair calls for the yeas, nays and abstentions pursuant to rule 49, the Senator who proposed the motion asks leave to withdraw the said motion the same shall be deemed to have been withdrawn; otherwise, the said bells shall be sounded until the Whips have entered the Chamber and have indicated to the Senator then in the Chair that they are ready to proceed with the vote, but in any case the division shall proceed not later than 2:45 o'clock p.m.

(b) A motion proposed pursuant to Provisional Rule 1(a) shall not be received more than once during any calendar week.

(c) When a sitting has been suspended pursuant to Provisional Rule 1(a) or (b) the Speaker shall leave the Chair and order that the bells to call in the members be silenced until 2:00 o'clock p.m. on the day on which the division, if required, is to take place.

P-2 Notwithstanding any other Rule or practice of the Senate, when, after 5:00 o'clock p.m., on a Friday, any Senator proposes, pursuant to these Provisional Rules "That the Senate do now adjourn", the sitting shall be suspended until 2:00 o'clock p.m. the following Monday, at which time the Senator then in the Chair shall order the bells to call in the Senators to be sounded. If at any time prior to the calling of the yeas, nays and abstentions pursuant to Rule 49 the Senator who proposed the motion asks leave to withdraw the said motion the same shall be deemed to have been withdrawn; otherwise, the bells to call in the Senators shall be sounded until the Whips have entered the Chamber and have indicated to the Senator then in the Chair that they are ready to proceed to the taking of the vote, but in any case the division shall proceed not later than 2:45 o'clock p.m.

P-3 (a) Notwithstanding any other Rule or practice of the Senate, when, at any sitting, a division is requested pursuant to Rule 49(3), on any motion that forms an essential part of the legislative process on a Bill (i.e., the Second and Third Reading Motions and amendments thereto, motions to send a Bill to a Committee and amendments thereto, all motions at the report stage and any amendments thereto, the previous question on any motion which forms part of the legislative process and any motion to adjourn the debate on any of the above motions) the taking of the division may, at the request of either Party Whip, be deferred until 5:45 o'clock p.m. on the next sitting day, whereupon the bells to call in the Senators shall be sounded until the Whips have entered the Chamber and have indicated to the Senator then in the Chair that they are ready to proceed to the taking of the vote; but, in any case, the said bells shall be sounded for not more than 30 minutes, whereupon the vote shall be taken. Orders of the Day shall then be called.

(b) When, after debate, a division has been requested pursuant to Rule 49(3) in relation to:

(i) a motion for reading the Orders of the Day;

OR

(ii) a motion That a particular Senator be now heard" or "do now speak",

the bells to call in the Senators shall be sounded for not more than 60 minutes whereupon the vote shall be taken.

(c) When a division is requested pursuant to Rule 49(3) in relation to a motion that the Speaker's ruling be sustained, the said division shall be deferred for a period not to exceed 12 hours whereupon the bells to call in the Senators shall be sounded for not more than 30 minutes, whereupon the vote shall be taken.

(d) When any division has been deferred pursuant to Provisional Rule 3(a), the Senate shall proceed to consider other regular business.

When any division has been deferred pursuant to Provisional Rule 3(e), the Senate may proceed to consider other regular business if deemed appropriate by the Leader of the Government and the Leader of the Opposition.

(e) In cases not provided for in these Provisional Rules any division requested pursuant to Rule 49(3) may be deferred for a period not to exceed 24 hours whereupon the Senator then in the Chair shall order the bells to call in the Senators to be sounded and the same shall continue until the Government and Opposition Whips have entered the Chamber and indicated to the Senator then in the Chair that they are ready to proceed to the taking of the vote, but in any case the said bells shall be sounded for not more than 30 minutes, whereupon the vote shall be taken.

P-4 Unless otherwise ordered, these Provisional Rules shall expire upon the prorogation of the Second Session of the Thirty-Fourth Parliament.

Honourable senators, that reads like a parliamentary rule and perhaps on first reading it is not perfectly clear in its intent. I should say that Provisional Rule 1(a) provides that any one of the three motions, for example, "That the Senate do now adjourn", can be moved on any day of the week except Friday. When such a motion is put, the bells will begin to ring and the division will take place the following day at 2 o'clock. It is a means of ensuring that the Senate will not have to sit all night, every night of the week, and it will be possible to move such a motion once in each calendar week. So if we were under the around-the- clock system of sitting to which we have become accustomed in the past week, it would be possible to break that cycle one night by moving this motion, whereupon the vote would take place the next day, if a vote were necessary. In the meantime, we could all go home. That is the effect of P-1(a).

P-2 permits a similar motion to be moved on Friday, the division on which would take place at 2 o'clock the following Monday. The effect of that motion would be to suspend the sitting of the Senate until 2 o'clock the following Monday, if that is what we wanted. If an actual division were requested, we would have it; if not, the motion could be withdrawn. The purpose of that motion, of course, is to break the around-the-clock, around-the-week sitting in order to give senators an opportunity to be free on Friday night, Saturday and Sunday. These are called "exit from the tunnel" rules' because some of us feel that we have been living in a tunnel. In this case, however, the tunnel is at the end of the light.

• (1830)

P-3 provides a methodology by which divisions are held on motions arising on regular legislation. There are a variety of motions that are described in the rule. If a division is to be held on such a motion, the division is deferred until the next sitting day at quarter to six. The business then under consideration is put aside—although other business could be considered—and the division is held the next sitting day at quarter to six, presumably with a regular sitting at 2 o'clock, and regular proceedings would continue after the vote, as is provided for. The Orders of the Day shall then be called.

As you notice, there are then rules governing the votes, the ringing of the bells, and the time for various other motions, including the Speaker's ruling—12 hours; a motion for the reading of the Orders of the Day, which is set at one hour; a motion to hear a particular senator—one hour.

There is then a final category entitled "unprovided for motions"—some of which we could think of; others which we may not have thought of. In those cases not specifically mentioned, any division can be deferred for a 24-hour period.

The effect of these rules put together is to provide clarity and certainty, as far as those of us who worked on it are concerned, with respect to the length of bells and the calling of votes. It removes discretion entirely from the presiding officer or the Speaker.

We have been impressed by the difficulties that arose from the rulings of October 4 and the subsequent debate. In these provisional rules we have provided that certainty and clarity exist in that the rule of the Speaker in the length of the bells and the calling of the vote is now removed. Hopefully, that will remove a big source of difficulty in our proceedings.

Some Hon. Senators: Hear, hear!

Senator MacEachen: When we began it was our objective—at least on this side of the house—to ensure the ruling was erased, expunged, diminished, atrophied, or whatever the appropriate word is. That has been accomplished in these rules. There is no motion that is not provided for in this rule, and in that provision there is clarity and certainty as to the length of the bells and the timing of the vote.

The role of the Whips is preserved in the final rule encased in rule P-3 (e), where it states:

(e) In cases not provided for in these Provisional Rules any division requested pursuant to Rule 49(3) may be deferred for a period not to exceed 24 hours . . .

The Whips can decide by mutual agreement to reduce the length of the period, and the division or the vote could be held at an earlier time.

I want to thank the Leader of the Government and Senator Roblin for their assiduous work in accomplishing these results, as well as my deskmate, Senator Frith. I hope that it will provide us with the basis for continuing our work and dealing with the legislation before us, which is contentious and difficult. It will not be an easy passage in any event, but we hope that the rules here will help us along the way.

This is what is agreed; there is much unagreed. Certainly, by reaching this agreement, on this side we have not taken any pledge to reduce our intention of creating trouble for the government in getting the GST through the Senate.

Senator Frith: No final vote for the GST in sight!

Some Hon. Senators: Hear, hear!

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I intend first to second the motion for the provisional rules that has just been made by the Honourable the Leader of the Opposition. Shortly, I intend to propose, seconded by him, the order of the house for dealing with the legislative agenda that is now before the Senate.

First, I should note that it was Mr. Speaker, on Monday last I believe, who convened these meetings. While there have been times over the past three days when I would not have done so, I do now want to thank him and acknowledge the fact that these meetings were held under his auspices.

Some Hon. Senators: Hear, hear!

Senator Murray: I have been—and the Senate has been—enormously assisted in these discussions, which have been held in a positive atmosphere, by the presence and participation of my old chief and present colleague, that most diligent and respected of parliamentarians, the Honourable Duff Roblin.

Some Hon. Senators: Hear, hear!

• (1840)

Senator Murray: I should like to thank all senators for their patience and forbearance over the past few days while those of us who were working on this agreement did our work. It is, as I have said on a couple of occasions, a very painstaking and complex exercise to devise rules and work on legislation at a time of considerable tension in the Senate.

With regard to the rules that the Leader of the Opposition has referred to and the motion he has placed before us, I do note that the provisional rules that we have agreed upon are to be with us until the prorogation of the present session. We will all have an opportunity to work with them and see whether or not they stand the test of time in parliamentary practice. At some point during this session, and certainly before we begin a new session, I would expect that the Standing Senate Committee on Standing Rules and Orders would look at these provisional rules in the light of our experience and bring in a report suggesting that we either make them permanent or we change them in various respects.

As Senator MacEachen has pointed out in a statement that is fair and accurate as to implications of the rule changes—a statement which I endorse—the ruling of Mr. Speaker last October 4 is put behind us. We no longer need any precedent of that kind because we have brought into this place a practice that exists in almost all parliamentary assemblies that any of us know of. We have imposed limitations on bell ringing. There are provisions, the Leader of the Opposition has pointed out, for the deferral of certain votes. There are provisions that protect the right of the minority to employ the legitimate parliamentary tactic of delay, but no bell can ring indefinitely from now on if we pass this order. We have made the holding of votes quite a predictable exercise, and that is certainly in the interest of this place and in the interest of all senators.

I shall propose the house order on legislation in a moment. Let me say that, in terms of the legislative timetable, the government has achieved its objective. This agreement restores order to the Senate and it allows important government legislation to proceed, and to proceed to a vote. We break the logjam that had existed here in some cases for a year. Bill C-28 will be voted on tonight, if this order passes. Bill C-21 will be voted on Monday next, if this order passes. Bill C-62 will be voted at the report stage a week from today, on October 25. Then there is Bill C-44, the Hibernia legislation. That will have its final vote on Monday, October 29.

Honourable senators, beyond October 29, beyond the report stage of Bill C-62, we now have an agreement to limit the number of amendments at third reading and the time of debate on these amendments, and to regulate the times of the deferred votes on these amendments. With regard to Bill C-62, this is what we call the light-at-the-end-of-the-tunnel rule. These arrangements in respect of Bill C-62, which is the most controversial bill before us, do not mean that we will have a short debate. They do permit an orderly debate. They provide for a substantive debate. They permit senators to vote at the report stage and to vote on each of the amendments that will be proposed. As a result of this agreement, we have an orderly legislative process on this and other government legislation, which I believe is in the interests of Parliament and the country. On behalf of the government, I have no hesitation in commending it to all honourable senators.

Honourable senators, I move, seconded by the Honourable Senator MacEachen:

> Upon adoption of this Order, notwithstanding any Provisional or other Rule of the Senate, the following provisions shall apply:
>
> That in relation to Bill C-28, An Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, unless previously disposed of, at not later than 5:45 o'clock p.m., on Thursday, October 18, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and proceed to put forthwith and successively,

without any further debate or amendment, all questions necessary to dispose of the said Bill; and

That, in relation to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, unless previously disposed of, at not later than 8.00 o'clock p.m., on Monday, October 22, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of the said Bill; and

That, in relation to Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, unless previously disposed of, at not later than 5:45 o'clock p.m., on Thursday, October 25, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and shall proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of the report stage of the said Bill; and

That in relation to Bill C-44, An Act respecting Hibernia Development Project and to amend certain Acts in relation thereto, unless previously disposed of, at not later than 8.00 o'clock p.m., on Monday, October 29, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and shall proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of all remaining stages of the said Bill, and the Senate shall then adjourn forthwith.

● (1850)

That in relation to Bill C-62, notwithstanding any other rule or practice of the Senate, when the motion that the Bill be now read a third time is being debated, no motion for the previous question shall be received before eight amendments to the Bill moved by the Leader of the Opposition or by the Deputy Leader of the Opposition have been disposed of, but the question on each of those amendments shall be put to the Senate after six hours of debate and the first such amendment shall be moved no later than six hours after the Third Reading debate has begun; subsequent amendments shall be introduced not more than six hours after the vote on the previous amendment has been completed.

In relation to any division requested pursuant to the provisions of Rule 49(3), with respect to any of the above-mentioned Bills, the Senator then in the Chair shall order the bells to call the Senators to be sounded for not more than 30 minutes whereupon the Senate shall proceed to the taking of the vote.

[Senator Murray.]

Honourable senators now know why it took so long to get this down. The reason I was reading it slowly is that I did not want to impose unduly on our translators who have to simultaneously interpret what I have just read in English. Of course, copies will be available for honourable senators.

As I said, I commend both of these orders to all honourable senators so that we can get back to transacting the business of the country.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, may I suggest that the two Senate orders be voted on together as one consolidated motion?

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

[*Translation*]

The Hon. the Speaker: Senator Frith, do you mean the Legislative Program Agreement and the Provisional Rules Agreement?

[*English*]

Senator Frith: I suggest that one motion be put for the adoption of the two Senate orders which have just been laid on the Table.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Murray, P.C., seconded by the Honourable Senator MacEachen, P.C. that the documents entitled *Provisional Rules of the Senate* and *Senate Order (Legislation)*, just now laid on the Table be now adopted.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

INCOME TAX ACT AND RELATED ACTS

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR NON-INSISTENCE UPON CERTAIN SENATE AMENDMENTS CONCURRED IN

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Doody, seconded by the Honourable Senator Phillips:

That the Senate do not insist on its amendments to the Bill C-28, An Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, to which the House of Commons have disagreed; and

That a Message be sent to the House of Commons to inform that House accordingly.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "Yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion please say "nay"?

Some Hon. Senators: Nay.

And two honourable senators having risen.

The Hon. the Speaker: Please call in the senators.

The Hon. the Speaker: Let the doors to the chamber be locked.

Motion carried on the following division:

YEAS

THE HONOURABLE SENATORS

Atkins
Balfour
Barootes
Beaudoin
Beaulieu
Belisle
Berntson
Bolduc
Buchanan
Carney
Castonguay
Chaput-Rolland
Cochrane
Cogger
Comeau
David
DeWare
Di Nino
Doody
Doyle
Forrestall
Grimard
Hatfield
Johnson
Kelleher
Keon
Kinsella
Lavoie-Roux
Lynch-Staunton
MacDonald (*Halifax*)
Macquarrie
Marshall
Meighen
Muir
Murray
Nurgitz
Oliver
Ottenheimer
Phillips
Poitras
Robertson
Roblin
Ross
Rossiter
Simard
Spivak
Sylvain
Teed
Tremblay
Twinn—54

NAYS

THE HONORABLE SENATORS

Adams
Austin
Bosa
Buckwold
Cools
Corbin
De Bané
Denis
Everett
Fairbairn
Frith
Gigantès
Grafstein
Graham
Haidasz
Hastings
Hays
Hébert
Kenny
Kirby
Lawson
LeBlanc (*Beauséjour*)
Leblanc (*Saurel*)
Lefebvre
Lucier
MacEachen
Marchand
Molgat
Olson
Petten
Robichaud
Stanbury
Steuart (*Prince-Albert-Duck Lake*)
Stewart (*Antigonish-Guysborough*)
Stollery
Thériault
Turner
Watt—38

ABSTENTIONS

THE HONORABLE SENATORS

Kelly—1

The Hon. the Speaker: Let the doors be opened.

Hon. William M. Kelly: Honourable senators, I did not vote because I was paired with Senator van Roggen.

• (1900)

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I move, with leave of the Senate, and notwithstanding Rule 45(1)(*g*),

That when the Senate adjourns today, it do stand adjourned until tomorrow, Friday, 19th October, 1990, at ten o'clock in the forenoon.

Motion agreed to.

The Senate adjourned until Friday, October 19, 1990, at 10 a.m.

THE SENATE

Friday, October 19, 1990

The Senate met at 10 a.m., the Speaker in the Chair.

Prayers.

QUESTION PERIOD

ENERGY

SCOTIA SYNFUELS PROJECT—INCENTIVES TO PROCEED—GOVERNMENT POSITION

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I want to return to a question which I put to the Leader of the Government in the Senate several times, but the urgency of which is becoming more important as time goes on. I am referring to the Synfuels Project.

The leader will recall that an application was submitted to the relevant department more than a year ago for the Cape Breton Tax Incentive Credits and the Atlantic Enterprise Program Incentives. I have asked several times whether the government has reached a decision on this project but have not received a definite answer.

It has become all the more important in light of the decisions which have been made with respect to Hibernia, which is to be debated in this chamber shortly.

I hope the leader is able to tell us the government has now reached a favourable decision on these tax proposals, which will have the effect of creating a very important new energy project in the province of Nova Scotia.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I regret I am not able to tell the honourable senator that a decision has been made. As a matter of fact, my colleague, the Deputy Leader of the Government, was to have tabled a delayed reply today to the previous questions put forward by the Leader of the Opposition. Perhaps I will anticipate that simply by reading the reply, which indicates that a decision has not been made but that we are close to that point. The reply is as follows:

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

That is all I have by way of a report on this matter. While it is not quite what the honourable senator was looking for, I trust that he will be reassured to know that a decision seems to be imminent on that matter.

Senator MacEachen: Honourable senators, a number of senators in this place, including Senator Buchanan, are solidly behind this project and have a lot of local information that could be of value in ensuring that all relevant factors are taken into account in making the decision. What method can we use to make sure that these views and information are fed into the bureaucratic process at this stage? We will be debating the Hibernia project. I think there is a strong comparison to be drawn between the two projects with respect to costs to the taxpayer and the ultimate benefits.

It is clear to me that the Synfuels project is a very strong candidate for the kind of support that has been advanced to Hibernia, without in any way—I notice Senator Doody looking at me—withdrawing my enthusiastic support for Hibernia.

I believe this has to be dealt with as a major project. I would hope that somehow the views of people like Senator Buchanan, Senator Graham, Senator MacDonald (Halifax) and Senator Muir will be heard. I would hope that we will not let this be swept through the bureaucratic process invisibly, without giving this group a chance to be heard before the decision is made on it.

Senator Murray: Honourable senators, I can assure the Leader of the Opposition that these honourable senators and my honourable friend have been heard and that their representations have been drawn to the attention of the Department of Industry, Science and Technology as well as the Department of Finance. In addition to that, as long ago as 1988 we began hearing on a regular basis from the promoters of this project, one of whom, as my friend knows, is his former colleague, the Honourable Alastair Gillespie. From time to time I have had calls from Nova Scotia from various interested and responsible people in that province who are following this matter with great interest and agree with the honourable senator, and Senator Buchanan and others that it is a good candidate for this kind of tax treatment.

Various aspects have been looked at. One is the technical aspect of the proposal, which has been examined by the Department of Energy, Mines and Resources. Then there is the economic feasibility, a key consideration, which has been

studied by the Department of Finance and by the Department of Industry, Science and Technology.

I cannot guarantee a favourable result or a favourable announcement, but I think that, on the basis of the report that I have given, I can guarantee a decision and an announcement within a short period of time.

• (1010)

Senator MacEachen: Just on the economic feasibility or the economic spin-off, I am informed that the permanent employment generated over the lifetime of the Synfuels project would be 72,000 person-years, three times that of Hibernia, according to the figures supplied by the Minister of Energy, who has ascribed 20,000 person-years to Hibernia. There are also projections that the capital costs would be approximately one-twentieth of the Hibernia capital costs and that during the construction of the Synfuels first unit there would be 2,500 new jobs. So this is enormous, from our point of view. It may be picayune to those who work in massive numbers in the Department of Finance, but these are big numbers for those of us who are in support of this project.

In any event, I am glad that the views of other political people from Nova Scotia have been heard. I know that Senator Buchanan, in his former emanation, has been a solid supporter of this project and that the merits of the project are very strong indeed. I want to tell the Leader of the Government that he would have the support, certainly, of all of the Nova Scotia senators at—least on this side and I am sure on the other—if this would be approved.

Hon. John B. Stewart: Honourable senators, may I ask a question concerning ACOA? I am sorry, Senator Muir, did you have a question on the same topic?

Hon. Robert Muir: Yes, I have a supplementary. Thank you very much, Senator Stewart.

My question is to the Leader of the Government. In view of the fact that our former colleague, Alastair Gillespie, former minister in the previous government, has met on quite a few occasions with the Nova Scotia caucus, the Atlantic caucus and other senators, including Senator Finlay MacDonald, who has involved himself, as many of us have, in putting forth our efforts, I wonder how much more information the departments concerned require? I would hope that this project would be moving forward quickly. I agree very strongly with Senator MacEachen on this. The only point I want to make is that under the valiant efforts of Senator MacEachen in the previous administration many things were done to establish industry on Cape Breton Island, some successful, some not, unfortunately. We are now having the same thing happen with all that is being tried by the present administration. It is like déjà vu.

Can the government leader assure us that every possible effort will be made to assure those who may be working there that they will not be working for perhaps six months or a year and then, suddenly, it will be over? That is what I worry about. I give full credit to the former minister from Nova Scotia, to the present administration, to the present Leader of the Government and the present Nova Scotia minister, but I am concerned about what the future may bring. These efforts are made and millions go into them, under the previous government and under this government, and what happens?

[Senator Murray.]

Senator Murray: That is exactly the kind of consideration that is going into the analysis that is now being made by officials of the government with regard to this project. If the project cannot get going without this tax credit involving, it appears, $200 million, will it be sustainable thereafter? That is the question that the honourable senator raises. In light of the experience to which he referred, and about, which we all know, it is a question that requires serious attention by the government before a decision is made.

Senator MacEachen: Honourable Senators, on the point raised by Senator Muir and replied to by the Leader of the Government, I am told that the financial advisors of the project, Wood Gundy, have stated that, if these tax credits that are provided for under the law—they are not special arrangements—were forthcoming, the rest of the financing could be arranged on the market, and the market would judge the viability of the project, along with the people in the Department of Finance. I make this point as one I am sure the minister will want to consider in supporting the cause, which I know he will, if he ever wishes to get a visit in Waterford again.

Senator Murray: Honourable Senators, I appreciate the point made by the Leader of the Opposition, but Senator Muir's point is well taken. The Cape Breton investment tax credit was set up five or six years ago. Fences were built around it. There was a time limit put on that program. The idea was—in light of the closure of the heavy water plants, the destruction of the fish plant and other adverse economic circumstances in Cape Breton—to try to kick start some major investments in the economy down there.

We have not done a complete analysis of the success or otherwise of the tax credit program during the period it has been in place, but I would have to confess, as Senator Muir indicates, that the results have been mixed.

Hon. John M. Buchanan: I have a follow-up question.

Hon. Senators: Hear, hear!

Senator Buchanan: I should like to pose a question on the Synfuels Project because I have been, as Senator MacEachen and Senator Muir know, an ardent supporter of the project since 1980 when Senator MacEachen, myself and others were in Port Hawkesbury and announced the first consortium to begin the coal liquefaction. There is no doubt in my mind—and I have read almost every possible document on the project—that it is feasible. I have been to Trenton, New Jersey to look at the results of the group that did most of the analysis on Cape Breton coals and particularly on the Donkin seam. They found that the Donkin coal was the best coal in North America for coal liquefaction. Over the years one of the problems that arose was the number of barrels of oil that could be taken from each tonne of coal. It started at two and a half, went to three, four, and now, with the process they have developed in Trenton, New Jersey, it is up to five barrels of oil

per tonne of coal in Cape Breton. That is phenomenal. With the present situation in the Middle East the project is even more viable now that it was many years ago or even last year.

As Senator Muir and Senator MacEachen said, the amount of money required from the open market is substantial. We would be speaking of hundreds of millions of dollars. If private entrepreneurs and investors would be willing to put hundreds of millions of dollars into a project, other than what is required from the Government of Canada by way of tax credits and up-front capital, moneys would be very small in comparison to the total. So I would also urge the Leader of the Government to press these points with the Government of Canada. I have been doing that for a number of years, and I believe that we are getting very close to having the project approved; at least I hope so.

● (1020)

ATLANTIC CANADA OPPORTUNITIES AGENCY

INVESTIGATION OF FUNDING PRACTICES—GOVERNMENT POSITION

Hon. John B. Stewart: I am glad Senator Buchanan intervened as he did, otherwise those in the galleries might begin to think that this was a Senate in which only Cape Bretoners were allowed to speak.

Senator Doody: He is one, too.

Senator Stewart: I also wanted to ask a question concerning Cape Breton. Cape Bretoners may not be the only ones who are allowed to speak, but Cape Breton topics are big on the agenda of the Senate of Canada.

I refer to ACOA and particularly to an article written by Jim Meek which appeared in *The Chronicle-Herald*, a Halifax, Nova Scotia newspaper. For the benefit of new senators, let me quote from Mr. Meek's article, in which states:

> ACOA was formed by an act of Parliament tabled in December, 1986, and given $1.05 billion in funding for a five year period. Then the Mulroney government blew about 33 per cent of that budget in the eight months before the November 21, 1988 election.

Mr. Meek goes on to state that the Mulroney Tories subscribed to that old electoral maxim: "Subsidize everything that moves, and pave the rest."

Senator Muir: That was done by the Liberals in Nova Scotia for many years. It caught on.

Senator Stewart: Mr. Meek then proceeds to say:

> "As a result of these boondoggles, the government has helped turn the very idea of regional industrial development into a laughing stock in Canada."

In *The Globe and Mail* there is an article written by Deborah Jones from Halifax which states:

> "This week the RCMP announced a criminal investigation into Technitread of Glace Bay, N.S. The company's Glace Bay plant operated for just four months this year and stopped production in August.
>
> The commercial crime branch of the RCMP said in a news release that it had been asked to investigate the company as "a result of a recent audit conducted by Enterprise Cape Breton on the Glace Bay plant."

The article further states:

> "Three days before the 1988 federal election campaign, Mr. MacKay . . .

and that would be the Hon. Elmer MacKay.

> . . . announced Enterprise Cape Breton would provide Technitread with financing, including grants of more than $2 million, to set up a tire retreading plant in Glace Bay.

Glace Bay is very close to New Waterford, a town dear to the heart of Senator Murray. I am sure he has been following these developments intently.

Could he tell us why and on whose motion that criminal investigation was initiated by the RCMP? Also, would he tell us, if he can, the present state of the investigation, and what will be the likely implications for the future of the ACOA program of a finding that money in this case was used properly.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I cannot, of course, comment on the police investigation into this matter. I am informed that the agreement was that the federal government would provide assistance of up to $2 million to this firm, of which some $900,000 has been disbursed to date. Naturally the remaining amount would not be sent forward while the police investigation continues. With regard to the investigation, let me take up a point that Senator Muir raised a few moments ago. ACOA is a risk-sharing agency with special arrangements for Cape Breton. Inevitably there will be failures in the operation of a regional development agency of this kind. We have always expected that and we knew that would happen. Of course, such failures happen for various reasons, some of them relating to management, some relating to the state of the economy at a given time, and some, unfortunately, because of more serious human frailties. That is as far as I will go in making any reference to the police investigation. The results of that investigation will be known in due course.

With regard to the comments made by the journalist quoted by Senator Stewart, I regard those comments as grossly unfair. ACOA was announced in the first week of June, 1987. I remember it well, as I was the minister of that agency for the first 15 or 16 months of its existence. At that time, the agency was involved in taking under its wing a number of the existing regional incentive programs and developing new programs of our own consistent with the philosophy of the agency. So the amendments to existing programs and the creation of new programs under ACOA were not ready to go until about February 1988.

There was an enormous amount of interest in Atlantic Canada, and there still is, in that agency and in the programs of assistance, not just in incentive assistance but in other programs dedicated to economic growth in the area. An enor-

mous amount of assistance was available to the private sector, and, of course, the applications were coming forward thick and fast in the early days of 1988. Whether or not there had been an election in the fall of 1988, one could have expected that there would be a pronounced level of activity on the part of an agency that had been set up the previous June.

Senator Stewart: Honourable senators, I do not ask Senator Murray to comment on the police investigation. I asked who had initiated the investigation. I believe the language I used was, "on whose motion was the investigation started?" I do not think that an answer to that question would constitute interference into the police investigation.

Senator Murray has reminded us of the origins of ACOA. He has intimated that one of the characteristics of the program carried on by ACOA was to assist individual entrepreneurs. This story by Mr. Meek mentions that one of the projects was the provision of a private bath in one of the rooms in Mabel Redden's Sou'Wester Inn in Mahone Bay. I am referring to that, because I have seen other references to bathrooms in other homes. For example, there was one in Bickerton West, Guysborough County, Nova Scotia. Is this the kind of subsidization that Senator Murray had in mind when he sought Senate support for his new ACOA agency?

• (1030)

Senator Murray: Honourable senators, I am not familiar with that particular project, although as a frequent if not daily reader of *The Chronicle Herald* in Halifax, I think I should state for the record that Mr. Meek apologized in a later column for that reference.

Senator Muir: Right on!

NOVA SCOTIA

EFFECT OF FREE TRADE AGREEMENT ON TEXTILE INDUSTRY

Hon. John B. Stewart: I have question for Senator Murray on a different topic.

I am again looking at *The Chronicle Herald*, in this case. *The Chronicle Herald* of Thursday, Oct. 18, 1990, where we see the big blue headline: "Yarmouth Textile Mill to Close. Townspeople lose 330 jobs to Quebec factory". The story, datelined Yarmouth, says:

> Southwestern Nova Scotia is reeling after hearing the region's biggest employer, Dominion Textiles, is leaving the province and taking all 330 jobs with it.

The story goes on, and at a certain point says:

> Plant management says the closure has nothing to do with the Canada-U.S. Free Trade Agreement. Tom Stanfield of Stanfields textile mill in Truro says free trade won't affect Nova Scotia's textile industry for another few years.

My question is: Is Mr. Stanfield correct when he says that free trade will not affect Nova Scotia's textile industry for another few years? If that is true, what is meant? Is it three years, four years, or five years before Nova Scotia's textile industry will be adversely afffected.

While Senator Murray is dealing with that question, will he assure the Senate that there is no connection whatsoever between the announced closing of the Yarmouth factory and the Free Trade Agreement?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, as I understand it, that factory specialized in what are called industrial textiles destined, for example, for the automotive industry. Not only was the unfortunate decision to close the place not related to the Free Trade Agreement, but the company would have faced much less favourable prospects were it not for the secure access to the American market of its industrial textiles provided for under the Free Trade Agreement.

As for Tom Stanfield's speculations on when and how the Free Trade Agreement might affect the Nova Scotia textile industry, I am not in a position to join issue on that matter today on the basis of a press report read into the record by my honourable friend.

Senator Stewart: Honourable senators, when the Free Trade Agreement bill was being examined in the Standing Senate Committee on Foreign Affairs, Senator Murray, in response to a question from myself concerning the possible impact of the Free Trade Agreement on Truro, on the activities, for example, of the carpet mill and the Stanfield plant in Truro, Nova Scotia, gave assurances that the town had nothing to worry about. The statement by Mr. Stanfield implies that in another few years Truro will have something to worry about as a result of the Free Trade Agreement. Who is right: Mr. Stanfield who, after all, is on the front line of the industry, or Senator Murray?

Senator Murray: The honourable senator quotes a general statement made by Mr. Tom Stanfield to the effect that the impact of the Free Trade Agreement has not yet been felt by the Nova Scotia textile industry, but that this will happen some years down the road. The quotation does not go beyond that. Therefore, Senator Stewart infers that the town of Truro will have something to worry about some years down the road. I am not sure that the inference is justified, certainly not by the statement made by Mr. Stanfield that he has placed on the record.

To return to the Yarmouth situation, the problem with that plant is that it is quite old and has antiquated equipment. By increasing employment by approximately 100 people and injecting $5 million into the Magog plant, it will absorb Yarmouth's production. The problem with the plant has nothing to do with the Free Trade Agreement or with import policy. It is a problem relating to that particular plant and that particular company.

ATLANTIC CANADA OPPORTUNITIES AGENCY

INVESTIGATION OF FUNDING PRACTICES—GOVERNMENT POSITION

Hon. Robert Muir: Honourable senators, I have a supplementary question for the Leader of the Government. Jim Meek is the staff comedian for the *Halifax Chronicle Herald* and was also the comedian on the Hill. He is a dear old friend of mine. He was the one who mentioned the lady referred to by Senator Stewart. I do not know the individual, but I am shocked that Senator Stewart would raise that question, because that is a personal matter.

There was expansion of facilities, establishment of hotels and bed-and-breakfast places with the previous government through the Cape Breton Development Corporation. This was done at great loss to the taxpayers.

This is déjà-vu. This government is having problems also. Is the minister aware that ACOA has done a tremendous job in many areas? Senator Stewart has selective amnesia. I can recall the Hustler products at the former Point Edward Naval Base. I can mention six or seven people who went back to California with hundreds of millions of dollars. But an effort was made to try to do something, just as an effort is being made now.

● (1040)

Since the honourable senator has used *The Chronicle-Herald* for his text today, might I suggest he read Psalm 105, verse 22, the King James version, which says something about teaching senators wisdom.

Hon. John B. Stewart: May I say that we have heard the present government and its supporters, again and again, seek to excuse its failures by referring back to what went on before 1984. Surely the time has come for this government to defend its own programs or to admit their defects and stop trying to excuse all their shortcomings by saying: "We are no different from the Grits."

ENERGY

SCOTIA SYNFUELS PROJECT—INCENTIVES TO PROCEED—GOVERNMENT POSITION

Hon. Finlay MacDonald: Honourable senators, I wish to pursue the matter introduced by Senator MacEachen, Senator Muir and Senator Buchanan.

The Scotia Synfuels Project has been around long enough that we might expect some kind of a decision from this government. The leader will know that this has been considered now for at least a year and a half, the key point being the investment tax credit for private investors who are prepared to go ahead. There have been conflicting reports from the bureaucrats and those who have advised the investors.

Can the leader determine whether or not a meeting can be arranged to bring this to a head? There are more benefits and less risks in this venture than there have been in other megaprojects over the past couple of years. It is not excuse enough for the bureaucrats to say that they are not particularly in favour of megaprojects. There must be some way the leader, with his background and his knowledge of what this might do, can hasten some kind of discussion that might bring this matter to a head. I think this has gone on long enough.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I appreciate that point. I want to tell my honourable friend that his representation on this matter, and the representations of other honourable senators interested, are always welcome.

THE ECONOMY

HIGH INTEREST RATES—RELATION TO INFLATION—EFFECT ON WESTERN CANADA—GOVERNMENT POSITION

Hon. H. A. Olson: Honourable senators, I appreciate that the leader is having some difficulties because we have not had more than one Question Period since June. I am sure the Leader of the Government realizes that there are a number of matters affecting Canadians, including Cape Bretoners. We have now reached the stage, as Senator MacDonald has pointed out, where we have to clear up some of these matters, and some of them are of direct concern to western Canadians.

I have three areas of questioning today. I am sure the leader does not have to take my questions as notice, because I am sure he has been ready for days, perhaps weeks, with full and complete answers to the matters that are troubling many people in the part of Canada I come from. If he is not prepared to answer these questions today, perhaps he could have some answers prepared.

The leader should give us a clear statement on behalf of the government with respect to the government's handling of the economy. Have we had enough of this cooling out of the economy? Can we have an explanation respecting the $8.8 billion the Minister of Trade claims is being paid to subsidize agriculture? No one with any knowledge of these figures has come forward with any kind of list that would justify that statement. Canadians are curious about such statements.

We have also had two severe reductions in the initial price of grain being paid by the Canadian Wheat Board. These prices, of course, are set by the cabinet from time to time. We have not had a clear explanation of what the future holds in that area, which is extremely important.

First, can the leader tell us—and I am sure he is ready to—whether or not the Minister of Finance and the Governor of the Bank of Canada have now cooled the economy enough, or whether we can expect more cooling?

I am not sure whether we are in a recession or a slowdown. I suppose we are in a slowdown, which has taken us into a recession, which in turn has taken us into a depression. People in the southeast area of Alberta and a large part of Saskatchewan believe that we are now in a severe depression because of grain prices and high interest rates, yet the Governor of the Bank of Canada ordered a number of small declines in the bank rate. Subsequently the bank rate came down by approximately 1 per cent. However, last week he ordered it back up a few bases points. Does that mean the Governor of the Bank of

Canada believes that the depression we are experiencing in much of Canada has now turned around and that we are going to cool the economy down further, so that we can have a higher increase in bankruptcies? There was a 35 to 42 per cent increase in bankruptcies this month over the same month last year. Is that not enough for the government, or will it cool the economy down further so that more people will be in severe distress?

While answering those questions, I am sure he will be able to tell us now that this government has been considering for some time—the leader told us this before—some policies that do not require people 2,000 or 3,000 miles away to pay the price for what the Bank of Canada and Minister of Finance decide is good for central Canada. They seem to have their eyes focused on one area of Canada and are making the rest of the country pay the price for cooling inflation there.

Perhaps he could also explain to us whether we have reached the stage where the government will cool the economy in Toronto particularly, and in southwestern Ontario generally, to the point where people there will think they are in a recession.

All I am asking is what we might expect in the future, because the government may not have a complete answer as to how it is going to correct this situation. People would like to know what they can expect now that the government has frankly and blatantly admitted that this is a "made-in-Canada" recession deliberately brought on by the Minister of Finance. In fact, he claims he is less than three-tenths of 1 per cent away from the target he set some time ago.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I do not know what target my honourable friend is talking about.

Senator Olson: Government spending.

Senator Murray: Well, if the Minister of Finance is three-tenths of 1 per cent away from his target, he is doing very well, tremendously better than any of his predecessors.

Senator Olson: Better than his own record!

Senator Murray: Honourable senators, in the budget of 1989, and again in the budget of 1990, Mr. Wilson stated that a slower rate of growth in the economy was expected, and indeed was necessary because it would be impossible to sustain the rate of economic growth that we have known in this country over the past five or six years without having a very serious inflation problem.

• (1050)

The policies of the government and of the bank have succeeded in bringing inflation down considerably to the point where, according to the latest statistics, the Consumer Price Index is at about 4.2 per cent. When my honourable friends were in office with a rate of inflation of 13 per cent, they were ready to chant a Te Deum when they got to 6 per cent.

Having said that, the government expects that while there will be little or no economic growth in the rest of this calendar year, economic growth will rebound in 1991. Indeed, if my friend has examined the recent comments of the Economic Council of Canada, he will see that it is predicting a rate of economic growth of more than 3 per cent over the medium term, which is far from the gloom and doom that is being purveyed by my honourable friend and his friends.

With regard to the honourable senator's accusations that we are fighting an inflation problem in southwestern Ontario on the backs of people elsewhere in Canada, I have to tell him that the highest rate of inflation in September, 5.3 per cent, was in his own province of Alberta. It was not in southwestern Ontario, which had an inflation rate of 4.3 per cent in September. He has that wrong.

Honourable senators, I may say that I do deplore the gloom and doom that is predicted, especially in my honourable friend's part of the country. In my own not infrequent visits to Medicine Hat, I have found the people there in a positive spirit, and not at all in the kind of psychological state that the honourable senator suggested exists there.

Finally, with regard to the price reductions in the Canadian Wheat Board, I will have to obtain information on those from Mr. Mayer, the Minister of State (Grains and Oilseeds). Mr. Crosby's figure of $8.8 billion as representing agricultural subsidies has been put on the record by Senator Olson. I do not have an accounting of that. I simply say that a statement was made in the context of discussion of the positive proposals that Canada put forward at the GATT with regard to agriculture, which I am sure have the warm support of Senator Olson and others who are interested in the prosperity of the agricultural industry in this country.

Senator Olson: I take it from the minister's reply that he believes there is a great success story in cooling the economy down to this position. What is confusing about this great success story, however, is that the Governor of the Bank of Canada does not seem to agree that he has cooled the economy enough. The bank rate has been coming down for 12 successive weeks, I believe, but last week it went back up from 12.59 to 12.66. I do not have the numbers in front of me, so I could be out somewhat. I reiterate that that is why the success story is confusing. Are we on the way back up now? Is the level of inflation in Canada today high enough that the government believes it should raise interest rates again to cool the economy some more? That is obviously what the Governor is doing.

Senator Murray: The honourable senator is being quite unfair about this.

Senator Frith: He is sometimes unfair, but never to you.

Senator Murray: The bank rate has declined for 13 weeks in a row. Yesterday it took a little blip, but these things are going to happen. Just as the inflation rate is in a downward trend, one could expect that the bank rate would follow, as it has been doing. This statement was made by the Minister of Finance as recently as yesterday.

Senator Olson: Well, why did the minister not say that in the first instance? We are asking for some clarification. Some people believe that interest rates ought to be 500 basic points lower than they are today. They were moving down slowly, but

the Minister of Finance has always said that these things cannot be done too suddenly. I know that is probably a fair statement. They were moving down, but why the glitch when the objective is something like 500 points lower? The Governor of the bank did turn things around, and that is the confusing part of it. Perhaps the Leader of the Government could explain that.

Senator Murray: I do not have the figures in front of me, but I think the gap has narrowed between Canada and the United States. Further to that, as we win the war against inflation, the bank rate comes down. That is not to say that from time to time there will not be what I have called a "blip" in the inflation rate, or a temporary reversal, whether it is caused by the implementation of the GST, which we all know about, by oil prices, or whatever. The Bank of Canada will have to be sensitive to those developments.

The inflation rate in the country is going down. It was 4.3 per cent in September and the trend line has been downwards. Therefore, I think we can expect that, as the battle on inflation is won, interest rates will come down.

PERSIAN GULF

POLITICAL AND MILITARY SITUATION—IMPACT ON CANADIAN ECONOMY—REQUEST FOR GOVERNMENT STATEMENT

Hon. John B. Stewart: Honourable senators, on another topic, we know that Canadian armed forces have been sent to the Gulf. Would the Leader of the Government make in the Senate a statement on the political and military situation in the Persian Gulf? Would he, in that statement, describe the extent and nature of Canadian participation in the efforts to roll back the invasion of Kuwait and to prevent additional aggression by Iraq?

The statement would be much more valuable if, in addition, it contained an analysis of the impact which the Gulf situation, if prolonged, is likely to have on the Canadian economy, on inflation in Canada, and particularly on the cost of fuels.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I should first note that our friend, Senator Macquarrie, has a Notice of Motion on the order paper dealing with Canadian policy and Canadian participation in the Gulf. This participation, as Senator Stewart has noted, is with a view to supporting an international effort to prevent further Iraqi aggression and to sustain and support the economic sanctions that were agreed upon by the United Nations.

I will certainly consider the suggestion of the honourable senator. If something along those lines could be prepared, I would be glad to place it on the record in the course of the debate on Senator Macquarrie's motion.

Senator Stewart: Honourable senators, Senator Murray may only be teasing us. Who knows when we will get to that particular item of business?

Senator Murray: Honourable senators, I do know that Senator Macquarrie is anxious to make his speech. I should say, in fairness to him and to us, that the Department of External Affairs has not written Senator Macquarrie's speech. He will be writing his own speech. He is not, obviously, bound by cabinet solidarity on any of those considerations, although I am sure it will be an interesting speech from one who knows a lot about the area.

● (1100)

However, he is anxious to get on with it. I am fairly confident that there will be an opportunity for him to do so between now and the 30th of the month.

Senator Stewart: That is a helpful comment. If it appears that Senator Macquarrie is not likely to be able to go ahead with his inquiry before the end of the month, will Senator Murray lay on the Table a statement of the kind that I have outlined?

Senator Murray: Well, honourable senators, in that case, I would obtain one from my colleagues, particularly Mr. Clark and Mr. McKnight.

Senator Stewart: And you will lay it on the Table?

Senator Murray: Yes.

THE HONOURABLE PAT CARNEY

REQUEST FOR APOLOGY FOR ALLEGED INSULT TO ITALIAN COMMUNITY—REQUEST FOR CLARIFICATION

Hon. Peter Bosa: Honourable senators, I have a question for the Leader of the Government in the Senate. It is with regret that I raise a question that I already put to him on September 25, which is to be found in the second column on page 2250 of *Senate Debates*. It relates to a CTV news reporter who had asked Senator Carney at her Vancouver home why she did not attend the swearing-in ceremony of newly appointed Tory senators in Ottawa. She reportedly responded:

> (I) wasn't going to drop everything to stand around with people from the Italian community while they learn where the Parliamentary bathroom is.

On the next page, she says:

> the allegation is completely unfounded, without truth, and should not have been raised in this house in this manner without any basis of support.

Honourable senators, the Italian community has been finessed out of this. An insult has been inflicted on the Italian community. The subject is still very much alive. In fact, as late as last Tuesday, this subject was discussed on an open-line radio show on CHIN, during which I was interviewed. While I accept Senator Carney's word, I should like to ask the honourable gentleman if he would ask Senator Carney whether such an interview took place, in what context she mentioned the Italian community and in what context she mentioned Parliamentary bathrooms. This is important to us to know, because if it is not true that the interview took place, then I will pursue the matter with Mark Shneider, the reporter who is supposed to have interviewed Senator Carney. So, would the honourable gentleman please ask Senator Carney the question?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I must insist, with great respect, that this is not a matter which comes under my ministerial responsibility. There is no answer I can give except to say that Senator Carney has made a statement on her responsibility as a member of this place on this matter. We have all heard it. My friend says that he accepts it, and that is fine.

So far as these additional questions are concerned, they have now been placed on the record by Senator Bosa. Senator Carney will see them and I am sure that if she feels that a further statement required, she will make it here in the house when she gets back.

AGRICULTURE

GATT NEGOTIATIONS—REQUEST FOR TABLING OF GOVERNMENT LIST OF FARM SUBSIDIES

Hon. H. A. Olson: Honourable senators, I should like to ask the Leader of the Government if he will obtain from the Minister of Trade a detailed list, adding up to $8.8 billion, of farm subsidies. I read several lists that have been published here and there, but people want to know. They have asked me to find out what it is that the government categorizes as farm subsidies.

For example, to show honourable senators why I am asking this question, there is one report saying that food inspection carried out by the Department of Health and Welfare is classified as a farm subsidy. I would like to have from the government a list of what adds up to $8.8 billion so that we know what the government has accepted and categorizes as farm subsidies. Apparently, this is the list they are using when they go to the GATT negotiations. If there are matters regarding protection of the health of Canadian citizens that are classified by this government as farm subsidies, then we would like to know what they are. That is the reason for the question. I hope that he can do that.

Apparently he said a few minutes ago that this list was available. I wonder if he could give an undertaking that he will come forward with that list fairly soon. I would think that something less than ten days should be plenty of time. That way, we could know what it is the government classifies as a farm subsidy.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, with regard to the latter comment by the honourable senator, I have been here for 11 years, and, if I may modestly say so, the record of this government in replying to questions put by honourable senators has been nothing short of exemplary. I recall only too well the backlog of delayed answers that existed when my friend was answering questions. Questions sometimes stayed on the record for years without a reply. Having said that, let me point out that Mr. Crosbie's statement in the House of Commons on October 15 was to the effect that Canada had had to file at Geneva, together with other countries involved in the MTN, an estimate of the costs of various programs in effect in Canada to assist agriculture. The total was $8.8 billion. That, of course, would include programs to assist agriculture not only at the federal level but also at the provincial level. However, I will see what documentation I can provide on this matter.

On the first point, my records indicate that prior to today replies to only two questions were still pending. Show me a time in the life of the previous government when the decks had been cleared to that extent and when answers had been given so promptly in the Senate to questions raised by honourable senators.

Senator Olson: Honourable senators, that is a great lecture, but I do not really care today what happened to questions previously. I remember that I used to carry a little black book, and almost every question that Senator Murray asked I answered right away. There was not any great delay in answering questions. However, never mind that for now. I want to know the answer to this question, and the reason I ask is because the minister said there was list. All he needs to do is obtain it. He is now admitting again that that list is there. That is all I am asking for. We do not want this to take too long, since you have already published and used the list. That is all we want.

While you are doing that, perhaps you could find out from the people who filed this report whether or not the so-called Crow benefits of $720 million or so are included in it, and then find out whether the cost that the United States' Army Engineers bear to maintain the river system in the United States to haul grain to export positions is also included. If it is not, then we have the figures rigged against us. That is what we want to know. Again, I plead with the minister to bring in an answer in a few days, because, apparently, the list is already in existence.

Senator Murray: For goodness' sake, the important point here is that Canada made a very progressive and far-reaching proposal to the GATT with regard to subsidies. What we proposed was that export subsidies be eliminated altogether. We also proposed that internal trade-distorting subsidies be reduced very considerably.

• (1110)

We proposed a 20 per cent reduction in import fees and a number of other measures of that kind toward achieving a more market-oriented approach, which would demonstrably be in the interest of Canada. We put that proposal on the table with a view to receiving at least the same concessions from other agricultural nations. This is great progress in an important negotiation for our farmers and for the economy of this country. We all know that.

My friend is complaining about the way in which we may have arrived at the statistic of $8.8 billion without having seen the list, and he is speculating about what may or may not be in the United States list. I will do my best to get him the Canadian calculations, and I will put them on the Table as soon as I receive them.

Senator Olson: What does "as soon as I receive them" mean? People who are knowledgeable about agriculture and subsidies were shocked to hear the figure of $8.8 billion for the period of 1989 to 1990. It seems that you are letting the other countries rig the books against you. We think this may be bordering on incompetence.

Senator Murray: Honourable Senators, whether we are talking about agricultural subsidies, foreign aid, money spent on research and development or science and technology, whatever it is, I am sure that every country puts forward its statistics in a way that will put the best face on its situation. But organizations like the GATT, which have highly trained and experienced secretariats, will put them on equal footing. So we are not comparing apples and oranges, but apples and apples.

Senator Olson: We shall see, but can you give us an undertaking that we can have the list in a week or ten days?

Senator Murray: I will obtain whatever information I properly can from my colleague, the Minister of International Trade, and I shall convey that information to my honourable friend.

NEW BRUNSWICK

PROPOSED LAKE GEORGE PROJECT—ENVIRONMENTAL PROTEST—REQUEST FOR STATUS REPORT

Hon. L. Norbert Thériault: Honourable Senators, it has been brought to my attention that in New Brunswick there is a situation where a group of people near the Lake George area are opposing the establishment of an industry there.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Near where, senator?

Senator Thériault: Lake George. Do you know where it is?

Senator Murray: Yes.

Senator Thériault: There is quite a protest ongoing there at the present time. I am told that the people in the area have signed a petition containing 600 names. As you are aware, there are no members of the opposition in the Legislature of New Brunswick. I do not know why some members of the legislature, regardless of their political stripe, did not sign that petition. It is probably because it is in the riding of a minister, and anyone who has been in politics for any period of time knows that back benchers do not want to offend ministers.

It is my understanding that the federal Department of the Environment is going to look into the situation or was going to conduct an environmental study. I do not expect Senator Murray to answer this question today, but I would like to have him provide us with an updated report on that situation. When he does that, he may also report on how the Prime Minister of Canada was received in New Brunswick with respect to the GST.

Senator Murray: Honourable Senators, I have no information from the government on the matter of the proposed Lake George project. My friend may be interested in hearing the information that was passed on to me informally from Senator Hatfield, which was to the effect that both the federal and provincial Department of the Environment turned down the protest.

Hon. Richard Hatfield: They said an environmental review is not necessary.

Senator Murray: They have decided that an environmental review of the project is not necessary. With regard to the Prime Minister's visit to New Brunswick during the last day or two, I was assured that it was a tremendous success. While the media took a great deal of interest in the 100 protesters screaming epithets, the Prime Minister returned satisfied, as always, with the warmth of the welcome he received and the positive attitude of the people of New Brunswick toward the economic prospects and the policies of this government in general.

Senator Thériault: Honourable senators, I heard the advice received by the Leader of the Government from the former Premier of New Brunswick. I still would like him to give me a final answer, because I do not know if he has the latest information.

Senator Murray: I will do that.

Senator Thériault: If the Prime Minister came back happy with the reception he received there, I am glad for him. It does not take too much to make him happy.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have some delayed answers to questions. I ask that the answers be printed as part of today's proceedings.

GULF CRISIS

EMBARGO ON SHIPMENT TO IRAQ—EFFECT ON CANADIAN WHEAT SALES—GOVERNMENT POSITION

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have a delayed answer in response to a question asked in the Senate on September 25 last by the Honourable Senator Molgat regarding Embargo on Shipment to Iraq—Effect on Canadian Wheat Sales—Government Position.

(*The answer follows:*)

> Hon. Senators, on August 7, 1990 in response to a resolution of the United Nations Security Council, which was co-sponsored by Canada, the Government announced a total trade embargo against Iraq. The Canadian government is reluctant to put embargoes on food exports, but in this case, it was necessary to comply with the United Nations Security Council resolution in the hope that it would help to expedite a satisfactory solution to the current crisis in the Middle East.

Canadian exports to Iraq consist almost entirely of wheat and barley by the Canadian Wheat Board. Most of the Canadian Wheat Board's shipments for 1990 has been completed by August 7th. Two shipments of Western Canadian wheat to Iraq were directly affected by the embargo. About 110,00 tonnes of Ontario wheat to Iraq were also directly affected by the embargo.

Although it is too early to determine the effect of the sanctions, the Government is monitoring the situation closely and will be considering all possible options to offset harm caused to Canadian grain producers.

GULF CRISIS

FAILURE TO RECALL PARLIAMENT FOR DEPLOYMENT OF CANADIAN TROOPS

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have a delayed answer in response to a question asked in the Senate on September 26 last by the Honourable Senator Grafstein regarding Failure to Recall Parliament for Deployment of Canadian Troops.

(*The answer follows:*)

Honourable senators, the Government believes that it is important to respect the long-standing parliamentary tradition of affording Parliament an opportunity to discuss decisions to send Canadian Forces abroad for peacekeeping and similar operations when the number of members involved is significant and there exists significant risk.

In keeping with that tradition, when the decision to deploy the CTG was announced, the Prime Minister also announced his intention to pass an Order-in-Council and discuss it in Parliament. Since the deployment of elements of the Canadian Forces to the Persian Gulf represents a very serious commitment by this Government, members of this House may welcome an opportunity to speak to this issue.

As honourable senators know, the Order-in-Council was passed on September 15, well within the 10 days statutory requirement to recall Parliament, pursuant to the National Defence Act.

1990 PERSONS AWARDS

FELICITATIONS TO RECIPIENTS

Hon. Joyce Fairbairn: Honourable Senators, with leave, I would like to draw your attention to the 61st anniversary of the Person's Case, which we celebrated yesterday but, due to other circumstances, were not able to recognize.

Honourable senators may remember that on October 18, 1929, Canadian women achieved "Persons" status, enabling them to be considered for appointment to the Senate. This victory was won through the efforts of the "famous five" Alberta women who fought a lengthly legal and political battle in Canada and who finally went to Westminster in Great Britain to successfully have women considered as persons under the British North America Act. We remember with pride those famous five: Emily Murphy, Louise McKinney, Nellie McClung, Irene Parlby, and Henrietta Muir Edwards.

Since 1979 deserving Canadian women have been recognized each year on the anniversary of the "Persons" case. This year those honoured were: Geraldine Bailey of Westerose, Alberta; Thérèse Dallaire-Laplante of Boucherville, Québec; Jean Scott of Chilliwack, British Columbia; Délie Gallien-Chiasson of Shippagan, New Brunswick; Helen Hnatyshyn of Saskatoon, the mother of the Governor General; and Irene Grant of Winnipeg, Manitoba. All of these women have made outstanding contributions throughout their lives to the equality, education, support and protection of women and their rights in our society. I am sure all senators would wish to join me in extending congratulations and appreciation to the recipients of the 1990 Persons Awards.

Hon. Senators: Hear, hear!

• (1120)

THE HONOURABLE JOYCE FAIRBAIRN

SPECIAL RECOGNITION BY BLOOD INDIAN TRIBE

Hon. H.A. Olson: Honourable senators, I wonder if I may also recognize that, on July 21, 1990 members of the Blood Indian Tribe in southern Alberta recognized Senator Joyce Fairbairn as Morning Bird during a special chieftainship ceremony.

Senator Fairbairn was recognized for her outstanding contributions to the Blood Indian Tribe, and indeed to all Canadian natives. She said during the ceremony that she was conscious of the lifetime commitment she is making to Indians across the country resulting from her chieftainship. She also stated she is aware of the powerful symbol it represents. She went a step further and pledged to try to understand and support Canadian natives and to try to bind together natives and whites through co-operation and friendship.

Senators may be interested to know that chieftainship in this organization is bestowed on up to 40 living people at one time. She is joining a club of a total of 103 inductees since its inception, Edward, former Prince of Wales, being the first. Among others who belong to this chieftainship society are Prince Charles, Pope John Paul II, Ernest Manning and Pierre Berton.

May I wish Senator Fairbairn—indeed Chief Morning Bird—my very sincere congratulations.

UNEMPLOYMENT INSURANCE ACT

EMPLOYMENT AND IMMIGRATION DEPARTMENT AND COMMISSION ACT

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR CONCURRENCE IN CERTAIN COMMONS AMENDMENTS AND FOR NON-INSISTENCE UPON CERTAIN SENATE AMENDMENTS—MOTION IN AMENDMENT TO REFER CONCURRENCE MOTION TO CONFERENCE OF TWO HOUSES OF PARLIAMENT—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Doody, seconded by the Honourable Senator Tremblay:

That the Senate concur in the amendments made by the House of Commons to its amendments 4(c) and (d) and 8 to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act;

That the Senate do not insist on its amendments 2(a), (b) and (c), 3(a) and (b), 5(a), 6, 7, and 9, to which the Commons have disagreed; and

That a Message be sent to the House of Commons to acquaint that House accordingly,

And on the motion in amendment of the Honourable Senator MacEachen, P.C., seconded by the Honourable Senator Frith, that, all the words after the word "That" be struck out and replaced by the following:

Whereas

On March 20, 1990, the Senate informed the House of Commons by message that it insisted upon its amendments to Bill C-21;

And Whereas

Beauchesne, 5th edition, citation 814, p. 241, provides that in such circumstances, where the Senate insists upon their amendments, "the House (of Commons) either accepts the amendments or adopts a motion requesting a conference to which each House appoints Members";

And Whereas

When the Senate insisted upon its amendments to *An Act to authorize the government to acquire by lease lines of railway connecting with the government railways* in 1910;

and to *An Act to confirm the Order in Council of the twenty-fourth day of February, 1919, prohibiting the importation, manufacture and transportation of intoxicating liquors and the Order in Council of the twelfth day of April, 1919, in amendment thereof* in 1919;

and to *An Act to amend the Judges Act* in 1921;

and to *An Act to amend the Canada Temperance Act* in 1922;

and to *An Act to amend the Industrial Disputes Investigation Act* in 1924;

and to *An Act for the relief of the Depositors of the Home Bank of Canada* in 1925;

and to *An Act to amend the Criminal Code* in 1933;

and to *An Act to amend and consolidate the Excise Act* in 1934;

and to *An Act to amend the Farmer's Creditors Arrangement Act, 1934* in 1938;

and to *An Act to amend the Criminal Code* in 1947, the House of Commons requested that a conference be held;

And Whereas

When the Senate insisted upon its amendments to *An Act to amend the Combines Investigation Act* in 1936; and to *An Act to amend the Customs Tariff Act* in 1961, the House of Commons chose not to proceed further with the legislation;

And Whereas

When the Senate has by message insisted upon its amendments without offering any alternative proposal, it has never received a subsequent message from the House of Commons repeating that it disagreed with the said amendments;

And Whereas

The message received from the House of Commons on May 10, 1990, is without precedent, and does not conform to the convention and practice, unbroken since Confederation of settling disagreements between the House of Commons and Senate by a conference,

The motion be referred to a conference between the two Houses of Parliament.—(*Honourable Senator Ottenheimer*).

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, Senator Ottenheimer yields to anyone who wishes to speak at this point.

[*Translation*]

Hon. Jacques Hébert: Honourable senators, since the last time I rose in this House to speak on Bill C-21, on May 16, 1990, the government made no reasonnable effort to settle our differences.

Instead of using the democratic process provided for in case of conflict between the two Houses and calling a conference to find an honourable compromize, as it happened a number of times since 1867, Prime Minister Mulroney preferred to innovate and use strong-arm methods.

The government claimed this was an outdated provision of the Constitution. It did not stop him from making use a little while later of another provision of the Constitution, section 26, which is not only outdated but was never used in the history of this country.

Thus, Mr. Mulroney graced us with eight new so-called senators pursuant to section 26 of the Constitution by calling upon our Queen for assistance, which she granted willingly. Long live democracy! . . . These eight "senators" would ensure the dismal domination of the Conservatives in the Senate. We were already tyrannized by the majority in the House of Commons. Now, tyranny had reached the Upper House with the help of the "gang of eight" who, from now on, will vote blindly for Mulroney bills, appalling and backward bills like the Unemployment Insurance and GST bills, as well as any other piece of legislation, even worse ones, that Prime Minister Mulroney and his government have in store.

By appointing the eight so-called regional senators, the Prime Minister showed how much he despised our parliamentary traditions. Early in his first mandate, he was already

acting more like a "President" than a Prime Minister in the British parliamentary tradition. The American influence is not only felt in the economic sector, it is also pervading our parliamentary system.

The same Prime Minister never misses a chance to put down the Senate and call, in his syrupy voice, for reform of the Upper House. He never mentions it in Quebec, hardly ever in Ontario, but Senate reform is somehow inspiring when he is in Western Canada or in the Atlantic provinces.

Now that he has shown his true colours by appointing eight senators, he will hopefully not even mention Senate reform.

This brings to mind an editorial published in *The Edmonton Journal* on May 3, which stated, and I quote:

> Nothing would be worse that resorting to the oft-decried favouritism and appointing new senators. It would be proof that the Conservatives in Ottawa never took Senate reform seriously. And that would mean the end of the Triple E Senate.

They are a rare breed but some editorialists are gifted prophets.

Truth to tell, they have little merit because in the case of Brian Mulroney you can always imagine the worst scenario and still never be far from reality.

As a result of his government's procrastination Bill C-21 is still in limbo, which is not without some impact on a good many Canadians.

Not to mention the fact that in the current economic recession context—a reality Mr. Wilson has just admitted after long hesitations—we can expect yet more plant closures and thousands of jobless people swelling the ranks of the unemployed who fell victim to the bad Free Trade Agreement with the Americans. How can the unemployed have faith in this government which kept saying that free trade would create thousands and thousands of jobs? Where are the better days we had been told to expect?

Bill C-21 points to more of the same for unemployed Canadians. Indeed the government was dishonest when it introduced this bill after formally promising that it would not tamper with the unemployment insurance program.

I have often quoted these words uttered by Mr. Crosbie during the last electoral campaign. This is one of the documents I always carried with me in a small address book because people I would talk to could not quite believe that the government, through Mr. Crosbie, had put it quite so clerly. Then I would reach for that little piece of paper and read the remarks made with such emphasis by Mr. Crosbie during the campaign.

[*English*]

"We will be looking at UI in a couple of years, presumably to see what improvements can be made or whatever, but there are no changes planned for UI". The article continued that Crosbie said the Prime Minister had assured him personally that "absolutely" no change would be made.

[Senator Hébert.]

[*Translation*]

Then again, why did the government decide to tie some long-awaited measures to a bad bill if not to make it easier for us to swallow the bad medicine?

Some of these measures could have been the subject of separate bills which would have been unanimously passed by both houses a long time ago, like two years ago in some cases.

How can we not believe that it was as a result of a simple political manoeuvre that the government packaged Bill C-21 with other benefit measures which it had to introduce and could not defer because they sometimes flow from court rulings?

When the court tells the government 'You have to do such and such', the government should act immediately. Shrewd as ever the government chose to put these good measures in Bill C-21. In this respect I might mention, for example, parents benefits, the obligation to meet the requirements of the Canadian Charter of Rights and Freedoms by granting UI benefits to unemployed workers over 65, and maternity benefits. How come the government stubbornly refused to vote on that routine and unimportant bill, which was passed twice in the Senate and rejected each time in the House of Commons, a bill that would have restored the variable entrance requirement of the unemployment insurance program?

Then again, for over a year now, as I have noted in my pocket agenda, I have met some sceptical people who were saying: What is this all about? That bill we are talking about could have spared a lot of anxiety in many disadvantaged areas of the country, well, that bill is only this big and is about the variable entrance requirement of the unemployment insurance program. Both opposition parties agreed not to debate the issue and to proceed with this bill without debate, as we would have done. In other words, it would have taken less than an hour of the House's time to prevent thousands of people from getting hurt.

But no, the government would rather have the affected workers put pressure on the senators and the Senate blamed for any inconvenience caused by the delay of Bill C-21.

But things did not turn out that way, which must have disappointed the honourable senator Simard. Canadians were not fooled by the Conservatives; they knew the Senate could not expeditiously pass such an important and controversial bill as Bill C-21. Their little plan was thwarted by the huge majority of Canadian workers who showed a sense of civic responsibility. Those who were directly affected by the government plan I just mentioned, those citizens who were deprived of benefits, which in some cases had been recognized by the courts, those people stuck together, knowing that even if they were suffering, a lot more workers would be hurt if this bill was passed.

I must have received about ten letters from citizens asking us to speed up the process. But I got thousands of letters and thousands of petitions, and God knows how many I tabled here in this house, urging the Senate to block Bill C-21 or at least to propose some major amendments in order to improve it just

a little bit, and even then it would remain a pretty bad piece of legislation.

● (1130)

[*English*]

As I said during my first speech on this subject, the most pernicious provision of Bill C-21 is, without doubt, the government's complete withdrawal from the Unemployment Insurance Fund. This flatly repudiates the spirit of the 1940 act and the 1971 amendments. It also repudiates the Prime Minster's solemn promise, which was confirmed during the last election campaign by John Crosbie, as it was stated in my quotation of a moment ago, that the Mulroney Government would not touch social programs. The Prime Minister himself called them a "sacred trust." From there it is only a short step to conclude that the government has no mandate to tamper with the Unemployment Insurance program. According to several of the most important witnesses we heard, the lack of mandate and the broken promise would justify the Senate's blocking the bill. Nevertheless, your committee chose a more reasonable route and has proposed compromise amendments that a responsible government should welcome, recognizing that a good way to reduce the deficit is to create jobs, not to starve the jobless.

[*Translation*]

The few defenders of Bill C-21 were quick to suggest that the jobless were abusing the system whereas Employment and Immigration Canada admitted that fraud cases amounted to a mere 2 per cent of the claimants. The truth is Canadians want to work and where there are jobs, in southern Ontario for example, they do work. In Toronto, for example, according to the most recent statistics I just received, the unemployment rate is only 5.4 per cent, whereas it is now 11.3 per cent in St. John's, Newfoundland. Would you dare suggest that people in Toronto are better citizens than people in St. John's? The truth is there are more jobs available in one city than in the other. One of the underlying ideas of Bill C-21 is that the jobless in Newfoundland should simply move to Toronto!

To allow the government to cease contributing to the Unemployment Insurance Fund is in fact supporting its laissez-faire policy in the crucial area of job creation. As one witness, Mr. Mitchell Kosny of the Social Planning Council of Metropolitan Totonto, told us, and I quote:

> By ending the Government's contribution to the Unemployment Insurance Fund, Bill C-21 eliminates a major incentive for the Government, which will feel less bound by its full employment policies for the have-not regions where the unemployment rate is very high and for the workers which are caught in this catch-22 situation of poor quality low paying jobs.

Moreover, what assurance do we have that the corporations which will be called upon to contribute more to a reduced unemployment insurance fund will not demand new cuts in unemployment benefits, something we heard from business representatives during our hearings? What authority will the Governement have to object to these cuts, or even to the privatization of the unemployment insurance scheme? He who pays the piper calls the tune.

To saveguard this program, it is imperative that the principle of financial participation from the Government should be maintained. The amendment proposed by your committee does not go as far as insisting that its contribution remained the same, but that it should at least be maintain in such a way as to cover half of the costs of the excess benefits necessary to compensate in part regional inequalities.

The Government would have us believe that Bill C-21 was supported by a great many Canadians. It had said the same thing about the GST. Those in favour of Bill C-21, the GST or the clawback are always the same: The big bosses, the affluent, the multinationals, all those who have everything to gain from exploiting still more the unemployed and the low income earners. For instance, the Canadian Chamber of Commerce, this highly deserving body which is always the first to come to the rescue of the poor.

Of course, the Tory Party always feels that the Canadian Chamber of Commerce is always right. It is widely representated across the floor.

This side of the Senate would rather hear the opinion of workers which was expressed loud and clear by the major trade unions which represent 4 million members, the Churches of Canada, several Provincial Governments and all the voluntary organizations which have come to understand the unemployment reality. That is a lot of people—

I should like to quote some of the testimonies which are much more expressive than speeches, so that Hon. Senators may judge for themselves, especially the new ones, including the former Liberals who suddenly saw the light following a phone call from Mr. Brian Mulroney.

First of all, here is the testimony of Mr. Fernand Daoust, the Secretary General of the Quebec Federation of Labour which, as you know, represents a great many Quebec workers.

> It was in April 1989 that Minister Barbara McDougall tabled her new policy paper entitled: *Success in the Works*.

A very nice title, if only there had been nothing in this document.

> The document presented the elements of a new labour force development strategy the purpose of which was to redirect $1.3 billion from the Unemployment Insurance Fund.
>
> To achieve its goals and finance certain measures, the document proposed to raise the minimum entrance requirements, cut the duration of benefits, and increse the penalties for voluntary quitters without just cause.
>
> We must also mention Mr. Wilson's last budget in which he stated that the government will withdraw from direct funding of unemployment insurance beginning in 1990.

Thanks to the Senate, Mr. Wilson was one year out!

He predicted that the unemployment rate would rise to 8.5 percent in 1990, which means that there will be no less than 100,000 new jobless across Canada.

This was predicted by Mr. Wilson. He was going to amputate our unemployment insurance program but there would be more unemployed workers who would enjoy the benefits of this initiative.

Funding from the government was used primarily—

—to cover the cost of extended benefits when the regional unemployment rate exceeds 4 percent in one of Canada's 48 regions; the underlying principle is that the Government ought to take action after this critical threshold.

These are the origins of Bill C-21 in the government.

As the Forget report pointed out in 1985, changes in unemployment insurance are important; at that time one in four Canadians faced unemployment. In 1989—

According to Fernand D'Aoust:

—the economic recovery still had not affected all workers in Quebec, since the unemployment rate for the last six months of the year was 9.4 percent,

i.e., 315,000 jobless.

He is of course referring to Quebec!

● (1140)

At the time, Mr. D'Aoust had no idea we were about to enter a new recession. A year ago he was talking about economic recovery. Obviously, that is not what he would say today—the government's provisions being equal—faced with a new and distressing economic situation because of this new recession.

Bill C-21, which will oblige. U.I. claimants to have a greater number of weeks of insurable employment before they are eligible, and which also reduces the duration of benefits so that the savings achieved at the expense of the unemployed can be redistributed to finance objectives that are, on their own merits worthwhile, is utterly repugnant.

The Q.F.L. believes that it is outrageous to ask the unemployed to finance training, parental leave and various other improvements to the unemployment insurance system by a reduction in their benefits.

The Q.F.L. believes that the issue is not merely the switching of funds from one account to another, but a deliberate policy to reduce the meagre financial resurces of the unemployed.

We cannot ignore the socio-economic and political context in which Bill C-21 is presented.

The Bill attacks part-time workers, those with insecure jobs and all those with few weeks of insurable earnings i.e.—

You guessed it, honourable senators!

—young people, women, old people and native people.

They will suffer most under this new legislation.

This is a re-hashing of the Minister of Finance's 1984 attack against the retired.

In spite of electoral promises that the Free-Trade Agreement would not threaten our social programs,—

You do remember how often we were told that our social programs were not threatened, that they were our sacred trust!

This is a first step towards downgrading our system to bring it into line with American unemployment insurance schemes.

That's where we are heading, no doubt about it.

This brief description would be incomplete if we did not say that these cuts seem to be a surreptitious adjustment to the negative impact of free-trade that will of necessity, according to conservative philosophy, be borne by the victims of free-trade.

The government has applied one of the ideas contained in the De Granpré report—

We all remember.

—which concluded that special programs were not necessary to adjust to free-trade, and that Canada had the necessary programs to do so. Bill C-21 shows on the contrary, that the government recognizes that it must have programs, but what hurts is that it will be done at the expense of those receiving benefits, and Q.F.L. cannot tolerate this.

It is unacceptable not only for unions, but anyone who has the least compassion. I am quite certain that that applies to many senators sitting across the way.

Ironically, one of the De Grandpré report's only worthwhile recommendations has not been adopted; it was to have companies pay for training.

We cannot go as far as asking a Conservative government to call upon business to contribute to the training of their future employees! They prefer forcing the unemployed themselves to pay for their training.

Bill C-21 does not take into account the realities of the labour market: the current employment situation, changes on the international scene, nor the fact that foreign competition has clearly had a negative impact on Canada and Quebec since the easing of the recession of the 80s. There has certainly been a decrease in the number of jobless and the unemployment rate since 1985;

That was a year ago, but now the situation is going to change!

. . . this has resulted from a disturbing change in the employment structure.

Keep in mind that there is a lot of tal about employment creation while we seldom hear about the sort of jobs created.

The fact is, the very nature of the employment structure has changed: there is more and more part-time work and jobs are more often temporary. Workers face increased instability and insecurity in employment.

We see workers in that situation every day. Along with everybody else, I heard on the TV yesterday that the famous canadian manufacturing business in which we take so much

pride, Massey-Ferguson, was moving its operations to the United States. That means as significant loss of jobs for Canada. That kind of business move is so common nowadays that it can no longer be called news.

> The end of the recession is far from having eliminated unemployment.

That was what Mr. Daoust told us a year ago. What would he say now that we are entering into a new recession?

> Employment creation has taken place mainly in the tertiary sector. The jobs are often part-time, which means that a greater part of the population is unable to find full-time work; this part consists primarily of women and young people.

Part-time employment is a last resort for people looking for a full-time job. But since there is none available, they accept part-time employment in order to survive. And those part-time jobs make Government's statistics look good!

> In concluding, we ask the government not to proceed with this Bill C-21, since, as we showed in this submission, it will only add to the number of victims, and Canada does not need that.
>
> Instead, we ask that the government improve the Unemployment Insurance Act in ways that reflect social and economic realities in Canada.
>
> All Canadians must get the assurance that changes and adjustments caused to our society by the free trade agreement would not affect income security and would create real opportunities for adjustment.

Through Mr. Fernand D'Aoust, Quebec workers were not asking us to suggest amendments to Bill C-21, but instead, to squarely block it.

I may add—and those in the committee do recall—that many of the major and most representative witnesses who appeared before the committee were not asking for amendments. They were asking us to squarely block the Bill.

As you know, your committee resigned itself to recommend some very reasonable amendments, that the government has indeed rejected, without even accepting to discuss them at a conference provided for in the Constitution and asked for in an amendment put forward by Senator MacEachen.

● (1150)

[*English*]

I should like to recall some of the testimony of Mr. John Clarke, the President of the London Union of Unemployed Workers, a man who understands the situation of the unemployed more than Minister Barbara McDougall and her whole staff. His testimony impressed me very much. He said:

> I would like to stress to the committee that I am not speaking from the standpoint of an agency representative who deals with the individual problems of people on unemployment insurance but, rather, from the standpoint of the organized unemployed workers in our community as we go on about the job of trying to defend ourselves. On that basis I should like to point out that we see Bill C-21 as a retrogressive step of enormous proportions, indeed of unprecedented proportions. We would like to make clear that as we look at the UI program as it exists today we do not consider it to be some sort of gift; on the contrary, it is something that people had to struggle for very hard in order to win.
>
> I recall in 1930—although I was not a party to it—that a meeting took place with the Prime Minister of the day and a deputation from the National Unemployed Workers Association during which R.B. Bennett commented, with regard to the proposals for unemployment insurance, that neither he nor any government he would be part of would put a premium on idleness.

That is typically Tory.

> I do not believe that unemployment insurance is a premium on idleness, but it certainly was introduced. Whatever the weaknesses of the unemployment insurance system in this country . . .

and everyone admits that there are weaknesses in this legislation—

> . . . it has played a pivotal role in lessening the depths of poverty in which unemployed people find themselves. It has, in fact, ended a situation where unemployment is automatically synonymous with poverty, if not destitution, which was the case very much before unemployment insurance was introduced.
>
> I want to point out that after unemployment insurance, all that exists—before you are, if I may say, flushed down the sewer—is, in fact, the provincial social assistance systems which, in no way, shape or form, provide anything that might be considered an adequate income under anything that might be considered humane conditions for the unemployed workers of this country.
>
> In our view, the program has also been extremely important in placing some significant limitations on the capacity of the most exploitive employers to dictate to the unemployed conditions of work and wage scales. That has been an extremely important function of unemployment insurance in this country.

[*Translation*]

This notion has always impressed me, because in fact with the unemployment insurance Act in 1940 as well as with the amendments in 1971, we were taking a step toward civilization, toward a more civilized society. Bill C-21 does the opposite. We are regressing, we are going back to the law of the jungle.

[*English*]

> The drive to low wages is one aspect of the matter. The other is the question of forcing people on to social assistance. In our view, that move will be enormous if this bill is passed.

[*Translation*]

It is interesting to have some examples among us.

[*English*]

> I see that the municipality of Ottawa-Carleton projects an increase in the general welfare assistance case load of approximately 55 per cent as a result of the passage of Bill C-21.

● (1200)

> People will be denied a system of maintaining their income and forced onto an alternative system that is totally inhumane, that is totally inadequate, and that constitutes, in our view, a patchwork of social retrogression from one coast of this country to the other. Things are so arbitrary and are so inconsistent with regards to social assistance in this country that three provinces hand over the provision of social assistance to their municipalities. Two of those, Nova Scotia and Manitoba, actually allow municipalities to set the rates that welfare recipients will receive. In the Province of Manitoba there are municipalities that are paying people at rates that were established in the 1960s. That is precisely the edifice of social assistance on which this bill is incontrovertibly going to throw people, although possibly Barbara McDougall is not aware of that. Possibly she does not care. However, I believe that Bill C-21 constitutes an enormous, vicious and deep attack and I would urge this committee to join us in condemning it.

I also want to quote Mrs. Shirley Carr, President of the Canadian Labour Congress. That organization represents millions of Canadian workers. I think it is not only important that we listen to each other in the Senate, but that we listen to the people of Canada who have given us their views.

Mrs. Carr states:

> The committee must hear how mothers and fathers who are without a job will feed, house and clothe their families with no UI or with several weeks less benefits. It is important for the committee to also hear how communities, which will lose millions of payroll dollars through plant closures, will cope with even less unemployment benefits for their jobless.
>
> This committee should meet the thousands of seasonal workers who will not even qualify for unemployment insurance if this bill is passed. It is vital for this committee to discuss the reduced duration of benefits with workers who suffer permanent job loss because of plant closures.
>
> More than 70,000 workers have lost their jobs because of the Free Trade Agreement—

That was a year ago. Just imagine what the figure is now. Mrs. Carr goes on to state:

> —and many more plant closures are scheduled. These workers and those who will be the victims of this bill should be asked about the benefit cuts.
>
> As you know, the Prime Minister promised workers before, during and after last year's election that workers displaced by free trade would have the finest adjustment program in the world. Far from creating the generous and innovative labour adjustment program that was promised, this bill will undermine the most essential program to help workers adjust to industrial and economic change—the unemployment insurance program.

Mrs. Carr goes on to say:

> This is no ordinary bill. First, it proposes to take several thousand dollars from each of nearly a million unemployed Canadians in 1990.

Thank God that was not true in the 1970s; unfortunately, it may well be in 1991, if we do not see the light in the next few days. She continues:

> Second, it proposes to use $2 billion of UI premiums to finance programs now funded from general government revenue such as the purchase of training courses, resettlement, cash advances for business start-up, job creation projects, etcetera. Third, it removes $3 billion of government funds which now finance extended UI benefits resulting from high local unemployment and the shortfall between fishermen premiums and fishermen UI benefits. We are opposed to many other things in the bill but it bears repeating that the Canadian Labour Congress is fundamentally opposed to these three key changes in the bill: The massive cuts in UI benefits, the use of UI premiums to finance a whole array of non-income insurance programs, and the withdrawal of the federal government's direct financial contribution to UI.
>
> The cuts in UI regular benefits from higher entrance requirements and shorter duration are massive and much higher than the $800 million projected by the government.
>
> The government has done everything possible to keep Canadians in the dark about the depth and distribution of these cuts. The government has refused to provide information which would allow Canadians to examine the impact. The information they have provided has been self-serving and very misleading.

Further on, Mrs. Carr states:

> We believe the government is also trying to fool Canadians with its proposal to use up to 15 per cent of UI premium revenues to finance non-insurance programs. I am referring to the so-called training programs. This bill will give authority to the government to use UI funds for business start-up, cash bonuses to accept a job quickly, travel, the purchase of training courses, accommodation away from home and resettlement. The training wrapper on this package is clearly intended to legitimize the scheme.

[*Translation*]

Everyone will recall that the government kept talking about this fine training program that was proposed and that we were delaying with our procrastination. Of course, the government had cut the program's budget a year earlier and is now announcing it as though it were a new scheme, except that instead of financing it with its own revenues, the government is taking the money from the UI fund.

Some of our colleagues were moaning and whining because we were delaying the government's training package. How can you take them seriously? If the government believes so much in training, why did they cut $800 million before they even brought forward Bill C-21?

[*English*]

> Finally, I would like to express our deep concern about the provision in this bill which would allow the government to pull out its $3 billion contribution to the UI fund.
>
> The withdrawal of the government contribution, the massive cuts in benefits and the financing of non-insurance programs from UI premiums effectively shifts the bulk of the burden of adjustment to workers, and it is absolutely unacceptable that so much of that burden is borne by the unemployed. Parliament must reject Bill C-21.

[*Translation*]

It is interesting to see that such important labour abolition of the Senate or in other cases some drastic reforms we also wish for—that those organizations would come to us, unelected senators,and tell us: «In this instance you have the moral duty to exerciseyour rights as provided for in the Constitution. Even though we are against the Senate, we are asking you clearly in the name of our membership, because you are our last resort and the government is not listening to us, to block this legislation." I never thought I would see anything like this in my life.

It has been argued that Quebec's response to Bill C-21, since I quoted first a union leader from Quebec, was not as strong as in other provinces. Quite the contrary. All things considered, we have received, I have received as many petitions from Quebec as I did from other provinces, as evidenced by the thousands I tabled here in this chamber.

We received the support of a large number of citizens and volunteer groups including Action Chômage, which was constantly in touch with the committee and its former chairman, and of course the QFL, as I mentioned earlier, and the Confederation of National Trade Unions. These two organizations represent the vast majority of unionized workers. The Confederation of National Trade Unions has never been particularly fond of the Senate. It has never shown much sympathy for senators, but it came and asked us to block Bill C-21.

For instance, here is what the vice-president of the CNTU, Mrs. Céline Lamontagne, had to say, and I quote:

> The CNTU has 235,000 members. It is obvious that some of these members are more concerned, more aware, than others, because they are in a position to receive benefits. We have had considerable debate on this matter within our democratically elected assemblies. There was unanimous disagreement with Bill C-21.
>
> In that sense, our position is that of our members, more specifically that of the forestry workers, of construction workers, of fisheries workers, and even of some hospital workers whose jobs are precarious and seasonal, of restaurant and hotel workers who have been hit hard by this bill which will alter their working conditions and quality of life—

As you may recall, the Conservative members of the Special Committee of the Senate on Bill C-21 at first objected strenuously to the committee holding public hearings. I remember the cries of protest from Senator Tremblay, Senator Simard, Senator Robertson and many others who objected to those hearings. They said it was a waste of money and figured out how much it would cost to go and listen to Canadians.

I would say they were long on arithmetic but short on democracy, a little like Senator Castonguay, who said in a press conference, I believe, that he had figured out what it cost the Senate to sit around the clock. If defending the people of Canada means we must sit around the clock, I hardly think people are going to criticize us for what it costs in overtime for the guards, pages, and so forth.

Then the Conservative committee members wanted to botch the public hearings, as had been done by the House of Commons committee controlled by Conservatives who had refused to listen to God knows how many important witnesses. And our Conservative colleagues were particularly vociferous in opposing the suggestion that the committee ought to travel outside of Ottawa to listen to Canadians in their own provinces. We finally convinced them that we simply had to hold public hearings. They said yes, but in Ottawa because that would prevent less affluent groups from coming here. True enough, we did pay in a few cases but some people are unaware of the hearings, whereas when we go to Edmonton to hear evidence the people there are told in advance, they know we are coming and even the smallest organizations can arrange to appear before the committee. But when the hearings are held here in Ottawa a lot of information is required which most of the volonteer groups do not have.

Still the committee did manage to organize a quick trip to the small town of Canso in Nova Scotia and to St. John's in Newfoundland. I still remember the sarcastic remarks we had to endure from the Conservative senators about these hearings which they thought were a useless and needless exercise even though we held them over a long weekend to save them some time.

• (1210)

[*English*]

Hon. Anne C. Cools: Senator Hébert, that was a wild expedition. That is what Senator Simard said we were going on when we went down east—a wild expedition.

Senator Hébert: I had forgotten that. Thank you, senator.

[*Translation*]

Nevertheless, it was necessary for the committee to go and see how things really were in two municipalities among several that would be horribly affected by Bill C-21. And you know it.

We did not hear only from labour unions or from volunteer support groups for the unemployed. We heard ahd tried to

hear from ordinary citizens in those two towns, from fishermen, workers, the unemployed and women.

I think I can say that we were all deeply moved by what we heard. Our resolve to improve as much as possible this bad legislation arose in Canso and Newfoundland.

I recall that even Senator Simard, who is absentmindedly listening to me, was moved too and that, in an awakening of his conscience, he even publicly promised that his government would bring amendments to Bill C-21. I hope, Senator Simard, you remember that you publicly promised during those travels that your government would bring amendments to Bill C-21. This is on the public record.

Senator Murray: He forgot, Senator Hébert.

Senator Hébert: He forgot, his memory failed him! Needless to say, we will all watch him, honourable senators, when comes the time to vote. Meanwhile, I am sure Senator Simard will appreciate that I remind him of the straightforward and strikingly true comments made by a humble parish priest in Canso. It was not a major union leader, it was the Reverend James W. Oliver, a humble parish priest in Canso. I want to quote what he said because it was one of the most moving testimonies we heard. Maybe it was the one that prompted that awakening of Senator Simard's conscience. I quote:

[*English*]

> I am pastor of the Star of the Sea parish here in Canso, St. Agnes, Little Dover, and St. Vincent de Paul in Queensport. Many of my people are fishermen involved in the fishery directly, and many more depend on this industry for employment. When the fishery is in trouble, the whole economic base is in trouble and everyone in the community and surrounding communities is desperately affected. At the present time the people of Canso and area, as you have heard, are involved in a life and death struggle to save their community and their livelihood.
>
> It is inconceivable to me that at this time of economic turmoil in Canada, and particularly in the Atlantic region, the federal government would seek to destroy the safety net we have come to know in this country as Unemployment Insurance. They do this in the guise of cutting the deficit. What they must realize is that this sort of deficit cutting is destroying the lives of the very people they were elected to protect. It is indeed small comfort to a fisherman in Canso to know that the country is deficit free when he is unemployed and unable to pay for his home, put food on his table, or clothe and care for his wife and five children because the federal government has cut Unemployment Insurance. What about the dignity of the human person?

● (1220)

this humble priest asked.

> As the Canadian bishops have repeatedly alluded to in their presentations to government, most people in our country want to work. People take pride, and rightly so, in being able to provide for themselves and their families the necessities of life. People take pride in building for themselves and their families and investing in a future, but sometimes, through no fault of their own, they are unable to do so because the work is simply not there. How are these people to maintain their dignity through these periods of economic turn-down?
>
> We in Canada have, for the past half century, said that we believe in the dignity of the worker and have provided help in the form of Unemployment Insurance when work is not available. This is one of those sacred trusts that Prime Minister Brian Mulroney said would be protected by his government.
>
> Now, it seems to me, in the interests of saving his famous free trade deal, and in the interests of keeping big business and the Americans happy, he seems to be ready to hang the Canadian worker and his family out to dry. This type of action is simply immoral and unjust.

"Immoral and unjust." Senator Murray, that seems to make you smile.

Senator Murray: Since my friend has dragged me into it, let me just say that what is happening—

Senator Cools: Can't resist, can you?

Senator Murray: —with Bill C-21 is that the whole regime is being vastly improved. Surely, the honourable senator did not take the Prime Minister to mean that we would never change a jot or a tittle or a line of any legislation or policy in the field of social affairs. The advantages of Bill C-21 are obvious to most people, including the premier of my honourable friend's province.

Senator Hébert: I am sure that that remark of Senator Murray's will greatly help the debate.

Senator Murray: Well, it will put a light of realism on the crazy remarks that you are making.

Senator Hébert: Yes, it will help us, but I prefer to listen to this humble parish priest from Canso. I trust him a little more than some of the people on the other side.

An Hon. Senator: A little more?

Senator Hébert: Well, I want to be polite.

Senator Gigantès: Don't sacrifice the truth for the sake of courtesy.

Senator Hébert:

> This type of action is simply immoral and unjust. Governments have a moral obligation to protect the ordinary citizen. Unemployment Insurance is one of the ways that the government fulfils this obligation.
>
> Another disturbing feature of this bill is that the federal government is seeking to remove its financial input into the UI system.

It sounds repetitive but it should be repeated so that we can be sure of what is happening to the system. The government is pulling out not just partially but completely. Then the parish priest from Canso continues:

> In my opinion, this will cause the death of the system as we have come to know it. The taxpayers of Canada have always prided themselves on being a generous people. They want to have their tax dollars spent securing the dignity of their fellow Canadians, helping the unemployed in their midst put a roof over their heads, clothes on their backs and food on their table. This government has a moral obligation, in justice, to continue on behalf of all taxpayers of Canada to fund UI and thus continue to provide a social safety net for workers caught in the vice of unemployment.
>
> Mr. Chairman, if the Americans call Unemployment Insurance an unfair subsidy, then we should tear up the free trade deal, not the lives of unemployed workers who built and continue to build this country. It is time that the Canadian government paid attention to the ordinary Canadian.

My, how we need some people like this parish priest in this house!

> The Canadian bishops have stated time and time again that the government has an obligation to look after the interests of the poor and the oppressed in our midst. The poor and the oppressed do not live only in the third world. They are to be found here in our midst. The farmer who has a crop failure, the fisherman or the plant worker who is unemployed because it is economically expedient for a company to close a plant—

or to move to the U.S.—

> —deserve the right to know that the Canadian government will look after them.
>
> The net effect of this bill . . . will be to destroy people. When they need the help most in their lives just to survive, it will not be there.

Senator Bosa: Send them to the food banks!

● (1230)

Senator Hébert: Yes.

> One of the good things about Canada is that we do not let profit get in the way of our social responsibilities. We have fed the world for years. We cannot let this government destroy our social programs and call it progress.
>
> I ask that the Senate exercise its duty as the chamber of sober second thought and send a message to the government on behalf of the working poor, the poor and the disenfranchised in our midst. Strengthen our social programs, protect the poor and the weak in our society, use moral courage to destroy poverty and want in our midst.

I am not too sure, but I think it was just after this testimony that Senator Simard finally melted, understood that he was doing a rotten job, and stood up and publicly said, "Yes, there will be some amendments to this bill." Do you remember that, Senator Cools?

Senator Cools: Yes, very clearly.

Senator Hébert: I will never forget it. I never thought it would happen. He got a lot of publicity on it. He was even cheered. He was cheered in Canso.

Senator Murray: There is no point in trying to provoke Senator Simard when he is not here.

Senator Hébert: That is not my fault.

Senator Frith: I am not too sure about that. I am sure he is being provoked somewhere in this building.

[*Translation*]

Hon. Eymard Corbin: May I ask a question, Senator Hébert?

Senator Hébert: Of course, Senator Corbin.

Senator Corbin: Who was the government's spokesman on this committee in Canso?

Senator Hébert: If you mean who was speaking the most, it was certainly Senator Simard. He would talk all the time and interrupt any testimony that was not to his liking.

Senator Robertson was also there with him. Both senators will gladly recall Mr. Frank Taylor's testimony.

[*English*]

the Secretary Treasurer of the Newfoundland and Labrador Federation of Labour. Again, that was very important testimony that shook us all. Do you remember, Senator Cools?

Senator Cools: Very clearly.

Senator Hébert: He said:

> When the Commons committee was here—

This is that famous Commons committee that was supposed to have done such a great job, according to the Conservatives, who said that we should not use taxpayers' money to listen to people in Canso or to invite them to testify in Ottawa. Let us look at the transcript to see the difference between the Commons committee and the Senate committee. Here is what Mr. Taylor told us about the Commons committee:

> When the Commons committee was here, I guess the only thing that outdid their arrogance was the shortness of their visit.

As we have learned in this place as well on these mixed committees, the Conservatives take most of their time destabilizing the witnesses who do not agree with government theory. Very often, they insult and interrupt them. Not only has that been done by the Commons committee but I can testify that that has been happening increasingly in our Senate committees. You see how the people in Newfoundland reacted to that type of attitude. It may even be better not to send any committee at all than to send a committee and then to be insulting by letting people speak for only a few minutes and interrupting them all the time.

He continued:

> I believe that the Senate is taking the right approach.

● (1240)

> I believe if you had merely rubberstamped this bill, then I think you would have been looked upon by the

citizens of our nation as a group of very incompetent people, and I do not believe that is the case. I am sure it is not.

It must be fundamental that, when there is a piece of legislation that is so major and will affect so many citizens of our land, as many people as possible be heard from all parts of society. I firmly believe that, when the Commons committee held their hearings, they did not carry out the mandate that I would suspect they should.

I find it very disturbing that, in 1990, we would have to be coming before any committee and hoping to keep intact that which has been in place for so many years. As representatives of workers, we are deeply concerned that the entire fabric of our society has been torn apart by the vagaries of unemployment, and we seek economic equality for all workers regardless of age, gender, affiliation or disability.

Senators, we have been betrayed. We have been betrayed by a group of men and women who were elected to the Parliament of Canada, and that is unfortunate. In 1984, when the Prime Minister of this country was seeking election, he stated quite unequivocally that social programs, for one thing, would not be touched. He had not yet had his shoes off on Sussex Drive, or wherever he lives, when he set out to tamper with Old Age Security. The senior citizens of this country came together like never before, and the Prime Minister got a hell of a fright. When the Conservatives were out to be re-elected, they walked across this land of ours, led by the Prime Minister, and said that, because of free trade, our social programs would not be tampered with, and they even brought out one of the most respected persons that this country has ever known, Emmett Hall, to tell Canadians of that. Lo and behold, what happened again? We were betrayed; we were lied to. What have they done now? They have tampered again with Old Age Security and Family Allowance. The bill that we are talking about here today will bring nothing but hardship on individuals and devastation to communities. I submit to you this afternoon that they—

"they" meaning the Tories

—should never ever be trusted again. If they tell you it is raining, don't run and buy an umbrella!

Senator Simard enjoyed that one.

Now, what will happen if this bill is passed? First of all, premiums will rise by 15 per cent. The entrance requirements will be tightened. The length of time you can be on UI will be cut. Penalties will be increased up to 12 weeks, and benefits cut by 50 per cent for those who supposedly leave their jobs without just cause.

I have many quotes of so many people, but I will not succumb to the temptation to read them to you but will arrive at my conclusion.

[Senator Hébert.]

[*Translation*]

All those men and women we heard during our hearings in Ottawa especially, but also in Canso and St. John's Newfoundland, and who begged us to kill Bill C-21 could not be all wrong. I am trying to remember just how many witnesses told us that the Government's Bill was valid? I remember that Senator Tremblay was constantly trying to push the names of organizations which could have testified in favour of the Government. We never refused any of the names he suggested. In all (I do not remember the figures) I do not think we heard three or four testimonies which supported the Government concerning Bill C-21. I would be quite surprised if they were more than that. On the other hand, over a 100 witnesses asked us to change it from beginning to end or, otherwise, to kill it outright.

As demonstrated by the many testimonies I have just mentioned, this Bill will hit our unemployed very hard. By adopting Bill C-21, Canada would become the first nation in the Western world where the Government does not contribute to an employment insurance fund, beside of course the United States which are well-known for their understanding for the plight of the poor and the unemployed, the United States which are an inexhaustible source of inspiration for Prime Minister Mulroney.

Moreover, in 1992, two years from now, which is not very far, the deficit in the Unemployment Insurance Fund will reach approximately $3 billion, according to the Deputy Minister of Employment and Immigration. This is not a figure that we are getting out of the blue. If Bill C-21 becomes law, the Government will no longer contribute to the fund and, consequently, will have no longer much say about it. The major contributors of course will be the employers and the employees. How will the employers deal with this deficit? You found the right answer, Hon. Senators: They will insist that workers pay increased premiums and collect reduced benefits. They will insist on higher entrance requirements and will undoubtedly challenge the special status of fishermen. That is what we have to expect.

This will mark the beginning of the end of the Unemployment Insurance plan as we know it and which, despite its flaws, is one of the best in the world.

Of course, when the Canadian people elect, two years down the road, a more human government, that will be more concerned with helping the poor, among which the unemployed, than pleasing boards of trade—that is to say a Liberal government—the situation could be rectified. Hundreds of thousands of Canadians will have suffered because of Bill C-21. One thing is sure: it will be much easier to repeal Bill C-21 than to abolish the GST. This is no reason to allow a despicable bill to pass without at least considering the minor amendments put forward and, above all, demanding that the government authorizes a conference to be held to discuss these amendments, as provided for in the Constitution and requested by the Senate through Senator MacEachen.

I therefore call upon the Conservative senators' common sense and sense of equity. I urge them not to let themselves be guided by partisanship, but to vote according to their conscience, to give a voice to the helpless unemployed men and women of our country.

Thank you, honourable senators.

Some Hon. Senators: Hear, hear.

[*English*]

Hon. Richard J. Stanbury: Honourable Senators, I rise to speak in favour of the motion to ask the House of Commons to enter into a conference with us with respect to the proposed amendments to Bill C-21. I congratulate Senator Hébert for his speech and for the leadership he gave us in the committee during its difficult period of hearings.

Honourable senators, because of the hour, I am not going to speak for as long as I had intended. I will try to reduce my remarks, but I think it is important to look at the history of this legislation. In his budget speech of May 23, 1985, the Minister of Finance announced the need to conduct a major review of unemployment insurance programs. A commission of inquiry on unemployment insurance was subsequently created in 1985, and its report was tabled in 1986. The Standing Committee on Labour, Employment and Immigration examined the report and issued its own report in 1987. Up to that point, things had progressed as they usually do, except that the government obviously got cold feet. On May 15, 1987, the government responded to the committee's report by stating that in view of the general lack of consensus in the country regarding the proposed reforms, it had decided to stick to the status quo. The government, it appears, may have learned something from the tremendous uproar it created with its very first financial initiative, the remarkable deindexing of old age pensions.

● (1250)

While many of us may have breathed a little easier at that time, that period of damage control was short-lived. In a rather dramatic reversal of stated policy, for which this government has now become notorious, its true mean-spiritedness was once again exposed when in April, 1989, the government released a white paper entitled "A Labour Force Development Strategy for Canada". In this document the government sowed the seeds for the bill which we are currently reviewing, by making several astounding proposals including the major announcement that the government would no longer contribute financially to the unemployment insurance program.

During the debate on the bill in the House of Commons the responsible minister actually said that the bill would help "ensure that Canada is poised to take advantage of the future of unprecedented opportunity and to meet . . . the objectives of competition, confidence, strength, compassion and sovereignty".

Honourable senators, I do not think Canadians believe that for one moment. Rather than making this great nation stronger and displaying an element of compassion, this bill in fact reflects a true assault on one of the major social safety nets that helped to make this country as strong as it was before the Tories came to power and created the unprecedented "Made in Canada" Recession.

Besides completely withdrawing government contributions to the fund of approximately $3 billion and leaving the contributions to be replaced by employer-employee premiums, the government would also like to do a number of other things.

Honourable senators, I am afraid that the government will only realize just how truly uncompassionate this legislation is after the next election when they will find themselves out of work as well.

In all honesty, never in my adult years did I believe that the basic social programs and safety nets which the Liberal party developed and implemented over the years would be so severely threatened. I am proud that the Liberal party helped create a truly caring and compassionate Canada because it put people first. It is a terrible thing not to have a job, but the Tories seem to believe that unemployment is the fault of those without work. If there is one thing that the Great Depression, the recession of 1982 and the current recession should teach us, it is that "no man is an island unto himself" and that he or she is subject to many market forces over which one has little or no control. But this does not mean that society as a whole cannot take the steps to help the unfortunate through the tough times. On the contrary, we can and we should, because civilized societies are compelled to.

The Tories' claim that they have compassion is a joke, and they should be ashamed of themselves for even suggesting that. The fact is that this government has a very clear and obvious corporate agenda which does not treat employees as the valuable resources they are, but rather as disposable assets who are not worthy of civilized treatment.

I am afraid that if the amendments proposed by the special committee of the Senate on Bill C-21 are not adopted, this bill will mark a further step in the degeneration of this country, pursuant to this government's philosophy, into one in which the poor pay the heaviest price, the rich get all kinds of benefits without paying their fair share, and the government either turns a blind eye to the social injustice or finds excuses to justify unprecedented insensitivity.

In my judgment, Earl McCurdy of the Fishermen, Food and Allied Workers Union is exactly right when he says that "Bill C-21 is an attack on the working people in this country; it is an attack on small communities; it is an attack on undeveloped areas; and it is an attack on the basic, decent foundations of our country".

Of the various components of this bill I believe that the most startling is the idea that the government would discontinue funding the unemployment insurance program. Since the inception of the program in 1940, the federal government has been a financial contributor to it. At present, the government is responsible for covering the cost of regionally extended benefits, all extended benefits paid to claimants participating in job creation and training programs, and net benefits paid to self-employed fishermen. Throughout the past decade the

annual federal contributions to the program averaged 23 per cent of the total program costs. Now the government expects this to be financed entirely by employer and employee premiums alone.

In an ideal situation, almost everybody would be employed and little or no contribution would be necessary from the government. Certainly, I hope, like everybody else, that government contributions will not be as necessary in the future as they are today. Besides the fact that the economy should always improve, the fact is that the government is facing severe problems in managing its finances. However, the complete elimination of government financial participation could have several dire consequences for the less fortunate in this country which we should simply not tolerate.

First, the premiums of employees will increase. The fact is that Canadians are already among the most heavily taxed people in the world and at some time or other I think they have the right to expect to get their money's worth out of government services. In addition, there comes a time when enough money is taken away at the source that the continued rise in the deductions will have a negative effect. The government is simultaneously proposing a new and unprecedented tax on goods and services. I think the overwhelming widespread opposition is confirmation enough that people have simply had enough of seeing the disposable income portion of their pay cheques diminished to the point where they are almost non-existent.

In case the government has not yet noticed, high interest rates are forcing people to avoid buying homes because they can no longer afford to pay the mortgage. The combined effect of all of these economic developments is not at all positive.

Secondly, there is an effect on the employer. Currently, their premiums are 1.4 per cent of those of the employee and would also have to rise. Do entrepreneurs, who constitute the driving force behind the creation of wealth in this country, not have enough problems and costs to deal with, without such a premium increase? The government should be making the creation and sustaining of businesses easier, not more costly and more difficult. During the recession, which is expected to last until the middle of next year, many companies will be on the brink of bankruptcy. Such increased costs will, in some cases, tip the balance.

The greatest threat of government surrender is the fact that it will be less able to influence the operation of the program. By relinquishing its responsibilities the government will lose its ability to control the use of the program and its administration. This is precisely the difference between the philosophy of a Tory and that of a Liberal. We believe that the government can and should do something to help those in trouble, especially if it is through no fault of their own. On the other hand, the Tories believe that the purpose of government is to help their friends.

I share the fear that many other people have of government withdrawal from the fund, and that is that there would likely follow more pressure from the business community to whittle away at the program. Pressure for further cutbacks would be advocated by employers under the guise of "economizing."

[Senator Stanbury.]

● (1300)

This is another example of the transition of this country into some sort of mere reflection of the United States. The reduction of government contributions will undoubtedly move this country closer to the American model, and if our unemployment insurance program was superior in the past, we should keep it so. In addition, the current underlying philosophy is that the federal government has a responsibility, through its general revenues, to address regional disparities and to help bear the cost of increases in unemployment. With the current high rate of unemployment in some regions, and the expected rise in the immediate future, now is not the time to shy away from one's responsibilities. I agree wholeheartedly with the special committee on this issue. The government must continue to contribute to the fund. It is as simple as that.

The next thing that I disagree with concerns the government's proposals with respect to fishermen's benefits. Part VIII of the Unemployment Insurance Act provides that the government is responsible for making up the difference between premiums collected and benefits paid to self-employed fishermen. We all know just how necessary this is. In 1988, fishermen paid approximately $18 million into the fund and received $269 million in benefits. The difference of $251 million was paid by the government.

Subsection 130(3) of the Unemployment Insurance Act would be repealed by Bill C-21 and would place the full cost of fishermen's benefits on to the UI fund, which is to be financed by employer-employee contributions alone. The government has declared many times that it would not take away benefits from self-employed fishermen and that these benefits are safe. However, by withdrawing its contribution, the government would be placing the future viability of these benefits at great risk. This could simply be the first step toward the elimination of the application of this program to self-employed fishermen. Business groups may feel that the government is not playing fair, and argue that if the government got out of the business they might wish to as well.

At the moment the lives of those involved in the fishery are very difficult. For the past year we have heard reports from both the west and the east coast that, as a result of a number of different factors, including the Free Trade Agreement, stock overfishing by domestic and foreign fleets, as well as the terribly low prices in markets today, numerous companies have had to lay off workers and shut down operations. We know that there is a crisis in the fishery. Earlier this year Canadians found out that the closure of some plants, such as the one in Canso, Nova Scotia, can cause towns to die if they are the major employer. By taking away the subsidy and making it harder to get benefits, as well as shortening the duration of these benefits, the government is directly contributing to the death of one-industry towns in this country. The Tory vision of a healthy Canada is one where the countryside is littered with ghost towns!

Clearly, the government's proposal is deplorable. Support for the program, and not abdication, is needed now more than ever. The Special Committee of the Senate on Bill C-21 has made a recommendation in this area to ensure that concrete steps would be taken to protect the benefits now provided to self-employed fishermen and to provide assurance that the government is, in fact, committed to the maintenance of this vital program.

Another area where the bill needs to be amended is that of benefits and entrance requirements. In 1977 the then Liberal Government introduced a variable entrance requirement so as to link to regional unemployment conditions the number of weeks of insurable employment required to qualify for benefits. Individuals who resided in regions with 6 per cent unemployment or less were required to work for at least 14 weeks before becoming eligible for the program. In areas where unemployment was above 9 per cent, the individual had to work a minimum of 10 weeks. This system and those figures are fair. Every year prior to 1989 the government had passed legislation to extend the variable entrance requirement prior to its lapse. This government has consistently refused to pass a one-line bill to extend it again. The Tories have manipulated things in such a way that on January 6, 1990, a uniform 14-week entrance requirement for all regions of the country, regardless of the unemployment rate, came into effect. Once again, the Tory mean spiritedness and lack of tolerance to those not as well off showed through.

Senator Frith: Heartless!

Senator Stanbury: Bill C-21 now proposes to introduce a modified version of the variable entrance requirement. Instead of a 10- to 14-week scale of insurable employment, a 10 to 20 week scale will be required. Regions with unemployment rates of 6 per cent or less will require as many as 20 weeks of insurable employment, while those regions with an unemployment rate of more than 15 per cent will retain a minimum entrance requirement of 10 weeks. Under this scheme, the government proposes that there be a 62-region system, in which, it turns out, only eight regions will meet the 10 week entrance requirement. While the government may be hoping that the regions with difficulty may be currently negligible, the fact is that during the recession the numbers will obviously increase.

Concerning benefits, the maximum number of weeks of benefits a claimant may receive is currently determined by the applicant's number of weeks of insurable employment and the regional rate of unemployment; and, as we know, the benefit structure actually has three phases. The government now proposes to collapse the current three-phase benefit structure to a single phase, found in Table 2 of the bill. Although the fundamental features of the current structure would be retained, the regional benefits under the proposed benefit structure would not commence until the unemployment rate in the region was above 6 per cent, rather than the present 4 per cent. The proposed change would therefore reduce the maximum duration of benefit entitlement in most instances, save for individuals who had acquired a large number of weeks of insurable employment and resided in very high unemployment areas of the country.

I come now to the area of penalties. Another area where this bill absolutely needs to be amended is that of penalties. Currently claimants can be disqualified to up to six weeks from receiving benefits if they refuse to accept suitable employment or leave their jobs voluntarily "without just cause." The bill, on the other hand, proposes some changes which the special committee deemed too excessive. I agree with that observation and I cannot see how any reasonable person—and I know that Senator Murray believes in reasonable persons—would fail to do so either. Bill C21 proposes to increase the minimum penalty to seven weeks and to make it as long as 12 weeks—double the current maximum. Can you imagine suddenly losing your job and income and, after paying into the insurance program for years, being told that you have to wait 12 weeks before you get your first cheque? The message to Canadians here is that they had better save because the government insurance programs do not care and for three months people may have to go without a cheque.

I had intended to deal with the portion of the bill dealing with developmental uses, restrictions to developmental uses, the plan and expenditure limits and contracting out, but I know that there are other honourable senators who wish to speak. Therefore, I will not take up the time of honourable senators to develop those points.

• (1310)

In conclusion, I should like to make some general remarks. I spoke yesterday to try to persuade honourable senators to accept the amendments proposed by the Standing Senate Committee on Banking, Trade and Commerce on Bill C-28, the clawback bill. You rejected my advice then, as a Tory majority. Again, in line with Conservative philosophy, I suspect you will ignore my advice today.

In this case again, the committee has done an excellent job of proposing amendments that would go a long way towards humanizing this brutal legislation. The government rejected most of those amendments and we are simply asking for an opportunity to confer with the government to try to find a sensible solution. But it is against Tory policy to take a human approach to any problem. Only dollars and cents, apparently, have souls.

Senator Murray: Who is writing this stuff?

Senator Stanbury: It is against Tory policy to accept any amendments, no matter how good or how sensible, from the Senate.

Senator Cools: Senator Murray has a question for you, senator Stanbury.

Senator Murray: I wanted to know who was writing this stuff.

Senator Stanbury: Again, it is "our way or no way", according to the Mulroney government.

Senator Frith: That is typical!

Senator Stanbury: They will brook no interference from anyone in their single-minded destruction of the network of social programs that have been constructed with such loving care over the years by Liberal governments for the benefit of the people of Canada.

Senator Frith: Typical Tory patterns!

Senator Stanbury: In any event, I should like you to know that Bill C-21, the bill by which the Government of Canada abandons the unemployed of Canada, should not pass without a proper conference being held between our two Houses of Parliament to try to resolve our differences to the benefit of the people of Canada.

Some Hon. Senators: Hear, hear!

On motion of Senator Frith, debate adjourned.

BUSINESS OF THE SENATE

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, Senator Doody and I discussed the possibility of changing the consensus of yesterday, which was to break at 12:30 and then to resume in the afternoon after 2 o'clock.

I believe that all senators who intend to speak on this order wish to speak next week, and, more particularly, on Monday. I trust that the people of Canada will take into account the rather long hours that we have put in—all of us on both sides—during the preceding weeks, certainly during last week and last weekend, and will not think us slackers for taking the half day on Friday and the weekend until Monday. Therefore, if Senator Doody so moves, we will certainly support the motion for adjournment until Monday.

Hon. C. William Doody (Deputy Leader of the Government): We will certainly support the motion for adjournment until Monday.

The Senate adjourned until Monday, October 22, 1990, at 2 p.m.

THE SENATE

Monday, October 22, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

CANADIAN HERITAGE LANGUAGES INSTITUTE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-37, an Act to establish the Canadian Heritage Languages Institute.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

On motion of Senator Doody, bill placed on the Orders of the Day for second reading on next Wednesday, October 24, 1990.

[*English*]

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. John B. Stewart: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(*a*), I move:

> That the Standing Senate Committee on Foreign Affairs have power to sit at four o'clock in the afternoon tomorrow, Tuesday, October 23, 1990, even though the Senate may then be sitting, and that Rule 76(4) be suspended in relation thereto.

Honourable senators, I would be happy to explain the proposed motion if honourable senators grant me leave.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Stewart: Honourable senators, two distinguished senators from Mexico are to be in Canada tomorrow. We have been told that they are anxious to make themselves available to meet with the committee to discuss the ongoing conversations concerning a free trade arrangement which might involve Canada. That would be the purpose of the meeting tomorrow.

Motion agreed to.

UNEMPLOYMENT INSURANCE ACT EMPLOYMENT AND IMMIGRATION DEPARTMENT AND COMMISSION ACT

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR CONCURRENCE IN CERTAIN COMMONS AMENDMENTS AND FOR NON-INSISTENCE UPON CERTAIN SENATE AMENDMENTS—MOTION IN AMENDMENT TO REFER CONCURRENCE MOTION TO CONFERENCE OF TWO HOUSES OF PARLIAMENT—DEBATE CONCLUDED

On the Order:

Resuming the debate on the motion of the Honourable Senator Doody, seconded by the Honourable Senator Tremblay:

> That the Senate concur in the amendments made by the House of Commons to its amendments 4(c) and (d) and 8 to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act;
>
> That the Senate do not insist on its amendments 2(a), (b) and (c), 3(a) and (b), 5(a), 6, 7 and 9, to which the Commons have disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly,

And on the motion in amendment of the Honourable Senator MacEachen, P.C., seconded by the Honourable Senator Frith, that, all the words after the word "That" be struck out and replaced by the following:

> Whereas
>
> On March 20, 1990, the Senate informed the House of Commons by message that it insisted upon its amendments to Bill C-21;
>
> And Whereas
>
> Beauchesne, 5th edition, citation 814, p. 241, provides that in such circumstances, where the Senate insists upon their amendments, "the House (of Commons) either accepts the amendments or adopts a motion requesting a conference to which each House appoints Members";
>
> And Whereas
>
> When the Senate insisted upon its amendments to *An Act to authorize the government to acquire by lease lines of railway connecting with the government railways* in 1910;
>
> and to *An Act to confirm the Order in Council of the twenty-fourth day of February, 1919, prohibiting the importation, manufacture and transportation of intox-*

icating liquors and the Order in Council of the twelfth day of April, 1919, in amendment thereof in 1919;

and to *An Act to amend the Judges Act* in 1921;

and to *An Act to amend the Canada Temperance Act* in 1922;

and to *An Act to amend the Industrial Disputes Investigation Act* in 1924;

and to *An Act for the relief of the Depositors of the Home Bank of Canada* in 1925;

and to *An Act to amend the Criminal Code* in 1933;

and to *An Act to amend and consolidate the Excise Act* in 1934;

and to *An Act to amend the Farmer's Creditors Arrangement Act, 1934* in 1938;

and to *An Act to amend the Criminal Code* in 1947, the House of Commons requested that a conference be held;

And Whereas

When the Senate insisted upon its amendments to *An Act to amend the Combines Investigation Act* in 1936; and to *An Act to amend the Customs Tariff Act* in 1961, the House of Commons chose not to proceed further with the legislation;

And Whereas

When the Senate has by message insisted upon its amendments without offering any alternative proposal, it has never received a subsequent message from the House of Commons repeating that it disagreed with the said amendments;

And Whereas

The message received from the House of Commons on May 10, 1990, is without precedent, and does not conform to the convention and practice, unbroken since Confederation of settling disagreements between the House of Commons and Senate by a conference,

The motion be referred to a conference between the two Houses of Parliament.—(*Honourable Senator Frith*).

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I yield to Senator Kirby.

Hon. Michael Kirby: Honourable senators, I rise to speak on Bill C-21 and to support the position that this house ought to insist upon the amendments it has proposed to Bill C-21. I not only want to comment specifically on the issue of unemployment insurance but also to set the government's changes to unemployment insurance in the much larger context of the government's overall social agenda and of its fairly systematic attempt since 1984 to erode the social safety net in Canada step by step and piece by piece.

Before commenting specifically on unemployment insurance, let me remind honourable senators that as early as 1985 the Mulroney administration began the attack on the ability of Canadians to get adequate social services by cutting back on funding the provinces were to receive for medical care programs and for post-secondary education under Established Programs Financing. In effect, the changes were begun in 1985 and included in Bill C-69. Things were then made substantially worse with the advent of two other disastrous budgets, which have further cut back on funding to the provinces.

The impact of the federal government's reducing its role in both health care and post-secondary education is that the overall quality of Canadian health care programs is declining. From testimony before the Senate Social Affairs Committee earlier this year, and when speaking to members of the medical profession across the country, it is clear the decline in health care has been in part due to the cutbacks in federal transfers to the provinces.

Those cutbacks began in the 1985 budget with cuts to federal transfers to provinces and continued in the budgets of 1989 and 1990. In fact, this is only one example of the way in which the government has allowed its philosophy to come to the fore; a philosophy concern for higher-income Canadians and the corporate sector, and not for lower- and middle-income Canadians.

Last week this house passed Bill C-28 over the objections of members on this side of the house. The clawback provision of Bill C-28 is one more example of erosion of our social safety net. Effectively, under Bill C-28, the universality of both family allowance and old age pensions was eliminated by virtue of the fact that Canadians with incomes beyond a certain level will have the benefits clawed back under the new Tory tax system. If that were not bad enough, as a result of Bill C-28 the threshold level at which the clawback will cut in will only be partially indexed to the rate of inflation. Over the next decade, the number of people affected by the clawback on Old Age Pensions will increase to 2 million from the current 500,000. This will occur precisely because the threshold levels will not be indexed and therefore more and more people will be hurt. Under Bill C-28 we see one more example of this government's attempt to systematically undermine the social safety net which it inherited when it came into power in 1984. In the eyes of Canadians and, frankly, in the eyes of many other people in the western world, that safety net provided one of the best sets of social programs in existence.

It is precisely because of the long term implications of Bill C-28 that members on this side of the house and Liberal members of the committee chaired by Senator Hébert insisted on two types of amendments. The first of the amendments essentially states that it is important for the federal government to continue to make contributions to regional benefits under Bill C-21. Since there are a number of new members on the opposite side, most of whom are not familiar with the unemployment insurance program, and in particular regional implications, I will explain that one of the things that was done under unemployment insurance was that in areas of high unemployment, higher than the national average, there was a significant contribution made by the federal government to unemployment insurance benefits in those regions. In a sense, regional benefits were made in large measure from tax dollars

and not from dollars contributed to the unemployment insurance fund by employees and employers. The rationale for that was very simple. If we return to when UI benefits with a regional flavour began, we see that the rationale was that the federal government had a responsibility to ensure that people living in those regions of the country with the highest levels of unemployment were not adversely affected by that fact, since that it is much harder to obtain 20 weeks of work in Cape Breton, Newfoundland or northern Manitoba, for example, than it is to obtain 20 weeks of work in a large city in central Canada.

Therefore, the government said that it would be unfair to put the additional cost of the regional benefits on to the shoulders of employees and employers who believe legitimately that what they are doing is contributing to an insurance fund. As such, that insurance fund should deal with genuine insurance type problems and situations in which an individual finds himself or herself unemployed for a short period of time. It was the view that the insurance fund should not be asked to contribute to situations in which chronic unemployment takes place on an ongoing basis because of the state of economic development in the region.

Back in the 1970s a decision was made that regional benefits over and above the national average would be contributed to and paid for by all taxpayers through the Consolidated Revenue Fund. For those of us on this side of the house, that seems to be the most reasonable and logical way for regional benefits to be paid. To do otherwise—that is, to do what this government is proposing to do under Bill C-21—is to say this to employees and employers across the country. "You should not only be responsible for paying unemployment insurance for those situations in which you are temporarily laid off—in a sense contributing to the unemployment insurance pool—but you should also be responsible for dealing with the broader social problem caused in part by the fact that, unfortunately, certain regions of the country such as Atlantic Canada have significantly higher rates of unemployment than the national average and that the cost of those programs ought to be paid for out of the insurance fund." Clearly and effectively, they are not part of an insurance program. People from regions of the country—whether they be in the east or in northern Canada—who have benefited most from unemployment insurance regional benefits need to understand clearly what the long-term and relatively short-term impact of Bill C-21 will be.

● (1410)

Unemployment insurance premiums need to be raised because the UI fund will start to run a deficit. I should point out that when the minister appeared before our committee, he indicated that the UI fund would start to be in the red in 1992. So we are not talking about a long time down the road; we are talking about roughly one year, or 18 months at the outside.

The situation is such that when those premiums are raised, employer and employee groups in this country will take the position—not unreasonably, in my view—that they should not be having their premiums raised in order to pay for regional benefits, because regional benefits, by their very nature, are much more of an income redistribution program and an equalization program. They are not a legitimate insurance program. I predict that by 1992 there will be tremendous pressure placed on the government by employees and employers who say that they do not want their premiums raised in order to continue to pay for regional benefits. They will state that alternatively regional benefits should be phased out or decreased over time, thereby removing the necessity to increase UI premiums.

Next fall, because the rates for 1992 have to be set roughly one year from now, we will see a serious debate in this country. Given the position and regional philosophy of the Conservative government, we will see a situation in which, by 1992 the regional benefits that go to parts of the country suffering from high unemployment will begin to disappear.

It is for that reason that the committee chaired by Senator Hébert recommended an amendment to Bill C-21, which states that there should continue to be an element of government contribution to regionally extended benefits because we on this side of the house believe that those benefits are more of a social program and not an insurance program, are more like an equalization program and not an insurance program, and therefore should be paid for out of tax dollars rather than insurance premiums.

When this point was put to the minister and to several spokespersons on this issue for the government, their standard reply was essentially that they could not do this because it would result in significant increases to the federal deficit. When one examines that argument in detail, it turns out to be totally, absolutely, and utterly false. I will explain why.

If we go back to the origins of unemployment insurance, it is absolutely correct to say there was a Consolidated Revenue Fund into which all tax dollars were put. There was also an unemployment insurance fund, into which unemployment insurance premiums went. When additional dollars had to be put into the unemployment insurance fund, they were originally taken out of the Consolidated Revenue Fund and put into the unemployment insurance fund. To that extent it is absolutely correct to say that under those circumstances the Consolidated Revenue Fund lost money.

Since this government came into power, it has combined the UI fund and the Consolidated Revenue Fund into a single fund. If one looks at the books of the federal government, in a sense there is consolidated accounting. The net effect is that it does not matter if an expenditure comes out of the unemployment insurance fund or the Consolidated Revenue Fund. If $1 million is spent out of either of those two funds, the government's deficit position does not change because the government includes the UI account in the Consolidated Revenue Fund. Therefore, if the government accepts our recommendation, which would require it to put approximately $1.7 billion into the UI fund, at the end of the year the government's fiscal position would be identical. There would be an additional $1.7 billion left in the UI fund that would not be there under Bill C-21.

The defence that the government has used most strongly in relation to our proposed amendments to Bill C-21 has been a totally spurious argument. Our proposed changes will have absolutely no impact on the deficit for two years' time because during that period of time the UI fund, as the minister has admitted, will continue to operate with a surplus. The argument is that on this side of the house we are attempting to ruin the government's fiscal position. I must add parenthetically that the government has done an unbelievable job of ruining its own fiscal position. It certainly needs no help from us. The notion that our amendments will hurt the government's fiscal position is simply not true.

Therefore, with respect to the regional benefits under UI, it is extremely important for members opposite—particularly those who want to vote against our amendments and vote for the government's position—to realize that, down the road, they will be left with the problem of explaining to low-income regions of the country, such as the Atlantic provinces, northern Manitoba and various high-unemployment regions, why they don't have a say in how the unemployment insurance is run.

Liberals happen to believe that a major role of the national government is its role as a redistributor of income and wealth, both to individuals and regions of the country that are most in need. It is precisely for that reason that I intend to vote against the motion before the house. I deeply believe that we ought to continue to have government involvement in regional benefits.

Let me turn to the second major issue covered under our proposed amendments, which is an amendment to retain full government contributions for fishermen's unemployment insurance. Senators on this side of the house have argued quite correctly that if we look at the history of fishermen's unemployment insurance, it was never intended to be merely an unemployment insurance program. It was always intended to be an income support program which was delivered through the unemployment insurance system.

If you look at the history of fishermen's benefits, you will see that the actual contributions to the U.I. fund by fishermen is only roughly 10 per cent of contributions, that the remaining 90 per cent of benefits are paid by tax dollars. The government makes a contribution that, in effect, pays the excess amount of money beyond fishermen's contributions to the fund.

● (1420)

The Liberal Government did that because it recognized that, as in the case of regional benefits, an unemployed fisherman is not unemployed in the normal sense in which one defines unemployment under unemployment insurance program. It is not an insurance issue. It is a seasonal and regional issue. In fact, it is a fundamentally important regional issue for some of the poorest regions of the country. Therefore, it is really—to come back to the point I raised a moment ago—the federal government using its redistributive power to run an income support program for people who need it.

During the decade of the 1970's benefits under fishermen's UI were significantly increased. In 1976 the period of time during which unemployment insurance benefits were paid was extended. Originally benefits were paid to fishermen beginning on December 1. The starting date was moved backwards to November 1, 1970, and the period of benefits was extended in the spring by several weeks to May 15. That change was made in 1976 to recognize the fact that, particularly in areas such as Newfoundland, Gaspé and other parts of Atlantic Canada, the fishing season was sufficiently short that the period during which people were legitimately unemployed, and, therefore, in need of some income support program, had to be extended.

In 1980, shortly after the election, another change was made to the program to make it possible for both the fishermen and their wives to collect unemployment insurance. That change was made because it was recognized that it was discriminatory to treat fishermen and their wives as a single unit for purposes of unemployment insurance when no other government program anywhere else in the country treated fishermen and their spouses that way. For example, it was felt that a woman who was working in a fish plant and whose husband was a fisherman should not be discriminated against. Prior to 1980 if that woman's husband was not a fisherman she was eligible to collect unemployment insurance. However, if her husband was a fisherman she was not eligible because the unemployment insurance went to her husband. So, in 1980, for reasons of fairness, equity and to improve the redistributive role of the federal government, that change was made.

Under Bill C-21, the federal contribution to the income support program known as unemployment insurance will be eliminated. The federal government intends to say to employees and employers across Canada, "It is now your responsibility to pay benefits to fishermen, to pay the extra benefit that people involved in the fishing industry receive under UI." By this time next year, when it comes time to consider what UI premiums should be for 1992, I am sure that we will inevitably find employees and employers across the country saying, "Wait a minute. The only reason our premiums are going up is because of benefits we are paying to people in the fishing industry, and those are not really unemployment insurance benefits, they are not really insurance benefits." What people will say that next year is that they are, in fact, income support payments and they will be right. They will then say, since they are income support payments, they should be paid out of tax dollars, not out of the unemployment insurance fund.

We might then find members opposite left in the position where they may have to spend the money they are now trying to avoid spending by introducing a brand new program which, to many of us on this side of the house, will be acceptable, except that we are trying to avoid that problem now. More likely, though, given the complete lack of compassion which members opposite have shown, as I said at the beginning of my remarks, on bill after bill, budget after budget, they will say to the fishermen of Atlantic Canada, "That is tough. We know you have a problem but we are out of money so we are not prepared to help." It is precisely because people such as myself do not want to put the fate of fishermen and their families in hundreds of communities across Atlantic Canada in the hands

of this government, knowing how callous and unfeeling and uncompassionate it is, that we proposed an amendment that said, in effect, the government must continue to pay the full cost of fishermen's unemployment insurance precisely the way it does now.

In closing my remarks on Bill C-21, I should like to go back to a point which I made with respect to Bill C-28 which underlines the difference between members on this side of the house and those opposite. It applies not only to Bill C-28, but also to Bill C-21 and, down the road, to Bill C-62. The fundamental issue is really a philosophical or ideological issue with respect to the role of government in helping those individuals or regions of the country that are most in need of help, in recognizing that there is a significant role for government in redistributing income from people in regions that have it to people in regions that are extremely poor and are in need of various kinds of assistance. We on this side have a fundamental belief—and I say this as an Atlantic Canadian, particularly with respect to the regional benefits and fishermen's benefits under unemployment insurance—and a very deep and abiding conviction that the retraction of the government from the U.I. Fund is an abandonment of the fundamental redistributive role which has characterized Canadian governments for a very long time. The philosophy of this government instead is to redistribute wealth to higher-income Canadians and larger corporations by virtue of its adjustments to the tax system, that policy is fundamentally wrong and unfair, and has been since it was implemented in the 1984 election.

In my view, if one speaks to Canadians across the country—and particularly in Atlantic Canada, where a number of us were this this weekeend—one would find that the depth of passion and the real opposition to the philosophy and policies of the current government stems from the belief that those policies are inherently unfair, inherently discriminatory, and inherently lacking in compassion for poor regions and poor people in this country. If there is any group in society for whom one should have compassion rather than lack of compassion, it is the people living in the small communities in Atlantic Canada. It is precisely those people who will be hurt over the next 24 months by the proposals in this bill, and it is precisely because I am so strongly opposed to that consequence that I intend to oppose the government's motion. I believe that the Senate ought to insist on its amendments to Bill C-21.

[*Translation*]

Hon. Arthur Tremblay: Honourable senators, later on in my speech I will get back to the points made by Senator Kirby which are fundamental, since they concern the entire philosophy underlying Bill C-21.

First, however, I would like to recall what Senator Hébert said in this Chamber last Friday. Since we do not have last week's Hansard, I will quote from the text he asked his staff to give me the text of the speech he made last Friday, and I want to thank him, of course, for his kindness in letting me have the text.

• (1430)

Here is the first quote from the beginning of his speech:

> Since the last time I had a chance to speak in this Chamber on Bill C-21, on May 16 1990, no reasonable effort has been made by the government to resolve our differences.

However, on the particular occasion to which he referred, on May 16, 1990, Senator Hébert admitted that the government had accepted a number of the amendments proposed by the Senate. The following is taken from his speech as printed in Hansard, and I quote:

Although it continued its harsh criticism of the Senate and its senators, the government has nevertheless accepted a number of our amendments, not necessarily the most important ones, although the amendment dealing with the security of fishermen is certainly not negligible.

Although this was said grudgingly, the amendments accepted by the House of Commons were nevertheless significant enough for the senator to congratulate the special committee which he himself chaired for having proposed them. Here is another quote:

If the Special Committee had not done its job, these amendments would never have been included in Bill C-21. It is not enough, but it proves that the Senate has played a useful role.

I may add that the government has been equally understanding. However, Senator Hébert and his colleagues were not going to be satisfied with the amendments accepted by the Commons, even if some of those amendments, as I said before, were certainly not negligible, as Senator Hébert said. In their view, the Senate should continue to play its obstructionist role, and do so—and I quote:

> —to the very end, by insisting on amendments the government has yet to accept.

Faced with the government's decision to make no further concessions, we finally had the situation reflected in the wording of the item that has been on the Orders of the Day since May 23 and which we started debating last Friday.

I refer to Senator Doody's motion:

> That the Senate not insist on its amendments—

Followed by 2(a), (b), and so forth.

> —to which the Commons have disagreed;

We also have Senator MacEachen's motion in amendment:

> That the motion be referred to a conference between the two Houses of Parliament.

Senator Hébert stated last Friday that nothing had been done since these two contradictory motions were placed on the agenda of this Chamber. He did not bother to ask why this was so. I think the reasons are quite obvious.

If we talk about substance, the government had already done quite a bit that was reasonable. The amendments on which the Senate continued to insist contradicted the fundamental orientation of Bill C-21. The message received from

the House of Commons on May 10 was quite clear in that respect. I quote:

> Ordered, that a message be sent to the Senate to acquaint Their Honours that this House continues to disagree with—

the amendments listed.

> —because this House believes that they contradict the principles of the bill and undermine the objectives of the policy.

In other words, there is a fundamental disagreement on substance.

As for the MacEachen proposal for a conference between the two Chambers, Senator Roblin argued, and rightly so, in his comments on May 23, that such a conference was meaningless, considering the irreconcilable nature of the positions taken on either side. This is what he said:

[*English*]

> I ask myself: "To what end is this free conference, apart from being another stage of the tactics of my friends opposite to keep this issue before the public . . . ?" If the conference is to consider whether they should insist on their financial amendment, it is not likely that they will get an affirmative response from the other side . . . If my honourable friend tells me that he is prepared to not insist on his financial amendment, then I would tell him that he does not need a conference to do that. He can do it right now in this house. However, I suspect that that is not what he intends to do. He intends to go to this conference and hold his ground. He has given us the reasons . . . why he thinks he is entitled to hold his ground. The effect of that, of course, is a nullity, the effect of that is another standoff. The effect of that is that it gets us nowhere, but it gets my honourable friend on what he considers to be more comfortable grounds than the one he is on right now.

[*Translation*]

Now the time has come for us to decide the ultimate fate of Bill C-21. I feel it may be appropriate at this point in the decision making process to adopt a positive approach and to point out the main reasons for which, in my opinion, Bill C-21 should be passed.

The first aspect and the most decisive in my opinion relates to the financing of the Unemployment Insurance and the benefits of the new system. The shift is obviously major. It is also the aspect the hon. senators on the other side most radically oppose, as senator Kirby just showed us in his speech.

As senator Hébert is concerned, in his usual style—he relishes immoderate language—he was telling us again Friday, and I quote:

● (1440)

[*English*]

> The most pernicious provision of Bill C-21 is, without any doubt, the government's complete withdrawal from the Unemployment Fund.

[Senator Tremblay.]

[*Translation*]

To put it more precisely and more positively, the major change stemming from Bill C-21 is this: henceforth, all benefits whatsoever will be financed directly through employer-employee contributions, not by means of the Consolidated Revenue Fund.

That, however, does not mean, as Senator Hébert claimed, that the government will quite simply stop contributing to unemployment insurance funding. It means that from here on in it will do so exclusively in its capacity as employer. In other words the government will no longer collect money from Canadian taxpayers to finance the unemployment insurance program and the various benefits prescribed in the law. It will contribute as employer, period. The government as employer and its employees are part and parcel of the system.

The result of this new approach is that employer-employee contributions will be big enough to ensure that the system is self-sustaining.

This is where I should like to comment on the approach taken earlier by Senator Kirby.

If I understood him correctly, employers and employees in economically strong regions—or where the unemployment rate is low—should not be expected to contribute to financing the benefits paid out in economically weaker regions. As I recall, standards would be based on a reference to national averages.

In other words, low-risk regions should not have to contribute to finance high-risk regions. The difference between what might be described as average conditions and marginal conditions in high-risk regions ought to be made up through the consolidated fund and general public revenues, while all along maintaining the concept of insurance.

The way I see it, however, insurance implies that lower risks compensate for higher risks.

I really do not understand on the basis of what rationale such an approach could be taken towards a wage loss replacement plan. If, for that matter the burden of the income loss is to be compensated out of the General Revenue Fund, we must wonder under these circumstances who are the people represented by the State? They are everybody, including our senior citizens, those who have a very low taxable income under the current tax system and who must pay income tax.

This is a denial in its very principle of any wage loss replacement plan, which should not be assuming the income support role of the State for workers who have to deal with unemployment insurance in their regions, the differences between the regions being an integral part of the scheme.

Unfortunately, Senator Kirby is not here. I do not exclude the possibility that I may have missed some of the things he said but what I have retained of it is what I have just stated. If I have misrepresented what he said, I do not object to having him correcting me.

There was a time when unemployment insurance premiums were established on the basis of the risk of becoming unemployed so much so that certain groups of workers, including

civil servants, were not part of the plan because their risk being quite limited, there was no reason to cover them. For that reason, they were not part of the scheme. This changed several years ago based on the principle which I have just mentioned, namely that this category of employees which represented a low risk had to contribute to the scheme to compensate for the other categories which represented a higher risk.

That is my first point. The second point I want to deal with is that of the entrance requirements. On what basis will legitimate claimants be identified? For a good many years, it has been recognized that the entrance requirements for unemployment benefits would be unfair if they were the same for all and did not take into account the various unemployment rates and employment opportunities from one area to the next. The government therefore decided to take into account this quite obvious and unquestionable reality.

Unfortunately, it did so before introducing Bill C-21, so that Parliament had to deal every year with a new legislation establishing new variable entrance requirements, without knowing whether the minimum number of weeks would be 14, as provided for in this bill or ten weeks as provided in the current legislation.

Hon. L. Norbert Thériault: There is a good reason for that.

Senator Tremblay: I think I have summarized quite objectively that Bill C-21 will establish permanently a situation which was only temporary and therefore uncertain in high unemployment regions. This bill states specifically that claimants will be paid allowances after ten weeks of employment if they are located in a high unemployment region.

● (1450)

Senator Thériault: Sixteen per cent.

Senator Tremblay: On the other hand the number of work week will be higher if the rate of unemployment is lower. The table on page 36 of the bill clearly shows that the number of weeks required varies according to the unemployment rate.

To a certain extent the third point flows from the second: it seems obvious to me that unemployment benefits ought to be paid only to people who are really or legitimately unemployed, if I can put it that way, namely men and women who, against their will, find themselves without a job.

In this respect Bill C-21 contains provisions aimed at correcting situations about which the least that can be said is that they smack of abuse. Past experiences attest to the fact that they do exist. However I am prepared to admit that from a statistician's perspective these are marginal cases. Still the fact remains that to the extent possible and in all fairness for other "legitimate" UI recipients the system ought to eliminate unjustified claimants.

The fourth point has to do with recycling and training, and in that respect Canada lags far behind the other industrialized countries against which we have to compete on world markets. One of the major characteristics of Bill C-21 is that it takes an uncontestably sound approach. How many productive jobs remain vacant because the employer simply cannot find the skilled labour to fill them?

Of course the first responsibility of our school systems is to make young people and adult Canadians anxious to complete their education fully qualified to land these productive jobs so as to meet the requirements of an ever changing labour market.

However, we should realize that a satisfactory unemployment insurance system can in fact help its own target population fill such gaps by giving it an opportunity to do so.

How can this be done? This is exactly where Bill C-21 will make an outstanding contribution. It does so by providing substantial additional funding for training and retraining UI recipients.

In this way, many recipients will see better chances of re-employment when they acquire skills more in line with today's needs, thanks to the opportunities they are given under Bill C-21 with the co-operation of industry and educational institutions.

My fifth point is this: in a similar perspective, Bill C-21 also contains measures designed to encourage recipients to accelerate their return to productive employment. They will be given incentives for accepting employment quickly, either in the form of bonuses or temporary income supplements. The bill also provides assistance for recipients who create businesses or become self-employed.

In concluding, I wish to mention two other measures. The first one, and I will be brief, concerns parental and maternity benefits which have been improved. These, combined with sickness benefits, can add up to 30 weeks of benefits. Furthermore, at the present time, persons who are 65 and over and remain employed are not entitled to pay unemployment insurance premiums, so that if they become unemployed, they cannot claim benefits. Bill C-21 corrects this gap in our legislation.

Honourable senators, I realize that these few comments in support of Bill C-21 are far from exhaustive. Other aspects will, I am sure, be mentioned by other colleagues who will take part in this final debate on the bill.

Personally, I see no justification for a conference, as it says in the item on the Orders of the Day, since the chances of reconciling the views of the Senate and the House of Commons are practically nil, as was pointed out quite vigorously by Senator Roblin, whom I quoted earlier.

Furthermore, the bill before us today contains, as I hope I was able to demonstrate, enough positive aspects that make me most anxious to support the motion of Senator Doody that a message be sent to the House of Commons to acquaint that House that the Senate no longer insists on its amendments to Bill C-21.

[*English*]

Senator Thériault: Honourable senators, I rise to speak on Bill C-21 and I do not know whether I should start by crying or cursing. However, as it is not proper to do either in this

house, I will try to explain briefly my feelings on the decision of this ruthless, neo-Conservative government determined as ever to attack the weak, the old, the poor and the unemployed and give free rein to the rich and powerful.

● (1500)

[*Translation*]

Having listened attentively to my learned colleague Senator Tremblay, honourable senators, I must say he succeeded very poorly in his efforts to defend this government's policy as reflected in Bill C-21.

When he was about to complete his remarks, Senator Tremblay invented somewhat some items which are exempted from Bill C-21, including such motherhood items as the benefits paid to parents, mothers and senior people over 65 years of age. Honourable senators, Senator Tremblay forgot to mention that it was not out of the government's generosity that these amendments were made to Bill C-21, but thank goodness for the decision of a Canadian tribunal who ruled that the people over 65 years of age could qualify for unemployment insurance benefits, and that people who adopted or had adopted children were entitled to unemployment insurance benefits as is now the case under Bill C-21.

Senator Tremblay tried to defend the philosophy reflected in Bill C-21, which is the opposite of the philosophy which inspired the Liberal Party and the New Democratic Party which, together, represent the vast majority of voters in this country. Because it appears impossible to block Bill C-21, I personally find some comfort in the expectation that within a couple of years, this neo-conservative majority which currently exists in the House of Commons will have disappeared and we will rediscover the philosophy and responsibility of a government anxious to care for the weak, the old, the poor, the unemployed.

To achieve its goal, what has this Government done since 1988 with Bill C-21? It has taken advantage of fishermen, of seasonal workers, especially those working in the fishing and forest industries in the Atlantic provinces by refusing to maintain the provisions which had been passed every year since 1977 and which provided coverage for these people in high unemployment regions.

[*English*]

Honourable senators, what is happening in this country? We have a government and a Prime Minister determined to destroy the social security net which has existed in this country since the last war. They are determined to destroy and to attack the weak and to give free rein to the rich and the powerful.

I wonder today, as I did when I last addressed this house on Bill C-21, how people whom I have known all my life, people with a social conscience, can sleep at night knowing that they will be depriving the poorest of the poor, including the people in my area, as well as natives in northern areas. At the same time, they know that all the legislation which we have passed in this house since 1984 has made it easier for the wealthy who are paying fewer taxes.

[Senator Thériault.]

I have before me a prepared text on which I worked for a long time, but I cannot find the peace of mind to refer to it. When I look up I see in front of me senators from Atlantic Canada. I ask them to ask themselves these questions before they vote on this bill. Why are you here? Did you come here simply to pass the GST, or did you come here, and do you sit here, with a free conscience to help your fellow citizens?

Honourable senators, I ask you to ask yourselves this question. Why is it that the rich and the powerful never have anything to say against medicare? It would be easier and cheaper for the big corporations and for the people with millions of dollars in bank accounts to pay for their own medicare coverage than to contribute to it as they do now through the taxation system. Thank goodness that the government has not dared to touch that philosophy concerning medicare. It is the only thing that it has not touched. Yet, it is that type of philosophy which is responsible for unemployment insurance in Canada as well as for the universality of old age pensions. I point out that we all know that when programs are designed for poor people and for poor people alone they become poor programs.

What we now in England is the result of what I hope is the last of this neo-Conservative philosophy. We have seen revolution in the streets. It is amazing to think that in 1990 there still is, in our so-called civilized world, a government prepared to impose a poll tax on its people. Ppeople have to pay a tax just for the right to breathe and to live in that country. We used to have such a measure in New Brunswick until Louis Robichaud was elected premier. Thank God we did away with it then. It is incredible to think that now, some 30 years later, we see a similar type of thing happening in England. As well, we see our own Government of Canada copying that type of conservatism without regard for the needs of the poor.

Honourable senators, the province of New Brunswick will pay a dear price as a result of this legislation. The government talks about 10 weeks of employment knowing that that is the way to blackmail the fishermen and the plant workers. They know that they can qualify with 10 weeks but that there must be an unemployment rate of 16 per cent in order to qualify. Who wants 15 per cent or 16 per cent unemployment? That is the level of unemployment that we will be seeing in my province. Yes, it is true that some people will qualify in some areas. There are still areas in my province where there is 16 per cent unemployment. I had hoped that the federal government and the provincial government would put their heads together to come up with some programs to reduce unemployment. That should be the main concern of government, not to cut and save money on unemployment insurance benefits affecting the poor.

● (1510)

The government has taken a great many steps in Bill C-21 to penalize people if they are deemed to leave a job. Where in the world does it happen that immediately upon being charged with a criminal offence one is found guilty? No one would want that. But in Bill C-21 that is exactly what you are doing. You are telling people who leave their jobs—without knowing

the conditions at their workplaces—that they are guilty. They are then penalized for 12 weeks and for 2 years down the road. This is happening in 1990.

When I came here in 1979 I never believed for a moment that I would be faced with legislation this cruel. Yes, there are two or three good things contained in the bill, such as, for example, maternal leave, parental leave, and provisions for benefits for people over the age of 65 years. I wish I could say that those things are included in the bill because of the generosity of the government; but they are included only because the courts decided, in a case heard approximately three years ago, that the law had to be changed to cover those people.

Honourable senators, over the years the people in my province will pay the price of Bill C-210. Senator opposite will get their way because they now have the numbers, but the people will pay the price.

An Hon. Senator: Shame!

Senator Thériault: Over the years you will regret it. I am convinced that every senator here from the Atlantic provinces will live to regret the vote they will take today if they vote with the government.

Senator Simard: Doom and gloom!

Senator Thériault: I recall the days when I was in the Legislature of New Brunswick and the government of the day in Ottawa tried to amend the unemployment insurance program so that it would have reduced some benefits. The Premier of New Brunswick, the Minister of Finance and the Minister of Health and Welfare stood up in unison against that type of approach. They cared for people then. What happens to people when they become senators?

Honourable senators, the reduction of weekly benefits to which that people will be entitled is based on the unemployment rate of 1988. Can you imagine the difference now, when we are heading for a recession?

Senator Buckwold: We are in a recession!

Senator Thériault: Yes; we are in a recession. Now it is not only the people from Atlantic Canada who will be affected but also the people from Ontario—that is, the unemployed. In my province alone the number of weeks that people will lose, even if they qualify in the first year of this program, will represent over $16 million. When you take those kinds of dollars out of the economy of New Brunswick, my friends, it is not only the poor and the unemployed who will feel it, but also every business—that is, the corner store, the garage, and every store service industry in the area. I was going to say that the only thing left in some small communities would be the post office; but, by God, with this government that will not even be there. They will take that away, too!

Senator Buckwold: They are! There will not be enough money for postage stamps!

Senator Thériault: What are we coming to? Do senators opposite not realize that there is a fundamental reason why this government is at 15 per cent in the polls? In my province it is 11 per cent and in Beauséjour 4 per cent. This just should not happen. To those senators I say, you should see that it does not happen, because this country—and my province, especially—needs the Conservative Party; but not the kind of conservatives you seem to represent in this house. Not only are you destroying the poor, the sick and the old, but you are also destroying your own party. You should be ashamed of it.

Do you wonder why you are at 15 per cent in the polls in some areas, at 14 per cent in others, and 11 per cent in New Brunswick? I will tell you one of the reasons. We have been talking about unemployment insurance. During the election campaign in 1988 John Crosbie had this to say about the unemployment insurance program:

> No one is planning any changes in the unemployment insurance program. There hasn't been any change proposed to us since we dealt with the Forget commission. We're not contemplating any changes.

That statement was from John Crosbie.

Senator Buckwold: He is a reliable source.

Senator Thériault: That statement was cited in *The Evening Telegram*, Saint John, Newfoundland on October 14, 1988. Time after time statements like that one were made by ministers. Time after time you have gone to the extreme right wing of the old Conservative Party.

The people in this country are a generous people. It is true that in 1981-82 we faced a tough recession in this country, but, by God, we were able to survive because of the social safety net that had been put in place by the Liberal government, including the unemployment insurance program. But in this recession the food banks will have to multiply. Those of us who have a spare dollar in our pockets had better be ready to contribute to the food banks or there will be problems in the streets of this country as there are in England.

Senator Simard: Doom and gloom!

Senator Thériault: You have gone too far, honourable senators. Your government has gone too far to the right. I plead with you: For once stand up and vote according to your conscience.

Hon. Brenda M. Robertson: Honourable senators, I will not spend much time commenting on Senator Thériault's remarks.

An Hon. Senator: Why not?

Senator Robertson: They are not at all unexpected and they are exaggerated, as usual.

However, I should like to say to Senator Thériault that I take great offence in his suggesting that I and others on this side of the chamber have no concern for the poor, the sick, the unemployed and the elderly. Who does he think he is? We have shown compassion and shall continue to show compassion for the have-not people.

● (1520)

Senator Thériault: Prove it by your vote.

Senator Robertson: Another statement Senator Thériault made was that any Liberal legislation must not be touched,

otherwise it is a step backwards. That is totally ridiculous, and he knows it. Surely the honourable senator must know that unless we get this Canadian financial house in order, all of these programs will be in great jeopardy.

Senator Stanbury: All on the back of the poor.

Senator Robertson: All of them will be in jeopardy whether the Conservatives or the Liberals are in power, or the NDP is in power; it will not matter.

Senator Thériault, I would recommend that you read a commentary that is in today's *Globe and Mail*. I should like to quote one paragraph.

> During the Pierre Trudeau years, Ottawa believed that a big, interventionist central government was the only thing that could hold Canada together. Instead, the debts incurred to pay for the big, interventionist central government are splitting Canada apart. There's a lesson here, if there's any time left to learn it.

However, I shall not tire you with further comments about Senator Thériault. We have been on opposite sides of debates for some time.

I should like to speak about some of the more important issues in Bill C-21 that I believe senators in this chamber should be reminded of. Bill C-21, which is a bill to amend the Unemployment Insurance Act, is part of a larger plan called the Labour Force Development Strategy. Honourable senators, this is a strategy designed to help unemployed Canadians get back into the workforce where they can build careers that promise better pay and better futures.

As honourable senators know, the legislation we are considering has touched off much debate. Fears have been expressed that the government is attempting to bring the unemployment insurance program in line with that of the United States. During our committee hearings I heard many senators suggest to witnesses that perhaps this was what was going on, which I found to be a strange way to hear witnesses. Other senators have stated that particular groups, including women, older workers and the poor, will suffer because of changes to the UI program. We have heard another diatribe in this regard from Senator Thériault. He has been making that speech forever.

I should like to address some of these concerns, because I believe they are important concerns and we have to look at them realistically. First, let me respond to the fallacious argument that the government is attempting to harmonize our UI program with that of the United States.

Canada's social security system, including our program of assistance to the unemployed, is one of the most generous in the world. With the introduction of this legislation, the Canadian UI program continues to be one of the most generous in the world. We continue to offer benefits far superior to those available to those in the United States. In most American states, people may receive benefits for as little as eight weeks and for no more than 30 weeks. Under Bill C-21, unemployed Canadians can receive benefits for up to 50 weeks.

Even where the unemployment rate is low, as it is in Toronto, for instance, the length of benefit entitlement will not be less than 17 weeks, which is more than four months of UI benefits. That seems rather generous.

The differences do not end there. In Canada, a person can receive as much as $384 per week in UI benefits, whereas the majority of Americans are able to receive between $150 and $250 U.S. at the maximum.

Canada has income protection for maternity and sickness. the American programs do not include maternity and sickness benefits. We protect our seasonal workers, and not all American states do that.

Our programs make greater use of the developmental approach than do the American programs. The generosity of our program is recognized in the industrialized world. A brief comparison with similar programs in other countries will illustrate this generosity.

Under the proposed legislation, Canadians would need between 10 and 20 weeks of work to qualify for benefits. Compare that to France, for instance, where 26 weeks of work are required, or West Germany, where a person not only needs to work 30 weeks in the last year, but 52 weeks in the previous three years.

Senator Thériault: Why not deal with Canada? Forget about the Americans.

Senator Robertson: Senator Thériault, we live in a small international community. Try to get that through your head.

Honourable senators, our UI system has always concentrated—and will continue to concentrate—on income support. However, it is time to augment that safety net with another strategy that will lead to the development of an adaptable workforce. This means skills training and lots of it.

The Labour Force Development Strategy, of which Bill C-21 is a part, will help Canadians rely less on income support and more on developing and maintaining skills that lead to productive, well-paying jobs. This is an important step, because training has assumed a critical role in today's high-technology era. A skilled workforce is essential for our businesses to compete successfully in the global marketplace of the 1990s.

Countries around the world are now emphasizing training and re-employment over passive support programs. In Sweden, for example, the government has adopted an activist approach towards labour force adjustment. A full 70 per cent of Sweden's resources for labour market programming is directed to training the unemployed and re-employment assistance. Only 30 per cent is directed towards the passive income support.

In Canada, without Bill C-21, our labour market programs would continue to direct only 25 per cent of their resources towards training and re-employment policies. The greatest share of labour market expenditure will continue to be eaten up by passive income support measures.

Canada's Labour Force Development Strategy's mission is, therefore, a challenging one. However, I am confident its measures will set up a ripple effect that will benefit many different layers of the economy. For example, the program will

provide more active support to unemployment insurance recipients through counselling and other employment services at an earlier stage in their unemployment. The longer someone is on UI, the harder it is to get off it. To complement this, there will be more opportunities for recipients to train and upgrade their skills. That is why an additional $350 million has been allocated under section 26 of the act to allow claimants to gain work experience and upgrade their academic qualifications without losing their benefits.

In addition, the program is doing more to promote entrepreneurship by allocating an additional $20 million under the Community Futures' Self-Employment Incentive Program. This will allow unemployed workers to draw UI benefits while they establish new enterprises. Alternatively, they can take this money in a lump sum if they wish to defray start-up costs of a new business. The province that has been using this program most efficiently and effectively is Newfoundland, as those of you from that province know. Port Aux Basque and Gander have some successful programs.

● (1530)

It is evident that women, older workers and the employment disadvantaged will benefit from the measures I have just described.

One of the strategy's most exciting features is the special initiatives it contains that are geared to meet each group's specific circumstances. For example, the strategy is providing a financial boost to a training program for social assistance recipients who have been unable, or have found it difficult, to get off social assistance roles. This program has a proven track record in helping such people become economically self-reliant.

Over the weekend I reconfirmed the statistics that I had in my mind that I had been getting from newspapers and other sources in that province. I can say that this program is very successful in New Brunswick. We have been trying to get such a program off the ground for the past eight to ten years. Finally it got off the ground and is doing very well. In the last fiscal year, over 2,000 people, who were formally on assistance, became employed. That is a significant figure for the province of New Brunswick. Of those who enrolled in the program since it began two years ago, one-third have stayed off social assistance. So the program is really breaking the back of that trend in our province, and ministers and their staffs are very enthusiastic about it.

When the committee was travelling and listening to witnesses—which is a very important exercise—and when we heard witnesses here in Ottawa, a couple of senators opposite would always laugh at the training program. They would ask such questions as, "Why train? How many hairdressers can you have in one community? How many carpenters can you have in one community?" That was a standard question. I found this type of question to be very insulting to those who were appearing before us. As the records will show, those in New Brunswick on social assistance are generally considered to be at the bottom level of the support system, below unemployment insurance. When honourable senators see what this one program can do in a small province like New Brunswick, they will find it difficult to laugh at it. So please do not laugh at the training program by saying, "Training for what?" or "Literacy for what?" When we step over that threshold between illiteracy and literacy, a bomb goes off in our minds because suddenly there is a whole world in front of us that we did not understand and know before. It is the same with other training programs.

Some Hon. Senators: Hear, hear!

Senator Thériault: If you had not insisted, there would not be that coverage, and you know it!

Senator Robertson: Please, Norbert, sit down, be quiet and relax, please! You really exaggerate. Please listen to some of the positive things and try to understand how the human mind of a disadvantaged person works. You have to go forward.

Senator Gigantès: The power of positive thinking strikes again!

Senator Robertson: Senator Gigantès does not know anything about living in underprivileged circumstances. So I would ask that he be quiet.

Through this program, the federal government works in tandem with the provincial governments to help social assistance recipients acquire the skills and work experience they need to find work. The federal government is ready to commit an additional $50 million under the strategy. That, combined with the $50 million spent through the Canada Assistance Plan and matching funds from other provinces, promises an extra $200 million to prepare an estimated 20,000 additional social assistance recipients for productive employment.

Senator Simard: That is the other side of the coin.

Senator Robertson: Yes. The strategy also addresses the needs of older workers for whom the job search is often a long an frustrating process. The strategy will inject an extra $40 million into the continuing employment option, which provides financial support for up to three years for employers who hire and retrain displaced workers. Very often these displaced workers are 45 years of age and over. In addition, the budget of the Industrial Adjustment Service has been doubled. This service deals with the problems of obsolete skills, the challenges of changing technologies and finding alternative employment for laid off workers. Its total budget will now be $30 million.

As well, the number of job-finding clubs for older workers has been increased. These clubs have an outstanding record in assisting older people to find jobs. The strategy also opens the door of opportunity for more women. For example, an additional $65 million has been allocated for promoting human resource planning programs in the private sector. These plans will include employment equity components, which will broaden employment prospects for women.

Private sector consultations under the auspices of the Canadian Labour Market and Productivity Centre have enabled the government to improve the apprenticeship government training program, and to train more women in non-tradi-

tional occupations. In conjunction with the private sector, these reforms will facilitate the development of an entry-level training program for jobs in growing industries, particularly in areas in which women already have a large stage.

Bill C-21 also proposes changes in special unemployment insurance benefits that will help women and make the program more relevant to today's workforce. These changes include, as Senator Tremblay has mentioned, in addition to the current 15 weeks of maternity benefits during the period surrounding the birth of a child, ten weeks of parental benefits for natural and adoptive parents, shared between the mother and father as they deem fit; and more flexibility in access to 15 weeks of sickness benefits.

I am pleased to say that Bill C-21 has also taken into account the concerns of women's groups in another matter; the question of what exactly constitutes "just cause" for quitting one's employment, which Senator Thériault seemed to find highly unsuitable. Under Bill C-21, people who quit their jobs without just cause face a penalty of seven to twelve weeks benefits. In response to appeals from women's organizations, the Minister of Employment and Immigration added an amendment to Bill C-21 which provides for legislative expression of "just cause" to include sexual harassment, hazardous working conditions, and quitting to follow a spouse to another area. These provisions were not mentioned in the previous bill.

Bill C-21 provides the opportunity to put in place a series of training and adjustment programs we very much need, together with increased fairness in the UI system. That is the intent and will be the effect of Bill C-21 which will help provide Canadians with one of the best labour market adjustment programs in the world.

Honourable senators, I urge you to support Senator Doody's motion.

Senator Thériault: Would the honourable senator permit a question?

Senator Robertson: Yes.

Senator Thériault: The Honourable senator has talked about training and has said that during the committee hearings some of my colleagues or I would ask the question, "Training for what?" We did not say that. We were asked by people in, for example, New Brunswick and Nova Scotia the question "Training for what?" when they were told that training would be offered. My question is: Is the honourable senator aware that in 1984, when the Conservatives took office, the federal government was spending $2.2 billion for training and that now, in 1989-90, it is spending $1.5 billion?

Senator Robertson: You have to look at the quality of the training.

Senator Buckwold: Is it a two-for-one sale?

Senator Robertson: You do not simply train a nine-to-five hairdresser in a small community; you diversify and look at the labour market.

Senator Gigantès: They could do one another's hair.

[Senator Robertson.]

Senator Robertson: You might find some improvement, if you volunteered, Senator Gigantès.

Senator Gigantès: I do not have any hair.

Senator Robertson: It is surprising what they can do with a little.

Senator Gigantès: I do not want to appear young by dyeing my hair.

• (1540)

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators—

Senator Simard: Honourable senators, I understand we are dealing with Senator MacEachen's amendments. We are all anxiously waiting to hear his speech, but I would hope that our allowing him to speak will not have the effect of closing the debate, because I intend to participate in this debate. With that understanding, the opposition leader may certainly go ahead.

Senator MacEachen: Honourable senators, I do not intend to close the debate, but what happens if I speak until 6 o'clock?

Senator Simard: Well, we may not see the clock.

Senator Barootes: We expect it!

Senator MacEachen: Honourable senators, the time really has arrived, because of the logic of our own reasoning and because of the practical circumstances that we now face, to call an end to our battle to ameliorate, if not remove, some of the worst features of this wretched and regressive legislation. We intend to vote against this bill, but its passage will represent a failure for all of the social groups in Canada, the churches, the trade unions, the municipalities and the provinces, and a victory for the misuse of the parliamentary process—

Senator Cools: Yes!

Senator MacEachen: —as evidenced in the refusal of the government to listen to the people, to listen to the opposition in the House of Commons, and, certainly, to listen to the opposition in the Senate. It is a victory for the misuse of our constitutional system—

Senator Cools: Yes!

Senator MacEachen: —that, in order to adjudicate this most important social question, it was necessary for the Prime Minister to call to the Senate eight additional senators, not representatives of the working class who are most adversely affected by the enactment of this legislation, but representatives of the elites of our society, corporate and otherwise, all of whom presumably have a prior commitment with the government to cooperate with it in reducing the standard of living of the unemployed from whom is being removed substantial economic benefits.

In its travels throughout Canada, the committee could only find a handful of groups or citizens who would stand up in support of Bill C-21—only a handful!—the government itself,

one tourist association in Newfoundland, the Canadian Manufacturers Association, and one private economic consulting group. Every other group—all the churches, all the trade unions, all the social groups and all the provinces—came in with one voice and said, "Please do something to change or stop the passage of Bill C-21."

Indeed, here in the Senate, we could find only a few senators on the other side who would identify and support the merit of this bill. I can think of only three who found in their conscience that they could get up in the Senate and say, "This is good for Canada, this is good for the working people, this is good for the unemployed." However, even though we did not find very many people throughout the country to stand up for Bill C-21, the Prime Minister found eight additional senators ready to stand up for Bill C-21 and make sure that it would become the law of Canada without any change because, in their absence, this bill would not be passing in its present form tonight.

Some Hon. Senators: Hear, hear!

Senator MacEachen: In the words of a fisherman, Earle McCurdy:

> Bill C-21 is an attack on working people in this country; it is an attack on small communities; it is an attack on underdeveloped areas; and it is an attack on the basic, decent foundations of our country.

We have battled against Bill C-21 for almost a year. We decided at the beginning that we would not defeat Bill C-21. Perhaps we made a mistake; maybe it should have been defeated.

Senator Robichaud: You're right!

Senator MacEachen: However, we did not take that decision. We struggled to have it improved—and improved it ought to have been.

Just the other day the Minister of Finance acknowledged that Canada is in a recession. Today, when we vote on this legislation, and if it is passed, it will hurt the unemployed in every region of Canada. The most recent statistics provided by Statistics Canada on unemployment rates for each of the UI regions paint a dismal picture for the unemployed in Atlantic Canada. The bill is coming into effect as unemployment is increasing and as the recession is taking hold. Of the 13 UI regions in Atlantic Canada, only three will have entrance requirements of ten weeks: Fortune Bay-Gander, Corner Brook and Cape Breton. If the existing legislation were in place, 12 unemployment regions in Canada would escape the draconian provisions of this bill.

Senator Buchanan, if he were in his seat, might be interested to know that if this legislation is passed today, unemployed workers in Halifax will need 17 weeks of insurable earnings to qualify for UI benefits. That is a decided increase. In Yarmouth, 15 weeks will be needed, and that is a decided increase.

If Senator Hatfield had examined and considered this particular legislation, he would have found that under the old rules UI benefits would have been available for unemployed workers after ten weeks of insurable earnings in each of New Brunswick's four UI regions. All workers in his province would have qualified with ten weeks of work. Under Bill C-21, coming into effect at the onset of a recession, ten weeks will not be enough for a single unemployed worker. The unemployed in Moncton will need 15 weeks, 16 weeks in St. John, and 16 weeks in Fredericton. In Madawaska-Restigouche, where the unemployment rate is 14.8 per cent, 11 weeks of earnings will be required. Little wonder that Bill C-21 is so despised in Atlantic Canada—little wonder!

What about Quebec?

● (1550)

In every single region of Quebec it will be more difficult to qualify for unemployment insurance benefits. In Quebec City, 18 weeks of insurable employment will be required instead of 12 weeks, and three regions will require 17 weeks. Trois-Rivières will require 15 weeks, and northern Quebec 13 weeks. The Gaspé, where unemployment is running at 13.7 per cent, will be saddled with a 12-week entrance requirement.

The entrance requirement for every region but one in Ontario will increase by six weeks, as it will for every region in Manitoba, Saskatchewan and Alberta, with the exception of the northern regions of those provinces, where the increases will be limited to two weeks.

In British Columbia, where, under the old rules, five of the six regions would have had a ten-week entrance requirement, 12 to 19 weeks will now be required.

The duration of benefits generally will be reduced by up to 13 weeks, and this in a new piece of legislation that is being put forward as we enter into a recession and after a year of struggle by every social group in the country against it.

Perhaps we ought to recall a few of the comments that were made during the hearings for those new 23 senators who now have the fate, presumably, of the unemployed in their hands, and particularly for the benefit of the eight new senators who may not be aware that the Minister of Employment and Labour in Newfoundland said:

> Bill C-21, along with the decrease in the fish stocks, is probably the most devastating thing to come our way in Newfoundland and Labrador for a long time . . . this bill will have an incredible impact.

She further stated:

> Under the new entrance requirements, the federal government says the impact will be $1.5 million. Our study says the impact will be $77 million. Under reduced benefit duration, the federal study says the impact will be $20 million, whereas our study says that it will be $30 million.

We know what New Brunswick has said. That government produced a study commissioned by the New Brunswick Department of Labour. This study is headed "UI Changes and New Brunswick, Final Version, February, 1990." I will not read all of the conclusions, but perhaps I should put on the record a few of the summary of major findings and conclusions contained in the summary. They state:

> Proposed increases in qualifying weeks could cut off as many as 22,000 workers from access to the UI Program and result in a loss of $150 million in income benefits.
>
> Proposed reductions in the duration of UI benefit weeks could affect as many as 7,700 workers, resulting in a loss of an additional $16 million or more.
>
> The total financial loss, therefore, could be over $166 million from these two proposed revisions alone.

Those are three of the major findings and explain why this bill is so despised in the province of New Brunswick and in Atlantic Canada.

If the former Premier of Nova Scotia were in his seat today—and I am sure he is occupied productively elsewhere—he would be able to listen to the testimony that was put before the committee on behalf of his minister, the Honourable Joel Matheson. Perhaps I will put one or two appropriate paragraphs on the record now that we are summing up our debate on this bill. He stated:

> The proposed changes . . . to the minimum entrance requirements will mean an additional three to six weeks of insurable employment, on average, for Nova Scotian workers to qualify for UI . . . We have estimated that 5,000 to 6,000 people in Nova Scotia will be affected by the increase in entrance requirements . . . This may be even higher, given the situation in the fishery . . .

Based on the historical study of UI claimants who exhausted their claims, they have estimated that 20 per cent, or about 17,000 claimants, will receive fewer weeks of benefits than they were formerly entitled to receive.

I could go on and read from all of the testimony that has been given indicating that this is a bad bill; that it is now being introduced at the wrong time, and that its impact will be even more serious as the economic recession deepens.

We tried, honourable senators, to seek improvements to this bill. We did seek a number of improvements, though we did not achieve the fundamental objectives of our amendments, which were to ensure that the Government of Canada would remain fully responsible for financing the benefits to self-employed fishermen in Canada and would remain, at least partly, responsible for financing the regional extended benefits in those areas in Canada where unemployment rises above a particular level. We have failed totally in achieving either of those important objectives.

That is the seed of destruction of the UI system, particularly for the self-employed fishermen of Canada.

The government did agree to a Senate amendment that the bill make specific reference to workers entitled to UI be eligible for literacy training under section 26 of the Unemployment Insurance Act. Senator Fairbairn was responsible for putting forward that amendment.

Some Hon. Senators: Hear, hear.

Senator MacEachen: The government also accepted the Senate's amendment to include, in the annual plan dealing with developmental UI expenditures to be tabled in Parliament each year, actual or estimated expenditures on developmental uses in each province for each of the three years preceding the year to which the plan applies.

The government also accepted a modified version of the Senate amendment to include in the plan estimates of supplementary training allowances to be spent in each province. The government did not accept the part of the amendment relating to the economic regions of the country.

• (1600)

What we had in mind was to obligate the government to tell us, on a comparative basis, how much it now intended to spend in each province under the so-called developmental rubric in comparison with the loss the province would have suffered as a result of a reduction in benefit payments, either through the increased insurable period of required earnings or the reduction in the duration of benefits. That was the purpose of our proposal, which was only partially achieved.

In amendment 4(d) we proposed that the 1990 plan be laid before Parliament no later than June 30, 1990, and that this plan and others be debated in Parliament. But we also wanted further provisions in the amendment that would permit Parliament to have some say in whether or not that plan was acceptable. The Province of Newfoundland, having lost the tens of millions of dollars which its government estimates it will lose, will receive one-third or one-tenth of what it previously received under the developmental system. All the government will have to do is tell the world, and Parliament will have no voice in saying whether or not that ought to be accepted.

I now turn to the UI program for fishermen. Here we made some progress. Under section 130(4) of the current act the government is entitled to repeal the UI program for fishermen by proclamation. In amendment 8 the Senate proposed that changes to the UI regulations pertaining to fishermen be subject to parliamentary scrutiny. The government agreed to remove subsection 130(4) from the current act and the House of Commons can, in the future, reject—if a vote were held—a change to the fishermen's regulation, bearing in mind that the regulations could have been abolished by proclamation were itt not for our amendment. That could now be put before Parliament and a vote could be held.

All of you new senators, who came here thinking that you were going to flex your legislative muscles, should note that the Senate was totally excluded from any possibility of participating in the review of fishermen's regulations. Harvie Andre decided that these Atlantic senators, who are interested in the fisheries, should not be given a chance to participate in the debate. Nevertheless, at least we gained that much on the matter of fishermen's regulations; and, in the acceptance of amendment 5(b), we gained the two-year carry forward provision for penalties rather than the much longer six-year carry forward provision which had been called for in Bill C-21.

Honourable senators, we attempted to restrict the developmental uses to which the fund could be put because we thought that the principal purpose of the fund was to provide income support. We did not succeed in removing the infamous

Henry VIII clause, which is referred to at page 29 in the report of the special committee, and which is one of the most atrocious pieces of legislative draftsmanship that has ever appeared.

One of the witnesses, Graham Eglington, stated as follows:

> Parliament only gave Henry VIII the power to make laws on subjects where there were no other laws, but here Parliament is saying that the commission may make regulations which are different from provisions of an act already passed by Parliament. That is a very remarkable power.

Senator Forsey, who is frequently quoted, said to the committee:

> It seems to me that the Commission, with the approval of the Governor-in-Council, can do things that are contrary to the requirements generally set out in the Act.

That is provided for in the Henry VIII clause, and it still stands as evidence of the intransigence of the government and its refusal to acknowledge that it can make a mistake.

We did not completely achieve our amendments on the disqualification penalties, which remain as a particularly harsh provision of this bill, and which were vigorously fought against by Senator Thériault, who referred to them today. That provision still remains in the bill. We failed to delete the contracting out provision. The Senate proposed to include in the 15 per cent monetary limit third-party expenses associated with the referrals pursuant to section 26 of the act and the establishment and operation of a scheme under the new developmental uses proposed in the bill. The Senate amendment was intended to close a loophole that it felt would further reduce the amount of UI funds available for income support, which is the primary objective of the UI program. Of course that was rejected by the government.

Finally, I turn to the most fundamental of all of the amendments, which has to do with the government contributions. Amendments 7 and 9 attempt to ensure that the government does not abdicate its financial responsibilities in assisting unemployed individuals. In doing so, the Senate proposed that the government continue to pay for half of the cost of benefits paid to claimants residing in high unemployment areas of the country and the net cost of benefits to self-employed fishermen. Those two amendments were totally rejected by the government. In doing so, the government persisted in its determination to remove entirely its financial support from the general revenues to the unemployed of Canada, including the self-employed fishermen. It is to that theme that I wish to turn for a moment, because it raises the alleged fiscal impact that these two amendments had on the government accounts.

On the financial side, the Senate proposed two major amendments: First, amendment 7, which would retain government contributions for regionally extended benefits at 50 per cent of current levels; and, second, amendment 9, which would retain full government contributions for net self-employed fishermen's benefits. In its most recent message from the House of Commons to the Senate the government claims that "amendments 7 and 9 . . . would cause an increase in the budgetary deficit in the order of $1.75 billion annually." The Prime Minister, in his summoning of the eight new senators, returned to this theme in his press conference and referred to a sum of $3 billion. This assertion of an addition of $1.75 billion to the budgetary deficit, the assertion contained in the message from the House of Commons, is entirely false. Our amendments 7 and 9 would not increase the budgetary deficit by a single dollar, let alone by $1.75 billion. Though the Senate amendments would require the government to contribute approximately $1.7 billion to the UI account, in comparison to the $3 billion now being provided, these amendments would have absolutely no effect on the deficit. That is true because of the simple fact that since 1986 the UI account has been fully consolidated into the budgetary account.

● (1610)

In 1989-90 the entire UI program of $11.9 billion was a budgetary expenditure, not merely the $3 billion portion that was funded by the government from general revenues. Consequently, so long as total UI expenditures do not increase, it makes no difference what proportion of the total expenditures are funded from general revenues as opposed to UI premiums.

The Senate amendments do not affect total expenditures. Indeed, the changes proposed by the government itself do not change in any way the total expenditures to be made under this program.

The honourable senator who took her seat a few moments ago talked about putting the financial house in order. Well, these proposals do not reduce at all government expenditure. If it is her belief that they do and, as a result, that the financial house is put in order, then she is mistaken. With permission, I propose to table an extract from the 1989 budget showing that this is indeed the case. At page 42 of the Fiscal Plan there is a table entitled "Budgetary Expenditures by Type of Payment". The second line of this table reads: "Payments Under the Unemployment Insurance Program." The entire program, not merely the government's direct contribution, is a budgetary expenditure.

In contrast, I call to the Senate's attention the 1985 budget, where, at page 27 of the Fiscal Plan, is a table entitled "Budgetary Expenditure Projections". Under the entry "Unemployment Insurance Contributions" are figures in the neighbourhood of $3 billion. This table shows that prior to the full consolidation of the unemployment insurance account, only the government's direct contribution to the account was a budgetary expenditure. In contrast, today and since 1986 the entire UI program is a budgetary expenditure.

Neither Bill C-21 nor our Senate amendments affect total budgetary expenditures on UI. The dispute centres on what proportion of these expenditures should be funded out of general revenue. At page 44 of the Fiscal Plan for 1989 is a table entitled "Budgetary Revenue Projections". Line three reads: "Unemployment Insurance Contributions". For 1989-90 the amount is $10.6 billion; for 1990-91, it is projected at $12.3 billion.

Why this sudden increase of approximately $1.7 billion? Of course, the answer is found in Bill C-21. First, it must be remembered that UI premiums paid by workers and employers are budgetary revenues, just as are sales taxes and income taxes. Any increase in UI premiums is an increase in budgetary revenues and thus a positive development as far as the deficit is concerned.

Bill C-21 in itself does not reduce UI expenditures. It increases UI premiums and thus increases the budgetary revenues. Section 30 of Bill C-21 increases the UI premium rate from 1.95 per cent to 2.25 per cent. What Bill C-21 has principally achieved is a substantial tax increase in the form of increased premiums rather than any change in the expenditure outlays of the government. Workers and employers will pay more in UI premiums under Bill C-21. In fact, this increase in premiums will be retroactive to January 1, 1990.

At page 35 of the 1989 Fiscal Plan the government projects that in the 1989-90 fiscal year the increase in premiums provided for Bill C-21 will bring in an additional $425 million. In 1990-91 it will bring in an additional $1.9 billion.

Before 1986, any increase in UI premiums and UI revenues would have had no impact on the deficit because UI premiums were not part of budgetary revenue. At page 31 of the 1985 Fiscal Plan is a table entitled "Budgetary Revenue Projections". There is no entry for unemployment insurance. UI premiums, prior to 1986, were not budgetary revenues. Today they are.

Had the Senate proposed to reduce the premium rate provided in Bill C-21, the government could legitimately have claimed that our amendments would have had the effect of increasing the budgetary deficit. But the Senate's amendments did not touch the premium rate. Therefore, they did not affect the budgetary deficit. Therefore, the message from the House of Commons is false. The frequent statements made by the Leader of the Government in the House of Commons are false; and the statement of the Prime Minister that our amendments to Bill C-21 were adding to the budgetary deficit is also false.

Honourable senators, I have taken some pains to make this point in a rather tedious way because it is fundamental to exposing the con job that has been going on for months now on the part of the government as to the impact of the Senate's amendments.

Now, honourable senators, we are debating basically a proposal made by myself that the message and the subsequent motion moved by Senator Doody, in which the government again refused our amendments, be sent to a conference. It is a fact of parliamentary history that any time the Senate has insisted on its amendments—and it has rarely done so—the government of the day has either given up the bill or has had a conference with the Senate. The government, when we insisted upon our amendments, gave us the back of its hand and sent us a message, upon which Senator Doody moved a motion that we back off. I moved that the message and the motion be sent to a conference between the two houses to see whether we could iron out our differences.

[Senator MacEachen.]

Why did we do that? We did it because such conferences were held in 1910, 1919, 1921, 1922, 1924, 1925, 1933, 1934, 1938 and 1947. Senator Roblin said that 1947 was a long time ago, implying, of course, that the practice had fallen into disuse. Well, it is not as far back as 1867 when section 26 was put together. Now we have a government telling us that it could not come to a conference because the last one was in 1947 and it was somewhat antique. Why is the Leader of the Opposition in the Senate bringing up these antique rules, for God's sake! No conference was possible. But it is possible now to take the most antique of antiques and bring suddenly eight new senators into our midst. It is incredible.

• (1620)

Senator Roblin also said, "if it were possible." He said, "it is a long time ago since we had the last conference in 1947, and I would vote against such a conference because I think the positions of both sides are fixed." Well, the positions of both sides were not fixed—at least, they were not fixed on this side. That was made clear not only to Senator Roblin privately, but also made clear elsewhere.

After I moved the motion to have a conference, Senator Ottenheimer moved the adjournment of the debate. That was on May 22, and it stood adjourned until today, October 22. Why?

Senator Thériault: Waiting for the eight.

Senator MacEachen: I think I have to lay on the Table a few facts—

Senator Simard: All the facts.

Senator MacEachen: —all the facts that pertain to this particular incident of the conference and the subsequent negotiations that took place. Shortly after Senator Ottenheimer adjourned the debate, he approached Senator Stewart on this side of the house, very quietly, asking whether it was possible to have a meeting between members of the government and myself with respect to resolving our difficulties on Bill C-21.

A short time later, on June 4, Minister MacDougall's chief of staff called my office to arrange for a meeting with the minister the following day. The meeting took place in my office on June 5, 1990. We did not publicize it because we thought it would be premature and that it might prejudice the prospects of a successful negotiation.

The minister and I had two exchanges. One brief one on the telephone, and one longer one in my office. We discussed principally the financial impact of our amendments, but certainly we did not reach a common understanding of the fiscal impact of the Senate amendments made in the area of government contributions. It was decided that the minister would return to the Department of Finance and report our exchanges; and it was also agreed that further consultation would be carried out between my office and the Deputy Minister for Employment and Immigration, Mr. Arthur Kroeger, to ensure that we proceeded from a common understanding of the financial aspects of unemployment insurance. It is a very complicated area, and it was deemed necessary to ensure

that we had a common understanding; and for that reason the meeting was arranged with Mr. Kroeger.

I also expressed a wish and the expectation to the minister that if we built on this common understanding, I was confident that Bill C-21 could be passed before the end of June. Certainly the common understanding exploded totally the claim of the government that the Senate amendments had a fiscal impact. At a meeting in my office in June, Mr. Kroeger confirmed that as long as Bill C-21 provisions concerning premium rates were not amended, which I underlined were not part of the Senate amendments, its other provisions and the Senate amendments were fiscally neutral and had no effect on the budget deficit. Premium collections had to be seen as a tax and Bill C-21 raised the level of that tax. Revenue from that increased tax would finance the payment of unemployment benefits through the Consolidated Revenue Fund and the unemployment insurance bookkeeping account. How the flow was managed between the Consoldiated Revenue Fund and the unemployment insurance account was simply a matter of accounting and had no effect on government revenue and expenditure. In fact, Mr. Kroeger made it very clear that a government contribution from the point of view of the operation of the accounts was a debit which, when paid in, was registered as a credit and each cancelled the other out. I think those were his words.

However, according to Mr. Kroeger, if Bill C-21 had been in effect at the beginning of this year the unemployment insurance account deficit at the end of 1992 would be about $3.3 billion. If Bill C-21 were passed with our amendment, the cumulative surplus in the unemployment insurance account would be $2.7 billion. The fact of the matter is that the principal effect of the amendment which we made to maintain 50 per cent of the government contribution was not to add to the budgetary deficit, was not to add to government expenditures, was not to decrease revenues, but it was to reduce the amount of the deficit that would occur at the end of 1992 in that bookkeeping UI account. At 50 per cent, I believe the cumulative surplus in the UI account would be $2.7 billion.

I thought this was an extremely valuable understanding, because it allowed us the opportunity to reach a level of government contribution, if we could agree, that would not affect the deficit or total expenditures, and would, at the end of 1992, leave to the government of the day any options as to how it would deal with the UI account. If the surplus were substantial, the government could reduce premiums or increase benefits; or, indeed, if the Conservative government then had a majority in the Senate it could go back to its original proposal. But the proposal which I made seemed to be a very workable one and could carry us through easily until 1992 and the bill would be easily passed before the end of June. With respect to the non-government contribution aspects of the amendments, I assured Mr. Kroeger that we could settle those if we could settle on the government contributions. By the way, after our meeting with Mr. Kroeger it was understood that he would check further into the facts. We expected him to get back to us on them. I will return to that point later.

• (1630)

I do not want to burden honourable senators with a lot of additional combinations and permutations. However, on August 27, I received a letter from Mr. Hockin, which I will table if honourable senators so wish, asking the fast passage of Bill C-21 because he needed the money for a financial package to assist the people who were affected by mine closures in Elliot Lake. I thought that this might be an opening to get the attention of the government.

I wrote back on August 28 stating:

> I share with you a desire to achieve the passage of Bill C-21, and I believe such can be achieved with give and take on each side.
>
> The debate on the bill was adjourned by the government in the Senate on May 23, last, and was not called again by the time the Senate adjourned on June 27. Had intensive consultations taken place in the interval in a spirit of compromise, between the government and the opposition in the Senate, Bill C-21 could have cleared the Senate by the end of June, a view which I communicated to the Deputy Minister of Employment and Immigration.
>
> As you may be aware, the amendments we have proposed do not touch upon the revenue-raising objectives of the bill. Accordingly, a resolution of the difficulties could be found without effecting seriously the fiscal position of the government.
>
> It goes without saying that we are quite prepared to resume discussions on the matter.

That letter was dated August 28. I did not receive an answer to it.

Having had the meeting with Mr. Kroeger in June, and having heard nothing from him in the interim, I instructed Mr. Dupuy of my office to inquire of Mr. Kroeger whether any progress was being made in the government's consideration of my proposals. I am pleased to table the text of Mr. Dupuy's letter of August 10, 1990, to Arthur Kroeger. Failing a reply, Mr. Dupuy inquired again of Mr. Kroeger in a telephone conversation on August 24, 1990. Mr. Kroeger said that a response would be handled at the political level. Of course, it came in the form of a recourse by the government to section 26 of the Constitution.

It is important to read this letter addressed to Mr. Kroeger because it summarizes the discussion as we understood it, that is, the common base of understanding. It states:

> Dear Arthur,
>
> You will recall our meeting of June 19, 1990 with Senator MacEachen, which served to clarify our understanding of how the UI financial systems works, including the implications of the current situation relating to Bill C-21.
>
> In particular, we noted your point that the effect of the Bill C-21 hold-up is fiscally neutral, which we understand to mean that continuing the Government Cost of Benefits has no effect on the budget deficit because it amounts to a

bookkeeping entry on both sides of the ledger, the CRF and the UIA, which cancel out each other.

Furthermore, the delay is not affecting total UI expenditures, since they were not being varied under C-21 in any event. On the revenue side, the postponement of the enactment of Bill C-21 does not increase the deficit because the increased premiums are being collected at the new rate established by the legislation, retroactive to January 1, 1990, regardless of when the bill is passed. The postponement only changes the balance of the UIA at the end of three years at which time premium rates have to be set again.

You also confirmed that, failing the enactment of Bill C-21, a problem would arise at the end of 1990, since no authority would exist for the new premiums collected since January 1, 1990.

You will recall that Senator MacEachen made some suggestions for moving Bill C-21 forward. He was confident that, if we could build on our understanding of the situation, Bill C-21 could be passed by the end of June. I can assure you there has been no change in Senator MacEachen's mind. If we build on the better understanding we now have as a result of our meeting, Bill C-21 could be moved forward expeditiously.

You said that you would do some more checking on your side and be in touch with us. Have you made any progress?

We were then told it had been shifted to the political level.

Honourable senators, there are two conclusions to be drawn. One is a financial one, and one is a political one. The financial conclusion is that it was a false assertion to say that in view of the consolidation of the UI and CRF into one account that our amendment on government contributions added to the deficit. Mr. Kroeger made that clear. Subsequent conversations between financial officers and my office also made that clear.

There is, of course, an impact, but it is not on the deficit. With no government contribution into the so called UI account at the end of 1992 we would have a deficit, as is projected, of approximately $3 billion. If we did have some contributions, then that deficit would be changed into a surplus.

The second conclusion is that the government adjourned the debate on May 23 and did not enter into serious negotiations because it wanted to establish a fraudulent foundation for a recourse to section 26 of the Constitution. If the government were serious about this adjournment, then it would have conducted serious negotiations. It would have responded to the proposals which I made and it would have made some counter-proposals. But I think that we were misled by that adjournment. We acted in good faith, but the government did not. I am satisfied, as I said in June and in August, that this bill could have been cleared by negotiation. It was quite unnecessary for this bill to have resorted to a never used section 26 of the Constitution. However, that is not the main point.

The main point is that this bill is bad for the workers of Canada, as well as for the unemployed, who have been entitled

[Senator MacEachen.]

to believe that the government would continue to protect their insurance system through annual contributions. That protection has been removed. The self-employed fishermen have been entitled to expect, against so many attacks, that the government would provide them with their benefits through unemployment insurance.

• (1640)

I know from my years in the government that that system has always been under attack, even when the government was paying the shot. When the government paid every dime for the fishermen, people said, "This is wrong. It should not even be sheltered in the UI system." The attack will now be reinvigorated with greater reason, because the government cannot say, "After all, we are paying for this." I believe that the unemployed are taking a soaking insofar as the future of this system is concerned. They are taking an immediate soaking in increased qualifying periods and reduced duration of benefits.

You may remember, honourable senators, that we did make a number of amendments here that would have affected the duration of benefits and the qualifying periods. These amendments were struck down by the Speaker as being out of order on the grounds that they exceeded the Royal recommendation which had preceded the initial unemployment insurance bill. We accepted the withdrawal of amendments, and the only remaining major financial amendments in contention—at least from my point of view—were those which, first, provided for 50 per cent of the contribution of the payments of regionally extended benefits; and, secondly, the payments for fishermen's benefits.

We are coming to the vote. We will vote against the bill and, presumably, we will lose.

Senator Murray: Oh!

Senator Thériault: No, some of them will vote for it!

Senator MacEachen: Because we are outnumbered greatly.

Senator Cools: Senator Simard will vote for it!

Senator MacEachen: We are outnumbered by recent recruits who have come at a last minute under false pretences because there was no deadlock.

Senator Murray: No?

Senator MacEachen: There was no deadlock. There was a reluctance on the part of government to negotiate seriously because it wanted to establish a fraudulent basis for the regrettable action that it took very recently.

Some Hon. Senators: Hear, hear!

QUESTION OF PRIVILEGE

Hon. Philippe Deane Gigantès: Honourable senators, I rise on a brief point of privilege. Earlier I made a tasteless remark for which I apologize. It was not addressed to you, Senator Robertson—it was not addressed to anyone in particular. It was tasteless and I apologize.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, it is with pleasure that I rise today to speak on Bill C-21 and more particularly to urge all my colleagues—liberals and conservatives as well as the only Reform Party representative, senator Walters—to support senator Doody's motion, now that senator MacEachen's amendment was rejected.

A lot has been said about Bill C-21. I can remember speaking at least twice already in this House to try and explain some provisions of this bill and suggest possible amendments that could be acceptable to the government.

The last time I rose to speak in this House was in May. Since then, certain political events have taken place. The Liberal Party gave itself a new leader. Its new leader sought refuge in New Brunswick and this timely move allowed us to recall certain offending words he had for the people of New Brunswick in 1978 when, carried away by partisanship no doubt, he has told us that, should Quebecers vote for independence, Quebec would become "big New Brunswick".

He is also criticized for saying something to the effect that New Brunswick was a huge outhouse. Now, I do not remember hearing those very words and I believe him when he affirms he said no such thing. Many other things happened since May. There was the Oka crisis and the death of the Meech Lake Accord, which we owe to its true gravediggers: the Chrétiens, Wells and company.

Let us now come back to Bill C-21 and to comments made in this House today by senator MacEachen as well as by senators Kirby and Thériault.

So, the Liberal Party of Canada has a new leader who might get elected in New Brunswick. As a matter of fact, judging from the comments heard and the suggestions made today, Allan MacEachen is obviously the leader in the Senate, irrespective of who is at the head of the Liberal Party, be it Pierre Elliott Trudeau, John Turner or Jean Chrétien.

Senator MacEachen told us earlier—

• (1650)

[*English*]

Senator MacEachen quoted Premier Wells. He quoted several reports. He divulged to us today, officially, in greater detail than he did last week—as Senator Gigantès stated and was reported as saying in *La Presse* last week—elements of discussions and meetings with Barbara McDougall, Arthur Krueger and others back at the end of May. My understanding is that these meetings were unofficial and the contents thereof would not be divulged.

An Hon. Senator: Confidential.

Senator Simard: But that is all right. I make a commitment here today to tell the whole story eventually, in the next few weeks, concerning what those figures were, what the proposal was and whether, as Senator MacEachen has told us, these projected costs were fiscally neutral, because the Department of Finance tells us otherwise.

I want to remind Senator MacEachen that I am not very impressed by the tabling of letters from Arthur Krueger.

Senator MacEachen: I did not table any letters.

Senator Simard: You will, though, I am told. I thought you were to make them public?

Senator MacEachen: I did not table any, no.

Senator Simard: Did you not say that you would make them public and that they were available?

Senator MacEachen: No. I did not, and I will not.

Senator Simard: Fine.

Senator Barootes: But he said that he had tabled them!

Senator Simard: I appreciate the fact that you are not going to table them unless you get permission from the government. However, I should like to remind Senator MacEachen that, regardless of the figures prepared and exchanged between civil servants, deputy ministers and their offices, it is the political master ultimately who makes the decisions. These people account to the people of Canada.

Senator MacEachen has mentioned a system that could have been used to improve the bill and determine the costs. He is telling us that he would favour "cooking up" the books. He would have delayed the increase in the deficit. For deficit purposes, he would have delayed the cost of his amendments.

It is fine for him to accuse the Prime Minister of laying a fraudulent foundation to the recourse of section 26, but he is telling us that, according to his proposal, by some magic wand, he could spend more money in providing the same services and the same training, and yet the deficit would be lower.

Senator Frith: No, it is neutral.

Senator Simard: That does not make sense. Canadians will not be fooled by that. Senator MacEachen presided over the finances of Canada for a few years. This is the same senator who, while he had ministerial status, predicted a deficit of $10 billion for 1982-83. Six months later that figure had risen to $16 billion. We know what happened in the following months. Marc Lalonde took over and he had to recognize that the deficit had reached $26 billion.

Senator Frith: Wrong again.

Senator MacEachen: Your history is bad.

Senator Simard: Canadians in general—and we on this side in particular—take with a grain of salt these miraculous formulae.

Senator Frith: You may be a good publisher, but you are a lousy historian. I am not sure about the publisher, either.

Senator Simard: I know it hurts, Senator MacEachen, because you want Canadians to forget these things. Canadians across the country have not forgotten those great golden Liberal years.

Let us get back to something more serious. I have Senator MacEachen at the end of my fishing rod; he has caught the bait.

Senator MacEachen presided over those Liberal golden years when we had double-digit inflation.

Senator MacEachen: We had better interest rates than you have now.

Senator Simard: Those were the great golden Liberal years that we should be happy about, but people will not forget those years.

Senator Kirby and Senator Thériault have told us that their party has a different philosophy than ours. Obviously they are right on that count, and I take no objection to that. At the same time—

[*Translation*]

I think that the means to achieve our goals meet with the approval of all elected and non-elected parliamentarians. At the federal level as well as the provincial level, we all want a better life for our fellow citizens. I wish to echo what senator Robertson said a moment ago and tell senator MacEachen and his colleagues that compassion, the desire to improve, to insure fairness, our desire to continue providing increasingly beneficial and numerous social programs—eventually, when the deficit is out of the way, we will all agree on that—constitute the general goal.

We obviously disagree on the means to achieve this goal. I believe that Bill C-21 shows that the means and measures advocated by this government differ substantially from those the Opposition advocated for years.

Of course we view things differently. This is a more realistic and more confident vision of the future, which results from measures that have been giving spectacular results since 1984.

Also, the early signs of a recession have indicated for a few months that the situation is worrying. In terms of job creation, increased benefits and regional development in New Brunswick and elsewhere, the government succeeded magnificently in achieving several goals and managed to control the current account deficit or surplus.

● (1700)

[*English*]

Honourable senators, regardless of the means that we choose to employ to clean up the financial mess and protect our social programs for Canadians, I should like to tell Liberal senators that compassion is not their lot. We, on this side, have compassion, but we have to have the means of our policies and our politics.

Senator Kirby told us that the role of the UI system also included that of distributing income. I agree with him. However, the government has decided to turn the system into a true unemployment system by making employers and employees pay. It feels that the time has come to relieve people who pay taxes, such as old age pensioners, students and so on, from paying on the insurance component of this program. I believe in that approach.

[*Translation*]

Along the same line I must add that I am not one of those who believe we should let the laws of the market look after older people, and give those laws free rein without any government interference.

I am not a doctrinaire Conservative.

Some Hon. Senators: Hear, hear.

Senator Simard: I think that over seventeen years, with my colleagues Senators Robertson, Teed and others, we have shown that a responsible government willing to keep the deficit to a minimum could find ways to enrich existing programs whenever necessary, but most of all protect them.

[*English*]

Senator MacEachen has told us that we were insensitive to opposition amendments. Before I come to that point, I want to say that Senator MacEachen's comments were breathtaking in their selectivity. He quoted Premier Wells—

Senator MacEachen: I did not.

Senator Simard: You referred to Premier Wells.

Senator MacEachen: I didn't.

Senator Simard: You talked about Newfoundland—

Senator MacEachen: I didn't mention his name.

Senator Simard: Maybe you did not; maybe I am getting carried away here. Essentially, the honourable senator said that this was a bad bill introduced at the worst time. Then he went on to supply figures on the Newfoundland situation. I think I am correct now.

Senator Hébert: We'll see.

Senator Simard: Premier Wells had something to say about the bill, and particularly the labour force development strategy provisions. Premier Wells in a statement he made in April 1989—which indicates that Bill C-21 has been under discussion for two years now—said that he thought that the federal government was going in the right direction, and that those provisions were just what he had asked for. The Minister of Social Services, the Honourable John Efford, said on August 28, 1990 with regard to the insurance requirement provisions that he would like to see 10 weeks around the province and that he had no problem with going with the 14 weeks in an area like St. John's. There is no need to remind honourable senators that—

[*Translation*]

You will recall that when Mrs. Aldea Landry, the Minister of Intergovernmental Affairs for New-Brunswick, appeared before the committee last spring, she said the bill could be improved by doing this or that but she also said that time had come to go ahead with that bill.

[*English*]

Of course, after a few months—no doubt at the urging of the Liberal Senators and, in particular, their leader in the senate, Senator MacEachen—they commissioned a study, which Senator MacEachen quoted from earlier today.

Senator MacEachen: No, sir.

Senator Simard: You quoted figures.

Senator MacEachen: Yes, but I certainly did not urge that it be commissioned.

Senator Simard: Maybe Senator Thériault did the job for you, but that is neither here nor there.

Senator MacEachen: That is not true at all.

Senator Simard: It is funny that the honourable senator should quote from that report, and he chose not to quote the person responsible for the Global Economics report which was commissioned by the Liberal Party of Canada.

Senator Perrault: Get off it!

Senator Simard: Essentially, the Global Economics report and Patrick Grady, the person responsible for the study, said that Bill C-21 was a good bill and should be passed by the Senate. That is the conclusion in that report. The Liberals said that that was no good, that they would have to get another report. How can anyone put up with such hypocricy.

Senator MacEachen: Who is Patrick Grady?

Senator Simard: He went on to say that the study was based on the belief that not one single person would get any of the additional weeks of work to qualify for U.I., this despite our experience with the changes under Bill C-14 in 1978 and in spite of which people were able to find the additional weeks to qualify. That report was not good enough for Senator MacEachen. He said, "No, we now have to ask Fred McKenna", the new political organizer for Jean Chrétien in Beauséjour, but let us leave that for another day.

I just referred to amendments by the previous government, of which Senator MacEachen was a member, in 1977-78. Here is what happened then. Bill C-27 was passed by the Liberal Government in 1977, by those same people who say we are hard, against conciliation, show bad will and so on. Here is what they did in their 1977-78 amendments. Let us start with Bill C-27 which was presented by the Honourable Bud Cullen. First, he dealt with the steps of reform to the Unemployment Insurance Act.

• (1710)

In that bill, there was a change from a flat entrance requirement to variable entrance requirements. There was also a reduction in benefit duration for some claimants. There was also a change to a three-phase benefit structure, which gave authorization for developmental uses of the UI funds.

Senator Stewart: May I ask a question, senator?

Senator Simard: No. Later on, senator, I will take your questions.

Senator Phillips: Take the heat for a while!

Senator Simard: That bill, Bill C-27, was passed by the Liberal government during those great, golden, Liberal years.

Senator Cools: Great years!

Senator Perrault: You are living in the past, Senator Simard!

Senator Simard: Bill C-27 in 1977 provided authorization for developmental uses of UI funds, including using the funds as income maintenance for claimants on approved training courses, job creation projects and work-sharing arrangements. It also provided for variable entrance requirements, and that was hotly disputed at the House of Commons committee stage.

We on this side have been accused of imposing the guillotine. My colleagues in the House of Commons are also accused of the same thing.

An Hon. Senator: With good reason!

Senator Simard: We are accused of using the guillotine by way of time allocation. Well, what happened in 1977? Mr. Trudeau, Mr. MacEachen, Mr. LeBlanc, Mr. Perrault and all those people who in their previous lives, were presiding over the affairs of Canada—

Senator Perrault: This is 1990!

Senator Simard: —invoked time allocation in order to speed passage of the bill through the House of Commons.

I will now discuss what happened in the Senate. There was a Liberal majority in the Senate then. The Senate committee got Bill C-27 on August 2, 1978, and reported the bill without amendment the following day, August 3, 1978.

Senator Phillips: What, no travelling committee?

Senator Simard: No travelling committee. No million dollar circus. No. They passed it, rubber-stamped it.

Senator Doody: And got Royal Assent the same day!

Senator Simard: These are the people, Senator Thériault, Senator Robichaud, Senator Gigantès, Senator Hébert—

Senator Robertson: And Senator MacEachen.

Senator Simard: —who say that we are not democratic.

Senator Cools: You are mean and cruel!

Senator Simard: They say that we are not showing compassion.

Senator Cools: No!

Senator Simard: They say that we are not being flexible, and they are now seeking amendments.

Senator Hébert: All true!

Senator Simard: Senator Hébert, you were the one who headed up that trip to Canso.

Senator Cools: The wild expedition!

Senator Murray: Tell us more! Tell us more!

Senator Simard: There you were, crying over the shoulders of the unemployed—and I am for that. I can cry, too.

Senator Gigantès: You did!

Senator Simard: But where were you in 1978? Where were you in 1977?

Senator Gigantès: I will check my calendar.

Senator Simard: Perhaps you were not here in those years.

An Hon. Senator: He was blowing a whistle somewhere.

Senator Simard: You should have been in the street, fasting.

An Hon. Senator: Or ringing bells!

Senator Simard: You should have called your future Liberal colleagues. No, I do not think that is very serious.

Senator Hébert: What you are saying is not serious.

Senator Simard: You passed it all in one day! Now, that was 1977. I hope you are not being disturbed by my reminding you of all of those great Liberal years.

Senator Perrault: Oh, yes, we are really worried about it!

Senator Cools: Great years!

Senator Simard: I now come to Bill C-14 in 1978, again presented by the same minister, Bud Cullen.

Senator Perrault: He is not here to defend himself.

Senator Simard: At the time, Prime Minister Trudeau wanted restraint measures. Higher entrance requirements for repeaters—that was part of that bill, too! That is essentially what we are trying to do with Bill C-21.

Senator Gigantès: What is he quoting?

Senator Simard: They passed that. They provided higher entrance requirements for new entrants and re-entrants. They reduced the benefit rate from two-thirds to 60 per cent of insurable earnings, and they made sure that there was recovery through the income tax system of a portion of the benefits from higher-income claimants.

Now, what happened in the Senate? Well, they had three weeks prestudy. I wish we had had prestudy of Bill C-21. We would not have kept the people of New Brunswick, among others, waiting and starving and pleading and going on the welfare rolls in New Brunswick, as we saw all summer. No. That is one thing that Senator MacEachen made sure would not happen here any more under his direction. There was to be no more prestudy. However, it was good enough during those Liberal years. What hypocrisy! They had three weeks prestudy and then rushed the bill through all stages in the Senate, with no amendments, on the same day as passage in the House of Commons. What a Christmas gift for the people on December 22, 1978! Royal Assent the same day!

I do not know where the present senators were in 1978, whether they were in this house or the House of Commons, but we do know that a number of them came from the other place. That is why you people are not going to be believed when you go back to your provinces and try to put the blame on this government and present us as being without compassion. We will tell them. We will remind them of what happened in 1977 and 1978.

What is much more interesting for me is to talk about the bill itself, but I thought it was important that we answer Senator MacEachen.

Senator Cools: Tell us how kind you are! Tell us!

[Senator Simard.]

Senator Simard: Senator Robertson and Senator Tremblay in their speeches did a pretty good job in unmasking the Liberal hypocrisy that we saw today.

[*Translation*]

I therefore believe that this bill and its new approach to unemployment insurance will be beneficial to all Canadians, including the people of the Maritimes. I hope hon. members will not take offence at the fact that a substantial part of my speech will contain references to the Maritimes.

I support this bill because I feel it prepares this country for the twenty-first century by dealing with unemployment head on. The proposed legislation, honourable senators, is intended to provide occupational training for Canadian unemployed workers, welfare recipients and older workers; to help upgrade the basic skills of our young people; to allow communities across the country to benefit from adjustment measures and programs; to reduce the qualifying period in high unemployment areas in the Atlantic provinces from 14 to 10 weeks; to extend eligibility for unemployment insurance to older Canadians 65 years and over; and to increase parental benefits for families.

As we have said repeatedly, the $350 million earmarked for occupational training for 60,000 workers and $450 million for parental and maternity benefits are major components of the bill before us today.

A total of 150,000 Canadian men and women are bieng deprived of the benefits provided under Bill C-21. Premier McKenna, no less, put pressure on Liberal senators, either on the telephone or during meetings in New Brunswick. On August 20, when I met the Premier, he told us: it is going to cost New Brunswick from twenty to twenty-five million dollars per year more because the Liberal senators refuse to adopt this bill. In addition, this puts considerable pressure on families that do not have enough weeks to qualify for benefits.

Honourable senators, as far as we are concerned, we do not intend to move the clock back and propose, as the Liberal senators in this Chamber would have us do, a system that would pay people to stay home. That is not what Canadians want and certainly not what the people in the Maritimes want.

What our people want is a chance to have a full-time worthwhile job that will not only maintain their way of life but also give them some personal satisfaction.

That is what Bill C-21 intends to do, and the government wants to maintain the UI program's income support role while getting rid of elements that might be an incentive to inactivity.

Above all, we have realized that Canada is falling behind in training its workers and that there is a flagrant imbalance between our active and passive means of intervention.

Our country is losing ground compared with other industrialized powers in the area of manpower training and re-training. In an increasingly competitive and international market, in the medium-term this could mean an economic disaster.

So far, criticism I have heard about Bill C-21 has been limited generalities and to prophecies of doom.

Senator Thériault, for instance, once again served up the same tired old speech he has been using since 1970, since his party lost in New Brunswick, with the same apocalyptic terms.

However, I would rather talk about the benefits this legislation brings to the people of the Maritimes.

I believe that the Maritimes and in fact all Canadians will benefit under Bill C-21 which is only one of many initiatives by this government to boost our economy.

● (1720)

[*English*]

Honourable senators, I am one of many from the Maritimes who are insulted to hear every time the unemployment insurance regime is mentioned that it is only for fishermen from the Maritimes. That is insulting, because people in the Maritimes want to work, yet the message they get in western Canada, Toronto and elsewhere is that the UI program is for the fishermen, and that somehow they have both hands in the till. I like to think there is a better way of helping the fishermen. I am glad we have taken this first step in the reform of the UI system. It is a good first step, because eventually fishermen and all other workers will not be identified with this system and be labelled "freeloaders".

I find it very insulting to be put in the same bag and be identified with a system that, according to many, only benefits the fishermen.

[*Translation*]

Since we are talking about government measures in addition to Bill C-21, allow me to mention the program of adjustment to the current context whose cost is expected to reach $130 million.

The federal government will implement a new adjustment plan designed for plant workers. This program, for which the government has earmarked up to $120 million over five years, is intended for plant workers and trawlermen who will lose their job and it will provide special assistance to older workers ineligible for alternate adjustment programs.

Senateur Thériault told us a moment ago how important it is for governments to make concerted efforts. The provisions of the adjustment program I am talking about now will make it easier for us to work with the provincial governments; companies and unions will have to take part in the preparation of this program based on the use of a common resource and to make a financial contribution so that the program meets the immediate and future needs of fish plant workers.

The government will also encourage consultations with the provinces and the industry with a view to solving the problem of excess fishery and processing capacity, just as it will discuss with fishermen the issue of gradual implementation of individual quotas transferable to certain fisheries.

Honourable senators, another program has to do with economic diversification and it is expected to cost $146 million, even though it may not go over too well with the Liberal senators who are bent on defending the unacceptable status quo rather than accept changes to the fishery sector which is trying to get a handle on problems created by the fish stocks. This program will have mid- and long-term benefits in our maritime region.

Indeed this program will enable the government to take steps to diversify the economy of communities inside and outside the fishery sector, with particular emphasis of those which depend on fishery operations which are hard hit by lower quotas and fish stock depletion.

The government will also provide employment opportunities based on the Atlantic Provinces natural advantages for instance, the ocean, tourism and resource industries.

Honourable senators, this program which was announced a few months ago by my member of Parliament and our Minister of Fisheries, Bernard Valcourt, and whose details should be made public shortly, will encourage the marketing and development of underutilized fish stocks and give a new direction to fish plants which otherwise would have to close.

Again under this program, the federal government will launch a sectorial marketing campaign on fish products, a campaign which will emphasize the marketing possibilities of more expensive products, for underutilized stock and top quality commodities.

A pilot project is currently being implemented in New Brunswick, thanks to the efforts of Bernard Valcourt, and M. Lauzier, his New Brunswick counterpart.

Honourable senators, I should like to situate the debate on Bill C-21, and possibly explain the distant and immediate election motives behind the three-week circus which the Liberal senators conducted here recently. Since 1984, and especially since 1988, the Liberal senators have systematically fought against all the legislative and budgetary measures introduced by this government in an effort to reduce the deficit for the purpose of maintaining our social programs.

The GST, Bill C-28 which we adopted last week and the Bill amending the unemployment insurance we are dealing with today are major elements in the government's program. As Progressive Conservative senators, we sincerely believe that Canada must have the means to support its social and economic policies.

We must therefore have the courage of our convictions and the firm intention to denounce those of the Federal Liberal Party and the Reform Party of Canada.

Because the Liberal Party is running the risk of being overtaken by the New Democratic Party in an election, these Liberal senators would like Canadians to believe that our country's financial resources are unlimited, that the magnitude of our deficit is insignificant and that social programs will always be there anyway. As to the Reform Party, its remedy is also simplistic: as a government, they would reduce all social programs by 15 per cent, including family allowances to the have-nots, transfers to provinces for education, health and welfare etc. Honourable senators, I look forward to Senator Waters' return from Alberta, so that we may have an opportunity to debate the solution proposed by his Party. If we cannot do it in the Senate, we will do it elsewhere.

The new Liberal leader is visiting Beauséjour these days, and I would ask Mr. Chrétien, whom several Liberals from Quebec, the Maritimes and Western Canada already call "Yesterday's man", to take this opportunity to tell us and to tell all Canadians what a Liberal government under his leadership would have to suggest as far as UI reform is concerned.

Under his leadership, would the UI program continue to be a kind of welfare program costing dearly to all Canadian taxpayers, including our elderly, instead of a real unemployment-insurance program benefiting both employers and employees who would also be the insured contributors? Now that I am on this subject, may I digress for a moment. As Senator Kirby mentioned earlier, for years the UI account has paid benefits to fishermen. I, myself, said that the fishermen, from New Brunswick for instance, were always thought of as abusing the system.

Rest assured, honourable Liberal senators, as Michael Wilson and Ms. MacDougall said, the Mulroney government will not leave the Maritime fishermen or the Maritimes unemployed all by themselves, in their boat, without an oar.

As far as I am concerned, in difficult times, people from New Brunswick are as entitled to major assistance programs and injection of funds as are farmers from Western Canada and other areas when they are in trouble. Mr. Michael Wilson told us that, during a lengthy crisis, money will be made available to supplement the UI account so that the premiums paid by the employers and the employees are not unduly high.

• (1730)

Honourable senators, I asked and still ask the new leader of the Liberal Party to take the opportunity of the by-election in Beauséjour to explain the kind of reform he would present as head of a Liberal government.

Over the weekend, he refused to clarify his position on the GST. He refused to promise to eliminate the GST. Journalists and people in Beauséjour asked him what a Liberal government would do. His answer was that he would set up a commisison or a task force. He repeated what he had told three weeks before, that he would improve the system. When you let a Liberal government improve a system, it usually means more taxes or more reductions of the kind I mentioned concerning certain bills in 1977 and 1978.

Honourable senators, I hope he will give answers that are more precise, but I am afraid his refusal to explain his position on the GST is a good indication of his lack of courage or honesty. Canadians will have to wait a long time, I am afraid, before he gives my question a real answer.

Maybe he will want to take the advice of his Toronto Liberal senators and of his new recuit, Mrs. Chavia Hosek, a former minister and a former star in the Peterson government. She is a new member of the task force on research and policies.

Honourable senators, Maritimers like myself cannot expect much from this new Toronto-Shawinigan-Beauséjour partnership for the future of their region. These people have not shown the sensitivity or the knowledge of our community that would enable them to promote long term solutions to help us become full-fledged Canadian citizens brimming with hope for the future.

Senator Kirby may want to reassure us. His colleagues, Liberal senators and others, say that Senator Kirby, along with senators Grafstein, Davey and a few more, would be part of that "fresh', team, that "Hosek-Shawinigan-Beauséjour" team, charged with preparing policies for a future Liberal government.

As you will notice in *Debates of the Senate*, the word "fresh" is in quotation marks.

[*English*]

As far as I am concerned, I would pick Brenda Robertson, Thérèse Lavoie-Roux, Arthur Tremblay, Bernard Valcourt and Brian Mulroney any day of the week to be on my team to protect the Maritimes.

Senator Robichaud: And you will have 15 per cent in the polls!

Senator Perrault: You are singing for your supper!

Senator Simard: We will develop policies that will fit the Maritimes. I would not leave this matter in the hands of Senator Grafstein, Senator Davey or even to Senator Kirby, who at one time was an expert—and maybe he still is an expert, but he would be outnumbered on the committee. I should think about concluding my speech, unless we want to forget about the clock.

[*Translation*]

It is a shame, honourable senators, that senator Kirby did not take avantage of the opportunity afforded him today to comment on his new responsibilities and this new partnership. He will no doubt get a chance to do it later.

Coming back to senator Hébert, he and almost all his Liberal colleagues told us repeatedly in this debate that the government took a hard line when it rejected the amendments they had proposed and some that I had hoped to have approved.

That statement, honourable senators, is totally false and gratuitous.

I suggest the comments senator MacEachen made in this House an hour ago go to prove my point. He told us:

• (1740)

[*English*]

There was some progress, yes, and he reminded us that the period of six years, I believe changed to two years, as far as the—

[*Translation*]

—not the cheaters, but those who received too much unemployment and also others. I would like to mention again the figures. He talked also about section 5(b). Senator MacEachen talked about the changes accepted by governments concerning the settlement of possible claims affecting fishermen's rights.

Of course, senator MacEachen did not have his conference! Nor has there been a conference in 1977 and 1978, when bill C-27 and bill C-14 were passed.

Senator Hébert: Did you ask for one?

Senator Simard: No, it was a liberal majority at the time. Not only has there not been a conference, but there has not been a single amendment presented by the Senate. The bills were steamrolled!

Yes, progress has been made. One can argue that these amendments were brought about following court decisions. But, what really counts, in my opinion, is that they are improvements in the form of the new, higher, more generous benefits, that can be found in bill C-21.

The governement did not accept all amendements. There is one in particular that governement refused, and I would have been disappointed, like many Canadians, if the governement had accepted the main amendment proposed by the opposition, that is—

[*English*]

Hon. John B. Stewart: Senator Simard—

Senator Simard: Later, please, Senator Stewart.

Senator Stewart: Later? I understand all too well.

Senator Simard: I am sorry if you are on edge.

Senator Stewart: I wanted to ask you about the message of May 9 from the House of Commons. It was false.

[*Translation*]

Senator Simard: As I was saying before being interrupted, I would have been disappointed—and so would have been most Canadians, I suggest—if the government had deleted the essential point of this bill, and that is making taxpayers, employees and employers pay for the insurance component of the program.

In fact the present system which Liberal senators would have liked to perpetuate was financed from general revenues, which means by everybody, elderly Canadians, students and so on.

[*English*]

Senator Stewart: I can help Senator Simard fill up the time to 6 o'clock.

Senator Murray: No, we have another speaker.

• (1750)

[*Translation*]

Senator Simard: If it is on that basis that Liberal senators label us intransigent and inflexible, well I guess we are intransigent and inflexible!

We will not yield on that point. I urge you all, Liberal, Conservative and other senators, to support Senator Doody's motion.

Honourable senators, I conclude on this note. Senator Hébert . . . I get back to him, he is my favorite!

Senator Hébert: I cannot say the same thing!

Senator Simard: Senator Hébert continues to rehash the old argument he put forth in Canso and elsewhere, leftovers from the theory of the paper *Vers Demain*, or the Social Credit, or the White Berets—

Senator Hébert: We listened in Canso, we did not speak!

Senator Simard: .. the old refrain that funds are inexhaustible and the deficit is not important . . .

Senator Hébert: I never said that!

Senator Simard: . . . . and that no changes were made.

I think I made myself clear. Senator Hébert, this is an invitation. We had a great trip to Canso, and now we'll go to the other provinces. We'll even go on television. If you let me speak for five minutes out of fifteen, that will be plenty. Five minutes out of fifteen, and the rest of you can have ten!

I think we will have a chance to explain that Bill C-21, like Bill C-28 and Bill C-62, is vital to economic recovery. In fact, these are essential components of a program that is aimed at putting our finances on a sound footing while protecting our social programs.

And don't tell me not a single amendment was accepted! On both occasions when this bill was sent back to the House, amendments were accepted.

The passage of Bill C-21 today is not the end of the world either. I am sure that after several months, of monitoring implementation, if any weaknesses and deficiencies show up, the Mulroney government, acting with its usual sense of realism, generosity and compassion will make the necessary changes.

In concluding, I urge senators on both sides of this Chamber to support Senator Doody's motion and reject Senator MacEachen's amendment to Bill C-21. Thank you, honourable senators.

Some Hon. Members: Hear, hear!

[*English*]

Senator Stewart: I hope Senator Simard will deal with my question. I am holding the message from the House of Commons dated May 9, 1990. That message is referred to in Senator Doody's motion. Senator MacEachen established earlier today, as a result of conversations with the Deputy Minister, that the following statement in the message is false. It is not correct that:

> . . . amendments 7 and 9, which would cause an increase to the budgetary deficit in the order of $1.75 billion annually and thus confound the balance of Ways and Means as approved by this House, to be for that reason in violation of the principle embodied in Sections 53 and 54 of the Constitution Act, 1867, and constitutional practice . . .

In view of the fact that the assertion in the message from the House of Commons is inaccurate and misleading, and in view of the fact that Senator Buchanan will wish to vote in favour of Senator MacEachen's motion, a motion beneficial to the people of Nova Scotia, will Senator Simard, during the

dinner recess, talk with Senator Buchanan to assure him that the message that underlies Senator Doody's motion is inaccurate and ought not to be relied on by Senator Buchanan?

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, could we agree not to see the clock? Senator Cochrane has an intervention which she assures me is very brief. I think it might be appropriate if we were to hear it before we suspend the sitting until 8 o'clock.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Simard: To answer Senator Stewart's question, I will sit with Senator Buchanan. I will also sit with Senator Stewart—

Senator Hébert: Why don't you sit down?

Senator Simard: —if that is his wish, so that we can clarify his own mind.

Senator Stewart: I know how the people of Nova Scotia want me to vote, but I think Senator Buchanan may have been misled by this message from the House of Commons, this false message.

Senator Simard: I gather this is another frivolous comment and suggestion, and I have made note of it.

Hon. Ethel Cochrane: Honourable senators, I intend to make my remarks on this issue very brief, because I certainly would not want to contribute to any further delay of this legislation.

I do feel, as a representative of the province with the highest rate of unemployment in Canada, that I should relate some of the concerns of the people back home.

The labour force statistics for August, 1990 report an unemployment rate of 15.6 per cent for Newfoundland, and as high as 21 per cent for the south coast of my province. That compares rather unfavourably to the 6.3 per cent unemployment rate in Ontario, and rates ranging from 6.5 per cent to 10.9 per cent in other provinces.

It will not be news to honourable senators that the four provinces of Atlantic Canada have the four highest rates of unemployment.

The people in my area of Canada want this bill passed, honorable senators, just as they wanted to see it passed almost one year ago when it went through the House of Commons.

Senator Cools: No, that is not what Patricia Loewen told us.

Senator Cochrane: Last Thursday, October 18, the *Globe and Mail* reported an interview with the chairman of the Special Committee of the Senate on Bill C-21 in which he said that this UI bill could easily be reversed by a future Liberal government. He said to the *Globe and Mail*, and I quote, "We can correct UI very quickly, so we will let it through for now and fix it later."

If that statement reflects the view of the opposition caucus, then why has this legislation been held up for 11 months? Why have my people back home had to wait a year for training programs, for parental leave benefits, and for eligibility for senior citizens? Why have they had to face the same 14 week UI qualifying period as workers in Toronto when, for so many of them, there simply were not that many weeks of work available? The provisions of Bill C-21 will ensure a 10-week qualifying period for the workers of my province of Newfoundland and Labrador.

Speaking for my constituents, I am very pleased to see that the people of my province of Newfoundland and Labrador will finally have the benefits of the provisions that are in Bill C-21.

The Hon. the Speaker: Honourable senators, it being six o'clock, I shall now leave the Chair and return at eight o'clock. The house has ordered that I put the question to a vote at eight o'clock.

The Senate adjourned until 8 p.m.

At 8:09 p.m. the sitting of the Senate was resumed.

MOTION IN AMENDMENT TO REFER CONCURRENCE MOTION TO CONFERENCE OF TWO HOUSES OF PARLIAMENT NEGATIVED ON DIVISION

The Hon. the Speaker: Honourable senators, it is moved, by the honourable Senator Doody, seconded by the honourable Senator Tremblay:

> That the Senate concur in the amendments made by the House of Commons to its amendments 4(c) and (d) and 8 to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act;
>
> That the Senate do not insist on its amendments 2(a), (b) and (c), 3(a) and (b), 5(a), 6, 7 and 9, to which the Commons have disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly,

And on the motion in amendment of the Honourable Senator MacEachen, P.C., seconded by the Honourable Senator Frith, that, all the words after the word "That" be struck out and replaced by the following:

> Whereas
>
> On March 20, 1990, the Senate informed the House of Commons by message that it insisted upon its amendments to Bill C-21;
>
> And Whereas
>
> Beauchesne, 5th edition, citation 814, p. 241, provides that in such circumstances, where the Senate insists upon their amendments, "the House (of Commons) either accepts the amendments or adopts a motion requesting a conference to which each House appoints Members";
>
> And Whereas
>
> When the Senate insisted upon its amendments to *An Act to authorize the government to acquire by lease lines of railway connecting with the government railways* in 1910;

and to *An Act to confirm the Order in Council of the twenty-fourth day of February, 1919, prohibiting the importation, manufacture and transportation of intoxicating liquors and the Order in Council of the twelfth day of April, 1919, in amendment thereof* in 1919;

and to *An Act to amend the Judges Act* in 1921;

and to *An Act to amend the Canada Temperance Act* in 1922;

and to *An Act to amend the Industrial Disputes Investigation Act* in 1924;

and to *An Act for the relief of the Depositors of the Home Bank of Canada* in 1925;

and to *An Act to amend the Criminal Code* in 1933;

and to *An Act to amend and consolidate the Excise Act* in 1934;

and to *An Act to amend the Farmer's Creditors Arrangement Act, 1934* in 1938;

and to *An Act to amend the Criminal Code* in 1947, the House of Commons requested that a conference be held;

And Whereas

When the Senate insisted upon its amendments to *An Act to amend the Combines Investigation Act* in 1936; and to *An Act to amend the Customs Tariff Act* in 1961, the House of Commons chose not to proceed further with the legislation;

And Whereas

When the Senate has by message insisted upon its amendments without offering any alternative proposal, it has never received a subsequent message from the House of Commons repeating that it disagreed with the said amendments;

And Whereas

The message received from the House of Commons on May 10, 1990, is without precedent, and does not conform to the convention and practice, unbroken since Confederation of settling disagreements between the House of Commons and Senate by a conference,

The motion be referred to a conference between the two Houses of Parliament.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion in amendment please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion in amendment please say "nay"?

Some Hon. Senators: Nay.

And two honourable senators having risen.

The Hon. the Speaker: Please call in the senators.

The Hon. the Speaker: Let the doors to the chamber be locked.

Motion in amendment negatived on the following division:

YEAS

THE HONOURABLE SENATORS

Adams	Lefebvre
Austin	Lewis
Bosa	Lucier
Buckwold	MacEachen
Cools	Marchand
Corbin	Molgat
Croll	Perrault
Davey	Petten
De Bané	Riel
Denis	Robichaud
Fairbairn	Stanbury
Frith	Steuart (*Prince Albert-Duck Lake*)
Gigantès	
Graham	
Haidasz	Stewart (*Antigonish-Guysborough*)
Hastings	
Hays	Stollery
Hébert	Thériault
Kenny	Turner
Kirby	Watt
LeBlanc (*Beauséjour*)	Wood—40
Leblanc (*Saurel*)	

NAYS

THE HONOURABLE SENATORS

Atkins	Beaudoin
Balfour	Beaulieu
Barootes	Bélisle

NAYS

THE HONOURABLE SENATORS

Berntson
Bolduc
Buchanan
Castonguay
Chaput-Rolland
Cochrane
Cogger
Comeau
David
DeWare
Di Nino
Doody
Doyle
Eyton
Forrestall
Grimard
Hatfield
Johnson
Kelleher
Kelly
Keon
Kinsella
Lavoie-Roux
Lynch-Staunton
Macdonald (*Cape Breton*)
MacDonald (*Halifax*)
Macquarrie
Marshall
Meighen
Molson
Muir
Murray
Nurgitz
Oliver
Ottenheimer
Phillips
Poitras
Robertson
Roblin
Ross
Rossiter
Simard
Spivak
Sylvain
Teed
Tremblay
Twinn—53

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: I declare the motion in amendment negatived.

MOTION FOR CONCURRENCE IN CERTAIN COMMONS AMENDMENTS AND FOR NON-INSISTENCE UPON CERTAIN SENATE AMENDMENTS CARRIED ON DIVISION

The question is now on the main motion. It is moved by the Honourable Senator Doody, seconded by the Honourable Senator Tremblay:

> That the Senate concur in the amendments made by the House of Commons to its amendments 4(c) and (d) and 8 to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act;
>
> That the Senate do not insist on its amendments 2(a), (b) and (c), 3(a) and (b), 5(a), 6, 7 and 9, to which the Commons have disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly.

Main motion carried on the following division:

[The Hon. the Speaker.]

YEAS

THE HONOURABLE SENATORS

Atkins
Balfour
Barootes
Beaudoin
Beaulieu
Bélisle
Berntson
Bolduc
Buchanan
Castonguay
Chaput-Rolland
Cochrane
Cogger
Comeau
David
DeWare
Di Nino
Doody
Doyle
Eyton
Forrestall
Grimard
Hatfield
Johnson
Kelleher
Kelly
Keon
Kinsella
Lavoie-Roux
Lynch-Staunton
Macdonald (*Cape Breton*)
MacDonald (*Halifax*)
Macquarrie
Marshall
Meighen
Molson
Muir
Murray
Nurgitz
Oliver
Ottenheimer
Phillips
Poitras
Robertson
Roblin
Ross
Rossiter
Simard
Spivak
Sylvain
Teed
Tremblay
Twinn—53

NAYS

THE HONOURABLE SENATORS

Adams
Austin
Bosa
Buckwold
Cools
Corbin
Croll
Davey
De Bané
Denis
Fairbairn
Frith
Gigantès
Graham
Haidasz
Hastings
Hays
Hébert
Kenny
Kirby
LeBlanc (*Beauséjour*)
Leblanc (*Saurel*)
Lefebvre
Lewis
Lucier
MacEachen
Marchand
Molgat
Perrault
Petten
Riel
Robichaud
Stanbury
Steuart (*Prince Albert-Duck Lake*)
Stewart (*Antigonish-Guysborough*)
Stollery
Thériault
Turner
Watt
Wood—40

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: I declare the motion carried. Let the doors be opened.

POINT OF ORDER

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, on a point of order, I should like to have it noted and drawn to the attention of the Speaker that he did not follow properly the procedure that we had hoped was now thoroughly understood by him and by all honourable senators as follows from the appendix in the *Rules of the Senate*. My criticism relates to the main motion. The procedure was followed on the motion in amendment:

> At the conclusion of a debate, the Speaker puts the question. If there is uncertainty of agreement, the Speaker asks for the "yeas" and the "nays"...

which he did not do on the main motion,

> ... and then expresses his opinion as to the result. If two or more senators express their disagreement by rising, the Speaker calls for a standing vote.

N° two senators rose on the main motion because the Speaker had not followed the previous stage.

> The division bells are rung ...

which was not done,

> ... and when the Whips have entered the Chamber and have indicated to the Speaker that they are ready to proceed to the vote, the Speaker should say: "Let the doors of the Chamber be locked". The doors will then be locked by the pages and the Speaker will call for the vote.

I hope in the future we will follow these proceedings strictly and in accordance with the rule book.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, Senator Frith is correct. I thought mistakenly that it had been arranged beforehand that the votes would take place together and that the whips did not wish to leave the chamber. If I have made a mistake, I apologize.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, October 23, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL
OTTAWA
THE SECRETARY TO THE GOVERNOR GENERAL

23 October 1990

Sir,

I have the honour to inform you that the Honourable Beverley M. McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 23rd day of October, 1990, at 5:30 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

QUESTION PERIOD

THE HONOURABLE J. MICHAEL FORRESTALL

PROPERTY QUALIFICATIONS FOR MEMBERSHIP IN SENATE—REQUEST FOR GOVERNMENT RESPONSE

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, some questions have been raised in the press about the qualifications of the Honourable Senator Forrestall. Senators will remember that the Constitution of Canada provides, in section 33, that:

> If any Question arises respecting the Qualification of a Senator or a Vacancy in the Senate the same shall be heard and determined by the Senate.

I am asking the government leader if he will let us have any information that he or the Clerk has on the questions raised as to the property qualifications of Senator Forrestall. Obviously, we should do nothing until there is some information before us.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I take it that Senator Forrestall is not present at the moment. In view of the media reports, there might be something he would want to tell the Senate as soon as he arrives. In the meantime, all I can tell senators is what I have learned second hand, which is that at the time he made his affirmation he consulted with the Clerk, that he advised the Clerk that the property in question was jointly held, and that the Clerk, after taking counsel, advised him that jointly held property met the requirements of the Constitution Act.

Senator Frith: Quite. The procedures that have apparently been followed—and I base this on an article by MacGregor Dawson, written, I believe, in the late 1970s—is that the practice followed by the Senate in the past is first to ask for the relevant information. Most of the precedents deal with absences, not with property qualifications. The problem for the Senate, if the question of qualifications is raised, is how it gets the information upon which to act. I believe that in all cases, as I recall from the article I read, the information was provided by the Clerk. If the Senate then felt that it wanted to pursue the matter, it would refer it to the Committee on Privileges, which is the Senate sitting as Committee of the Whole. I am quite prepared to leave it at that. If the Clerk will give us some report at first hand to inform us, as he has informed the Leader of the Government, then I am prepared to leave it at that.

Senator Murray: Perhaps we should hear from Senator Forrestall in person before we hear from anyone else. I assume he will be in his place later today or tomorrow and that he will advise us.

Senator Frith: I agree. As I believe has happened in the past, if the Clerk can give us a report on it, I would think that Senator Forrestall should be the first one to speak to it.

UNEMPLOYMENT INSURANCE

EXTENDED MATERNITY BENEFITS—DATE OF AVAILABILITY TO WORKING WOMEN—GOVERNMENT POSITION

Hon. Stanley Haidasz: Honourable senators, I have a question for the Leader of the Government in the Senate. I have received several representations from working men and pregnant women who have paid increased premiums into the unemployment insurance fund since January 1, 1990, and who

have asked me to make representations on their behalf that extended maternity benefits be paid to them. Some have delivered their babies, and some will deliver before November 18 of this year.

Will the government consider taking this matter under consideration to be fair to all pregnant working women, not only to those who will deliver their babies after November 18?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable Senators, Bill C-21 was voted on last night and will receive Royal Assent tonight. My honourable friend is asking that certain of its provisions be made retroactive. I am not sure that is possible, but, in any case, I will see that the Minister of Employment and Immigration is acquainted with the representations that Senator Haidasz has received and has conveyed to us.

GOODS AND SERVICES TAX

ALLEGED FLAWS—AMENDMENT PROCESS—GOVERNMENT POSITION

Hon. Jack Austin: Honourable senators, my question is to the Leader of the Government in the Senate. Yesterday in Vancouver, at a public meeting with high school students, the Prime Minister stated that the GST was a very bad tax insofar as it taxes educational materials and that he was prepared to consider changes in the springtime—I presume of 1991.

This morning, at a meeting of the Finance Committee in the other place, the Minister of Finance said that a number of amendments would be introduced once Bill C-62 became law.

It appears, honourable senators, that the government is finally admitting that the bill has many flaws.

Is the government leader in a position to tell us now that the government is prepared to introduce its own amendments to Bill C-62 during the course of the next several days and take responsibility for repairing serious flaws and omissions in this legislation which now both the Minister of Finance and the Prime Minister are acknowledging? It would certainly be a welcome and positive contribution to a very difficult situation for the government and for this chamber.

Is the government leader now in a position to tell us that the government will take itself into an amendment process to expedite repairing the flaws and to avoid what seems now to be suggested, although perhaps not intended, that the Canadian people will have a tax catastrophe visited upon them which will only be repaired well after the catastrophe has been delivered?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, my honourable friend is putting quite a spin on the comments made by the Prime Minister and apparently by the Minister of Finance. I am not familiar with the statements made by the Minister of Finance, but I too saw a television clip of the Prime Minister's question and answer period with the students in Vancouver yesterday.

[Senator Haidasz.]

• (1410)

What the Prime Minister was saying, and the commitment the government makes, is that we will, of course, make any changes or improvements in that tax as dictated by experience. But we will need the experience—

Senator Perrault: You do not need the experience now!

Senator Murray: —of at least one year or so with the tax in effect before we come to any decision as to the changes that should be made.

Senator Perrault: The patient will be dead by the time you get the cure!

Senator Austin: Honourable senators, I had the opportunity to watch the Minister of Finance on television this morning. He went further than—

Senator Perrault: He certainly did!

Senator Austin: —the government leader now says in indicating that there are now difficulties with the tax. I am not suggesting that he said he would introduce amendments at this stage; I am saying to the government leader that this would be a good idea.

As to the Prime Minister's statement with respect to books and other educational materials, there is no reason why his views could not be implemented quickly in the Senate. It is a simple enough amendment for the government to introduce.

Senator Perrault: It is easy!

Senator Austin: I suggest that the Prime Minister's word should be his bond.

Some Hon. Senators: Oh!

Senator Murray: Honourable senators, with regard to the GST I can only repeat what I have said. The Prime Minister's comments, in answer to a question about books, was made in the context of expected revenues from the tax and whether they would be higher or lower than had been anticipated and experienced with the tax over a period of time. He committed, as I think was prudent and sensible to do, to make those changes that are desirable in the light of experience of a year or so.

BRITISH COLUMBIA

KAON PROJECT—CONSTRUCTION OF SCIENCE FACILITY—AVAILABILITY OF FEDERAL FUNDING—GOVERNMENT POSITION

Hon. Jack Austin: Honourable senators, I should like to ask the Leader of the Government in the Senate a question with respect to the Kaon Project, a major science project in British Columbia.

Is the Prime Minister discussing this matter with the Government of British Columbia during his visit to British Columbia? Can you tell us whether the opportunity to build this science facility, which is supported in the amount of more than $200 million by the provincial government and more than $200 million by foreign governments and universities, will have

its financing completed by the Prime Minister's presence in British Columbia and his desire to bring good news to British Columbia?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, with regard to the Kaon Project, I am not aware of any meetings planned during this trip between the Prime Minister and members of the government of British Columbia. Members of that government and others in British Columbia have made representations to the Government of Canada concerning that project. Feasibility studies have already been funded by the Government of Canada and the project has been studied by the National Advisory Board on Science and Technology, which the Prime Minister chairs, and by other government boards and commissions concerned with science policy. I do not expect that an announcement will be made on the matter in the course of the Prime Minister's present trip.

Senator Austin: Honourable senators, there is a concern in British Columbia with respect to this project, but particularly with respect to a statement made by the Minister of Justice, the Honourable Kim Campbell, which is quoted in the *Vancouver Sun* on October 1, 1990, to the effect that the government of British Columbia can hardly expect to be assisted when it is so unhelpful with respect to the GST.

This was something I mentioned in debate a few days ago as raising a serious question of whether or not the government will hold provincial governments to ransom if they are not supportive of various policies of the federal government. This is not, I am sure, a practice of public policy of which Senator Murray would approve. It is a very bad beginning.

During the course of the debate Senator Doody said that it was a deplorable thing for the Minister of Justice to do. I believe I am quoting his words exactly. He said, "Is that not deplorable?"

Senator Doody: At what hour of the morning was that?

Senator Austin: It was at about one in the morning.

I would appreciate the intervention of the Minister of State for Federal-Provincial Relations to ensure that an objective assessment of the Kaon project is carried out.

Senator Murray: Honourable senators, an objective assessment is being carried out. The problem is not the GST; the problem has to do with the amount of money that would be involved relative to the overall resources that are available in the science field. I certainly do not want to prejudge the case. It is a major undertaking. There is international interest, as the honourable senator has pointed out.

There is also the question of whether the Government of British Columbia might be willing to sweeten its offer.

Senator Austin: It has done so.

Senator Murray: Senator Austin has indicated that it is willing to do so.

There are also the assessments that are done by qualified people in the field of science policy.

All I can tell the honourable senator for the moment is that it is receiving serious consideration. We do understand the importance attached to it by many people in British Columbia. However, a decision has not been reached. I doubt very much that one would be announced in the course of the Prime Minister's present visit to British Columbia.

THE SENATE

DESCRIPTION OF MEMBERSHIP—GOVERNMENT RESPONSE

Hon. Peter Bosa: Honourable senators, over the years the Prime Minister, Mr. Wilson, Mr. Andre and Mr. Jelinek have described members of this honourable house as political hacks, has-beens and bagmen. He has also used all sorts of other unflattering adjectives to describe honourable senators.

I should like to know whether the Leader of the Government in the Senate feels embarrassed to have his own Prime Minister and some of his colleagues in cabinet describe him in that way. Would he let the members of this house know how the back-benchers of his caucus feel when such a description is given of the membership of this place?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, without betraying any confidences, I want to assure the Senate that I am the first to leap to the defence of honourable senators opposite when they are attacked. I always put forward the case of Senator Bosa as one who is conscientious and dedicated to the public good, and one who uses the Senate for the highest purposes.

EXTERNAL RELATIONS

REFUSAL OF PRIME MINISTER TO MEET WITH DALAI LAMA

Hon. Jerahmiel S. Grafstein: Honourable senators, could the Leader of the Government in the Senate advise the Senate why the Prime Minister or the Secretary of State for External Affairs refused several weeks ago to meet with the Dalai Lama, who was visiting Ottawa, since Canada has never recognized China's occupation of Tibet?

• (1420)

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I will obtain a statement on that matter from the appropriate minister and give it to the Senate in due course.

PRINCE EDWARD ISLAND

EFFECT OF GST ON EMPLOYMENT IN SUMMERSIDE

Hon. M. Lorne Bonnell: Honourable senators, there is a possibility that the Conservative-dominated Senate will pass the GST by January 1, 1991, over the wishes of the Canadian people. What will happen to jobs in Summerside, Prince Edward Island, if other provinces such as Quebec collect the tax and turn the money over to the federal government? Will

the jobs still come to Summerside regardless of how the provinces react?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Yes, honourable senators.

Senator Bonnell: Will it be the same number of jobs as was promised by the Prime Minister?

Senator Murray: Yes, honourable senators.

CANADA POST CORPORATION

DECISION TO DISCONTINUE SATURDAY RURAL SERVICE IN P.E.I.

Hon. M. Lorne Bonnell: Honourable senators, I should like to ask the Leader of the Government in the Senate a question. For a considerable number of years Prince Edward Island has had rural delivery of mail on Saturdays. Our people have had contracts with Canada Post to deliver the mail on Saturdays.

I understand that Canada Post is discontinuing rural mail delivery on Saturdays. Can the Leader of the Government ask the minister responsible for Canada Post whether or not Canada Post will continue mail delivery on Saturdays to the rural people of Prince Edward Island, as has been done for almost one hundred years.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I shall bring Senator Bonnell's question to the attention of the Honourable Harvie Andre, who is the minister responsible for Canada Post. I shall endeavour to obtain a reply as soon as possible.

TRANSPORT

NORTHUMBERLAND STRAIT—FURTHER STUDY ON ENVIRONMENTAL IMPACT OF PROPOSED FIXED CROSSING—GOVERNMENT POSITION

Hon. M. Lorne Bonnell: Honourable senators, I should like to ask another question of the Minister of State for Federal-Provincial Relations. We have heard many times the proposal for a fixed link between the mainland and Prince Edward Island. At every provincial and federal election a promise is made. Then, for reasons unknown, the promise seems to die or be forgotten between elections.

An environmental review panel has studied the proposals which were put forward. That panel tells us that those proposals are not environmentally safe.

Is the Government of Canada, therefore, willing to put forth new proposals which might be environmentally safe so that the province of Prince Edward Island can expect further development and look forward to the prospect of a fixed link with Prince Edward Island?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the issue is by no means dead. We have the report of the environmental panel before us indicating in what respects the proposal which the panel studied would not be environmentally acceptable. We are examining the report with a view to developing proposals that would be environmentally sound. That should give my honourable friend an opportunity to make up his mind on where he stands on the issue of a fixed link, because we have been waiting a long time to get his opinion on the matter.

Senator Bonnell: Honourable senators, when I get to be Prime Minister of Canada, I will make those decisions very quickly.

Senator Grafstein: Soon, I hope!

Senator Bonnell: But at the present time, I do not have the power to make those decisions and to carry out those wishes. When I get that opportunity, I will certainly make those decisions without delay.

Is the Government of Canada considering the possibility of a tunnel, which certainly would not interfere with the fisheries or be subject to the other environmental objections to a fixed link?

Senator Murray: Honourable senators, I regret that I cannot be more precise than I have been. We accept the conclusions of the environmental panel regarding the proposal that was before them. We are examining the panel report and the proposal to see if there is a proposal that would be environmentally sound and, of course, economically feasible.

Senator Bonnell: When can we expect a copy of the report the government is considering with regard to a fixed link?

Senator Murray: Well, honourable senators, I cannot put a date on it. These deliberations do take time.

Senator Bonnell: Could you indicate whether it will be short, long or intermediate?

Senator Murray: In between, honourable senators.

NATIONAL HOCKEY LEAGUE

PROPOSED LOCATIONS OF EXPANSION TEAMS—GOVERNMENT POSITION

Hon. Keith Davey: Honourable senators, I am sure that each and every morning the government leader studies in painstaking detail the column by Jeffrey Simpson in the *Globe and Mail*. I am sure he has read today's column which is about, of all things, professional hockey. The National Hockey League is about to expand and it has seemed highly likely that the expansion teams would all be from the United States, although teams have applied from Hamilton and, in particular, Ottawa. Mr. Simpson writes in his column this morning that the prospect of an NHL team coming to Ottawa is much brighter than it has been.

Senator Perrault: Hear, hear!

Senator Davey: I, personally, happen to believe that professional hockey would be extremely popular in Ottawa. I am wondering what steps your government is prepared to take to

assist this to happen. What are you prepared to do to help to bring professional hockey to Ottawa?

Senator Bosa: Are you going to play ball?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, that is a question I will take as notice and I shall inquire elsewhere in the government whether there is a reply that would satisfy my honourable friend.

An Hon. Senator: Perhaps you could move the Canucks here.

Senator Perrault: Don't you move the Canucks!

Senator Phillips: But they are at the bottom. Wouldn't you like to move up?

Senator Murray: It is not a matter that has been given a great deal of consideration by the federal government. We are aware of what is going on because the promoters have been in touch with all of us to let us know of their efforts, and occasionally to ask us to add our representations to theirs. However, no formal consideration has been given by the government to any participation on our part in facilitating this application. It is, as the honourable senator has pointed out, one of several applications from Canada, and there is some question whether it would be appropriate for the federal government to favour one Canadian city over another.

Senator Perrault: You're just skating around the issue!

Senator Davey: Honourable senators, it is highly unlikely that there will be a professional hockey team in any other Canadian city other than Ottawa. Hamilton has had an interesting bid but it appears it will not be getting a team. It will not happen in Saskatoon either. If it is to happen in Canada, it will happen in Ottawa and I think it is something which is in the national interest. As I have said many times and in many places, we have too few national institutions in this country, and I think that bringing professional hockey to Ottawa would be in the interests of Canadians nation-wide. I happen to know, as the government leader knows, that there are a lot of ardent hockey fans on that side of the house and over in the other place, and I think this is an issue you should really seize and do something about.

Senator Perrault: Toronto needs a professional team first!

Senator Murray: I hope that all honourable senators, and the *Hansard* reporter, heard that.

An Hon. Senator: What?

• (1430)

Senator Murray: Senator Perrault interjected to say Toronto needed a professional team, too.

HOCKEY—PROPOSED NATIONAL SPORT

Hon. M. Lorne Bonnell: Honourable senators, since we are talking about hockey, and since the Leader of the Government in the Senate agrees that Toronto needs a professional hockey team—and I know that is now on the record—is the Government of Canada going to make hockey Canada's national sport?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, officially lacrosse is the national sport of Canada. I do not know whether some action by the government would be required to designate hockey as the national sport, but, in terms of the interest of the vast majority of Canadians, I suppose there is hardly any doubt about the predominant place of hockey in their affections.

Senator Bonnell: Could the leader tell us if the Government of Canada is considering bringing legislation before Parliament to make hockey Canada's national sport?

Senator Murray: No, honourable senators.

Senator Simard: You can do that when you are Prime Minister.

Senator Bonnell: I will.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—THIRTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION FOR ADOPTION—DEBATE ADJOURNED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Buckwold, seconded by the Honourable Senator Stanbury, for the adoption of the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commerce (Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act), presented in the Senate on 26th September, 1990.—(*Honourable Senator Buckwold*).

Hon. Sidney L. Buckwold: Honourable senators—-

Some Hon. Senators: Hear, hear.

Senator Buckwold: —I feel like the guest speaker at a lengthy banquet waiting breathlessly ready to rise at any moment to deliver the address while the head table greetings go on and on hour after hour, followed by an interminable introduction; but I very much appreciate the round of applause given to me by both sides of the house.

The actions of the Senate this past month have focused on procedures, and little attention has been paid to the committee

report on Bill C-62, respecting the goods and services tax. I am pleased that we are finally ready to debate this report.

Honourable senators, I will be using the word "committee" extensively as I deliver my remarks, because, in fact, I am speaking on behalf of the committee. In using the word "committee" I want to be clear that I am speaking for the majority of the committee, and there are many things that I will say that were not unanimously approved, to say the least. So I want honourable senators to know that in talking about "the committee" I am referring to those of us who represent this side of the house.

Honourable senators, the Senate has performed its constitutional responsibility. It has studied the impact of this legislation in-depth on regions, income groups and the general economy. It heard from citizens, organizations and businesses across the country. It learned of the unfair and inequitable impact the goods and services tax will have on lower income groups. It has been impressed with the multitude of unsolved problems—which have still not been resolved—and the unreadiness of the government. It has been perplexed at the complexity of the legislation, and the difficulties that will be faced by the providers of goods and services as well as consumers.

The committee was alarmed about the inflationary aspect of Bill C-62, and the possible increase in interest rates with the resultant hardship on the economy. It was sympathetic to the hardships that will be created in the high cost of living areas of Canada, and how little compensation will be provided for those who suffer. The committee has felt compassion for the poor, the aged and the uneducated, who will be adversely affected by the regressive nature of further taxing so many of life's necessities and the lack of full indexation to protect them from even further erosion.

It has felt revulsion at the misrepresentation that has been expressed by government propaganda—no tax on health, no tax on rent, no tax on housing, no tax on food, no tax on education, a visible tax, a fair tax, revenue neutral, yet essential for deficit reduction. It is little wonder, honourable senators, that the country questions the ethical standards of the government.

Some Hon. Senators: Hear, hear!

Senator Buckwold: The committee was disturbed by the apparent tunnel vision of the Minister of Finance, who has not sufficiently studied less regressive alternative tax sources, which would put the tax burden on those who can better afford to pay. The committee was frightened at the prospect of higher GST tax rates, which will be forthcoming, adding to an already impossible tax load on average Canadians. Honourable senators, the committee worried about the opposition of provincial governments in many areas of the country to the GST and the stacking of two consumer taxes on almost everything we buy or use—a situation that does not exist in any other country in the world.

The committee, day by day and month by month, was more and more impressed with the inopportune timing of the legislation. No government should move into such a major inflationary change in the direction of taxation from the ability to pay to consumer spending at the very period when the whole economy is in trouble. A recession is a fact—a fact even admitted by the Minister of Finance.

● (1440)

Honourable senators, a depression is a real possibility. The goods and services tax will only add to the disaster. The Senate committee was startled by the passion of the opposition to this bill expressed by citizens across the country and the obvious lack of any sympathetic response from the Tory government. The committee was appalled at the propaganda of the government in advertising the goods and services tax as a replacement tax when, in fact, services which were never taxed, representing 60 per cent of personal expenditures, will now be under taxation through this bill.

Honourable senators, this is new taxation, not replacement taxation, and the government is still talking about a tax that is just replacing a manufacturers' sales tax.

The committee concluded that it was just not possible to patch up such flawed legislation by amendments. It felt it absolutely necessary to reject Bill C-62 to respond to the feelings of Canadians across this country.

Some Hon. Senators: Hear, hear!

Senator Buckwold: In mid-May, when the Standing Senate Committee on Banking, Trade and Commerce began its hearings on Bill C-62, I believe that most committee members embarked upon the exercise with an open mind. However, as the proceedings unfolded, the problems of this tax became more evident. Some of the technical flaws that arose might have been addressed through amendments to the bill. Other questions which go right to the heart of the bill could not have been dealt with by amendment.

The committee was also impressed by the depth and breadth of the public opposition to this tax. Of the 370 witnesses we heard from coast to coast—and I think I am right when I say that no other parliamentary committee in history has heard 370 witnesses—209 expressed outright opposition to the GST. Although the committee was aware that a majority of Canadians opposed the GST, it was startled at the breadth and depth of the opposition. In every city across Canada in which the committee held hearings, groups, organizations, labour unions and concerned citizens appeared and expressed their fierce opposition to the GST.

An indication of the depth of that opposition to the GST was the fact that 130 witnesses asked the Senate to overrule the House of Commons and reject Bill C-62 completely. At meeting after meeting witnesses were asked: "Do you support the Senate in doing what it constitutionally can do but historically has not done in rejecting this legislation?" And invariably the answer was: "Yes. This is the time the Senate should prove itself."

If senators wish to take the opportunity to read the evidence as printed in the reports of the committee meetings, they will find that that occurred day after day in every meeting that we attended. So, with this in mind, honourable senators, the

committee has tabled its thirteenth report dealing with Bill C-62. It is the recommendation of the committee that this bill should not be proceeded with further in the Senate of Canada.

Honourable senators, to reject this bill would be an unprecedented step on the part of the Senate. Indeed, the committee report is itself a dramatic departure from the conventions of the Senate. But this bill is so unacceptable to the people of Canada that drastic action is not only acceptable, it is called for. It is demanded. It is requested by the people of this country.

Some Hon. Senators: Hear, hear!

Senator Buckwold: Honourable senators, we recognize that the present manufacturers' sales tax is in need of reform, but by "reform" we mean "improvement." The manufacturers' sales tax is good enough that Canada has lived and prospered with it for 60 years, and the Tory government has seen fit to raise it from 9 to 13.5 per cent—an increase of 50 per cent—in six years, taking advantage of the billions of dollars extra that it brought in. They seemed to live with that.

I can say to honourable senators that Bill C-62 removes a tax that has flaws, we agree, but it substitutes for it a tax which, in the opinion of many, indeed most, is even worse than the tax that it is "improving." It is not a reform upon which we should waste our time and resources.

Honourable senators, we considered a number of factors in coming to our conclusion. First, the tax is unfair and regressive. Even more important than the technical flaws in the bill is the matter of fairness. Any tax that is going to raise $18.5 billion per year and constitutes a major part of the federal tax arsenal must meet some basic elements of fairness. The GST and other VAT-type taxes are not generally viewed as meeting those basic requirements.

It is a regressive tax. Lower income individuals spend a greater share of income on consumption and are therefore obliged to pay a greater proportion of their income in sales taxes. To make it more acceptable, the federal government is including a system of enhanced refundable tax credits as part of the GST package. If the basic structure of the tax is going to be determined by the tax credits, then they must continue to be effective. Instead, the provisions of the bill ensure that only temporarily would they do the job which they are meant to do, and, indeed, honourable senators, in the opinion of many, the tax credits are inadequate.

This evidence was given to us time and time again. The credits and the income threshold, after which they decline, are only indexed to take account of inflation in excess of 3 per cent—the same argument that we made on the famous Bill C-28, respecting old age pensions. Again the government, in allowing a gradual erosion of tax credits, is moving in a direction in which the poor get poorer. Thus the real value of the credits would decline over time and an increasing number of individuals and families would have their benefits reduced. Eventually even the very poor would not be protected from the extra costs imposed by the GST.

Indeed, after only five years, some families could lose up to $300 of the real value of their credits, which amounts to one-half the maximum value of credits for which they are going to be eligible.

There is also erosion by inflation, which is not protected by the government. This is that inhuman direction which has been taken through not fully indexing assistance programs to those who need it, with the exception, under pressure, of the old age pension; and, honourable senators, to make matters even worse, an important credit is denied to some individuals who are most in need—amazingly, the single-person credit.

If someone is single, he is granted an extra credit, but this credit is not available to individuals with incomes below $6,000 per year—and, believe me, there are people with incomes of less than $6,000 per year. But they do not get a single-person credit. The reason given is that this will be an incentive to people to work. Honourable senators, these are the people most in need. The full amount of this credit is not available until a person earns $11,000 per year. To those of us who have some feeling of compassion, it would seem that a credit should be highest at the lowest income level and lower as we move up the ladder. But no, under this legislation a person receives nothing if his income is below $6,000, and not until his income is $11,000 will he receive the maximum benefit.

Therefore, honourable senators, we believe that the tax is regressive right from the start. Even if this were not the case, it would be regressive after only a few years because of the inflation factor. We also believe that the goods and services tax rate, presently 7 per cent, will increase in the future with an ever greater reliance being placed upon this tax by the government.

New Zealand is often referred to as a country in which a goods and services tax seems to have worked, although we heard evidence in committee that this was not the case. New Zealand, the good example, in six years since the inception or introduction of this tax has increased its rate by 25 per cent. Any tax that is going to play an important part of fiscal strategy should be a fair tax. The goods and services tax, as presently included in this legislation, is not a fair tax.

● (1450)

The tax is also unfair to those who live in remote regions of Canada. The system of tax credits does not take into account the higher cost of living faced by residents in those areas. Thus, families in the north with standards of living similar to those in the south will enjoy less protection against the adverse consequences of the tax. Very high prices there will mean even higher taxes for people, most of whom have lower incomes.

Senator Lucier was present when we heard about the cost of living of people in the far north. Sometimes the cost of goods are double or even higher and then the tax will be applied to the price of the purchases. It will be an unfair burden on those with lower incomes for example, the native people we heard from who will have to suffer the consequences of this even higher rate in their areas. Imagine what it will cost on transportation, which is already high. The 7 per cent added to

the price of air fares will add to the cost of travel in the far north.

Honourable senators, I want to talk about what probably is one of the most important aspects, and that is the inflationary pressure of Bill C-62. The government has stated that there will be a 1.25 per cent inflation rate, and that is based on two assumptions. First, that the present manufacturers' sales tax will be completely removed immediately and the savings will be passed on to consumers; that prices will come down, the goods and services tax will be added, and there will be a slight increase overall of 1.25 per cent.

I am a businessman and I know exactly what will happen. There will be some reductions on big ticket items. Certainly, automobiles will come down in price, but not nearly as much as the Prime Minister says they will come down. Not long ago in the Maritimes he used figures that were almost double, which again is part of the misinformation that goes on. Certainly some prices will come down and people always use the example of new cars. However, how about the price of used cars or a trade-in car? I am not sure that the savings will be nearly as much as the government would like to advertise.

Another significant impact on prices is the government ruling that those who have paid the present 13.5 per cent manufacturers' sales tax will not receive a rebate on that 13.5 per cent already paid, but will receive 8.1 per cent. I am involved in a business with much merchandise on our floor on which 13.5 per cent has been paid. The government is going to give us a cheque for the manufacturers' sales tax of 8.1 per cent and they want us to take a loss of 5 per cent on the cost of goods and therefore just reduce the prices.

The Canadian Importers Association represents people with inventories of tens of millions of dollars. They stated to the committee that they could prove that they had paid 13.5 per cent and asked why will the government refund only 8.1 per cent and expect us to pass on a 13.5 per cent saving as the tax is dropped? They told us that they were not going to do it, that they were not stupid. If you have a $5 million inventory, you are not going to lose $250,000 like that.

Some prices will come down, but because of the way the government has organized the whole procedure of tax rebates through the manufacturers' sales tax, it is not going to achieve a 1.25 per cent inflation rate. Not at all.

Many in business will know that there will have to be a bigger markup. I have talked to representatives of major companies who say quietly that they are going to pass on whatever savings they can, but because of the cost of administration and the fact that sales will be lower without the tax added to the bottom, gross profits will drop because the gross profit is based on a selling price before tax. Therefore, markup has to be increased. Honourable senators who have any relationship with how businesses operate know that a gross markup has to be maintained. I may be making a lengthy point of this, but I am attempting to show how, in fact, the 1.25 per cent inflation factor is not realistic. It is the type of dream world one gets from members of bureaucracy who put it into the computer and the result is that they think the full manufacturers' tax will be rebated. It will not happen, and most of us know that.

The second point is that the government assumes that labour will not ask for any additional funds or increases in wages to protect them against the GST. Dozens of labour organizations appeared before the committee and the first point made was that they will get full protection for the GST in every contract they possible can. I can only tell you, honourable senators, that they already have. I was going to bring the headline in *The Financial Post* of September 21, which stated, "Ford Deal Reflects Unions' GST Worry." They negotiated a very good deal. It provided not only for a cost of living increase, but had built into it protection against the goods and services tax, the increase in the cost of living and the inflationary factor.

Added to that is the fact that services will now be taxed. Clothing and footwear has never been taxed, and all those items will go up immediately very extensively.

The assumptions of the government and the think tanks, such as the Economic Council and some of those others which use those criteria as they feed the program into their computers, is based on erroneous information. Others who do those projections have stated that the inflation rate can go up to 3 per cent as a result of the goods and services tax, keeping in mind that the service end of the expenditures of an average family represent a cost greater than the cost of goods. The committee was amazed to hear from the Department of Statistics that 60 per cent of the expenditure of an average family goes toward services which are presently untaxed, such as haircuts, taxis, funeral expenses, plumbing expenses, tax on transportation, and postage stamps which will go up to 43 cents from 40 cents at the beginning of the year.

When the inflationary factor is built in to 60 per cent of peoples' expenditures, let us keep in mind that the load will be placed on lower income people who will be paying tax on a good part of their expenditures. Basic groceries are exempt, but most services will bear the impact of the goods and services tax. If anyone believes there is not a significant inflationary factor much higher than the government is anticipating, at a time when we could do nothing worse than add to the inflationary pressure in the economy, then I suppose that they would support the goods and services tax. It just does not work that way.

• (1500)

In addition to normal inflation, the GST is unfair because the tax increases in price many other items which the government states it will not increase. We have been told many times that the cost of housing will not go up, but this is clearly not the case. The taxation of soft costs involved in a real estate transaction can increase the cost of housing by half of 1 per cent. New home prices will increase because the housing rebates are inadequate to compensate for the increased tax in high cost regions where land is being taxed. New rental accommodation is not eligible for the rebate and, most importantly, all long-term residential accommodation is subject to a hidden GST. Exempt status does not protect tenants from the

impact of the GST, in spite of what the government tells you. All it does is hide the tax. Eventually, the rent has to go up.

Long term residential rents are to be tax exempt under the GST, but contrary to the fact that the supporters of the GST cite this as evidence that housing affordability will not be adversely affected, the committee evidence shows quite the opposite. In Montreal we were told that rents could increase by as much as $40 to $60 per month. In Vancouver we were told that the increase could be as high as $57 a month. In Ontario, the increase in newly constructed units of rent is expected to be about $50 per month. In Ontario, one-half of all tenants with incomes below $25,000 already spend at least 30 per cent of their incomes on rent. The introduction of the GST would worsen this situation.

Some people are looking quizzical and are asking, "Why will rents go up?" The fact is, yes, there is no GST on rent, but the landlord, the owner of the property, has to pay GST with no rebate. So he will pay on his electricity costs, repair costs, janitorial services and heating costs et cetera. Who will bear the brunt of this? Most people indicate that the minimum raise in rent as a result of the GST will be 2 per cent. Add that to other inflationary factors and you will see what will happen to rental costs. Again, let us think about those people who are spending 30 per cent and 35 per cent of their income just to have a roof over their heads. Some of us have some compassion for those people.

Nor does exempt status protect patients of health care services from higher taxes. It merely hides those increased taxes. Added to that, only prescription drugs are exempt. Canadians will pay tax on aspirin tablets—although health is not being taxed—because they do not have to have a prescription for them. Interestingly enough, some of the medical witnesses said to us that they are worried about this, because patients will come to them and demand a prescription for aspirin,—a highly utilized drug—because if they do so they will not have to pay the tax. These are the little complications the committee heard about. But, in the meantime, the doctor has no way of passing on his increase.

Senator Haidasz: Shame!

Senator Buckwold: He will pay a tax on his office and on everything he buys—in other words, on his equipment and all the services provided. Granted he will get a bit back because some prices might come down, but he has to pay it on his rent. Nevertheless, he cannot charge his patients more because he receives his payment from a health plan.

Senator Haidasz: Most unfair!

Senator Buckwold: It was told to us by the medical associations that this will cost $100 million a year, spread across the whole country. Unless medical doctors can get an increase from their provincial health plans, this cost will have to be borne out of their pocket. Some people say that they can afford it, but where is this business of no increase in health costs to the consumer? On the other hand, a dentist who is paid by his patients, will just raise his rates and cover his extra costs in that way.

Honourable senators, Canadians should not be misled into thinking that food is not being taxed. Spending on basic groceries constitutes only a fraction of their food dollar. It is only basic groceries that are tax free. We have also heard that the GST imposes high compliance costs on a wide range of producers, and those higher costs will be passed on to consumers. In other words, again you have to have a bigger markup. Thus the cost of food will rise.

Let me tell you one of the amazing things that came up. This is a statistic that most of us found almost unbelievable. The Canadian Restaurant Association told us that although food is not being taxed, 40 per cent of the food dollar is spent in restaurants. People are eating out.

An Hon. Senator: They go to McDonald's!

Senator Buckwold: We have working families where both husband and wife work and they go to McDonald's. They take the kids out two or three times a week. We all know that; it happens in our own families. It is stated that 40 per cent of the food dollar is being spent in restaurants and outside eating places. These meals will be fully taxed. That is a burden that should not be passed on to those who can least afford it.

Senator Haidasz: That is right.

Senator Buckwold: Honourable senators, the tax is too complex. As presented in Bill C-62, the tax is not the GST outlined in the 1987 White Paper on Tax Reform. It is a more complicated tax. It is much more akin to a European-style invoice VAT. More importantly, the federal government is proposing to bring in a tax at the retail level when retail sales taxes are also imposed by the provinces. Such a dual tax regime exists nowhere else in the world. Its introduction in Canada would make even the best designed GST a compliance nightmare. No other country in the world is imposing a value-added tax added to a provincial, state, or other kind of tax, as we will do under this legislation.

Because the government has chosen to use three categories of tax status under the GST—that is, fully taxable, tax-free and tax-exempt—great difficulties are imposed on those who provide goods and services in more than one class. Many small retailers sell both taxable and tax-free food products. An examination of the bill's definition of "basic groceries" would make it clear just how difficult it is to distinguish between the two.

Just as bad is the situation in which many non-profit organizations find themselves. Their services are both taxable and tax exempt. These organizations must be able to distinguish between the two in order to charge tax only on the appropriate services or goods.

What is more complicated, honourable senators, however, is the needed apportionment of input costs between the two types of output in order to claim input tax credits. I am sure you all follow that in every detail. However, most of our witnesses could not understand that, and little wonder!

Senator Frith: Could you repeat what you said about input and output.

Senator Buckwold: Concerning input and output, small businesses normally bear a compliance burden many times higher than that borne by larger firms. That is why most of the opposition comes from small business, the basic business of the whole country. By volume and numbers, small- and medium-sized businesses are the backbone of the country.

Senator Stanbury: And by employment, also.

Senator Buckwold: Yes, especially by employment. But we will come to that later.

Furthermore, the complications that exist in Bill C-62 weigh most heavily on the small business sector. This compliance burden is not only bad for the economy, but it also represents another element of the unfairness of the GST.

Honourable senators, it is bad for the economy. It is ironic that the sector of the economy with the greatest future potential is the one that we harm most by the GST. I am, of course, speaking of the tourism sector. The GST is the worst tax that could be imposed on this sector. It will discourage non-residents from vacationing in Canada and will encourage Canadians to vacation abroad. A recent poll showed that with the GST in place—and this figure will astound honourable senators—47 per cent of Canadians will vacation in the United States instead of in Canada. This will not occur just because of the implementation of the GST but because our prices are so much higher than are those the American. This is just the last straw. Instead of someone in Toronto taking a trip to Vancouver or to Halifax they might as well go to California or Florida.

● (1510)

More generally, the effects of the GST will be exceptionally serious for our border areas. Centres of population close to the U.S. border already suffer very severe competition from people going across do their shopping because of lower prices that will be exaggerated and greatly increased. Everyone living in border cities who appeared before us indicated that this was a very major problem.

I further say that the economy is into a recession. Even Mr. Wilson has finally admitted it. Some say that it will be not just a recession but that it is the beginning of a serious depression, which is a much better description of the situation. Growth is slowing. Unemployment is increasing to dangerous levels.

Except for the Department of Finance most analysts of the GST expect that it will harm economic growth when introduced. Bill C-62 in its present form will likely exaggerate the current economic downturn very significantly. Quite frankly, this is one of the major problems that Mr. Wilson will have to face.

He has not been a very lucky Minister of Finance, although he made some of his own bed to sleep in. He had good times. But right now it is not a great time to introduce a tax such as the goods and services tax.

Senator Frith: Can you think of a Minister of Finance who ended up with the nickname Lucky?

[Senator Frith.]

Senator Buckwold: I can think of one, but I will not mention his name.

Honourable senators, let us face reality. If I had been the Minister of Finance or Mr. Mulroney I would have hoped that the committee would say, "Postpone this bill. Come in with a recommendation and change the date to January 1, 1992. That would give us time to let this thing work through and solve some of our problems. Basically, let's get over what likely will be a serious economic downturn with heavy unemployment exacerbated by the impact of the GST". Quite frankly, as chairman of the committee I felt at one time that is what we should do. But even then it would have accepted the principle of the proposal, which I do not find acceptable.

Senator Murray: Even though you voted for it at second reading?

Some Hon. Senators: Oh, Oh!

Senator Buckwold: We voted for it at the second reading stage only so we could get it to the committee.

Senator Murray: It was approval in principle.

Senator Perrault: It was just to get it to committee, and you know it.

Senator Buckwold: It was so that we could start to deal with it as soon as possible. We were doing the best we could to manage to get it to committee and bring it in on time.

Senator Frith: I think that it went on division, did it not?

Senator Buckwold: Yes, it went on division.

Senator Murray: In any case, it was approval in principle.

Senator Buckwold: We were very happy to be able to get it to committee. We wanted to make sure that we had a proper study of the bill.

Honourable senators, it is also useful to view the goods and services tax in the context of current monetary policy. The Bank of Canada is pursuing a policy of tight money to lower the rate of inflation. The result of this policy is high interest rates. Now the GST will cause a rise in prices immediately, which might set off a wage-price spiral.

Senator Murray is looking at me quizzically. All I know is that the Governor of the Bank of Canada assured the committee that he will accommodate a 1.25 per cent one-time increase in prices, but not a higher increase. I have indicated to honourable senators that in the opinion of many that increase will be significantly higher.

Since the estimated price increase is based on the most favourable of circumstances, it is possible that the introduction of the GST will lead to higher interest rates. Higher interest rates are the last thing that the economy now needs. Added to that the war in the Gulf has brought inflationary pressure to a new high in recent times. This is without a doubt the worst time to introduce a tax such as the GST.

Some Hon. Senators: Hear, hear!

Senator Buckwold: If the government had any sense it would announce to the Canadian public that it would like

another year to work on this legislation in order to get over these problems. We know that will not happen. The government has never admitted to a mistake thus far.

The government has also failed to take into account large sectors of the economy which are uncompetitive and regulated. This includes taxes on telephones, electric power and transportation. What provision has the government made to ensure that all of these sectors lower their prices sufficiently when the GST is introduced? Some $19 million was the cost of the GST Consumer Information Office, which is completely ineffective. Everyone knows that. I suggest that a further waste of taxpayers' money, along with the tens of millions spent on propaganda advertising, is the price of all the various programs that are being instigated by the government at a tremendous cost to the Canadian people.

Finally, and most important, the government assumes that organized labour will turn a blind eye to any increase in prices. Believe me, this is definitely not the story we heard from labour people time after time. These groups fully intend to address any reduction in their purchasing power through higher wages. Furthermore, these groups expect the inflationary effect of the GST to be substantially higher than the government's estimate.

Honourable senators, the bill is flawed. On a technical level, Bill C-62 is riddled with flaws that alone are more than enough reason to kill this bill.

Chapter 26 of the committee's report details the various recommendations for change and indicates the inordinate number of problems that exist. Let me give honourable senators some idea of the extent of the inadequacies.

One of the government's prime arguments for introducing the tax was to correct relative price distortions generated by the existing sales tax. According to the 1987 White Paper on Sales Tax Reform, "widely different effective tax rates are harmful to the economy" because these distort consumer choices. Yet the GST would abolish one set of price distortions only to introduce a new set of price distortions.

For example, food and beverages would face differential taxation based on their classification and the size of the package. Soft drinks would be taxed, while mineral water and coffee would not. Chocolate bars would be taxed, but chocolate-covered cookies would not be taxed. Yogurt served in single servings would be taxed, while yogurt contained in packages of multiple servings would not be taxed. Food served in restaurants would be taxable, yet prepared frozen food supplies in supermarkets would not be taxed. On the other hand, if you buy from a supermarket a roast chicken which is kept in a warming oven you would pay the tax on it.

Can you imagine the difficulties facing a small retailer in trying to explain these distinctions to an irate customer?

● (1520)

Honourable senators, the GST will have a harmful effect on charities and the non-profit sector. There was hardly an hour went by in our hearings that we did not have one of these groups in front of us indicating the problems that will be created for the non-profit sector and charities. Its application to sales by workshops employing handicapped persons and on Remembrance Day wreaths are but two examples. Imagine taxing Remembrance Day wreaths!

The application of the tax to the amateur sports community is completely without justification. National sports organizations will be entitled to a 50 per cent rebate of GST paid on purchases, while provincial organizations will not receive the rebate unless they are at least 40 per cent funded by the government.

Senator Stewart: What about religious goods?

Senator Buckwold: I will come to that. In the past, government has continually tried to wean organizations away from public funding. Yet, you do not get a rebate unless you are 40 per cent government funded. It is inconsistent and arbitrary to simultaneously urge non-profit organizations to reduce their reliance on government funding, then to penalize these bodies for achieving that goal. There were dozens of recreation firms and sports groups—people who try to raise money by selling cookies door-to-door and do other things to keep these sports organizations going—saying that they no longer relied on government funding and, because of that, they will not receive a 50 per cent tax rebate.

The harmful effect of the GST on charities and non-profit organizations does not stop there. The GST will also impose a significant compliance burden on these organizations. They will need to apportion costs between taxable and non-taxable goods they sell in order to receive the 50 per cent rebate and claim input tax credits. They must also collect and remit the tax. This will represent a formidable task for business. For charities and non-profit organizations that must rely on volunteers, we were told that it is oppressive.

Honourable senators, the compliance burden for municipalities, universities, schools and hospitals—the so-called MUSH sector—will also be onerous. The Federation of Prince Edward Island Municipalities told the committee that small municipalities simply cannot cope with the GST. Larger municipalities, such as Toronto, are facing higher labour costs as a result of the GST. I should like to read a letter addressed to the Senate of Canada from the Mayor of Toronto. Toronto is the largest city and the economic heartland of the country. The mayor should be considered by the government as a reliable witness.

Senator Barootes: Is the mayor a Grit?

Senator Hastings: You asked him; we did not.

Senator Buckwold: This letter is dated October 11. The mayor said:

> I am writing on behalf of the people of Toronto to urge you to defeat the proposed Federal Goods and Services Tax.
>
> It is not without some trepidation that I ask you to overturn the decision of an elected house. However, the Senate has the constitutional right and the moral obligation to reject such ill-conceived measures as the GST,

> which threatens disastrous consequences upon Canadians and our already battered economy in general.
>
> The brief of the City of Toronto to the Senate Committee on Banking, Trade and Commerce on July 18, 1990, which was unanimously supported by the Toronto City Council . . .

And I would guess that there are even some Tories on that council,

> . . . outlined our deep concerns regarding the GST: it will damage, to name a few, our valuable services, fashion, film, publishing and tourism industries; it will hit hard those most vulnerable in our community, for example, those who live in weekly rent rooming houses will be compelled to pay a GST . . .

If you pay by the week, you have to pay a GST right at the top.

> . . . and it will act as a serious damper on our economy, one that threatens to turn an economic downturn into a veritable tailspin. For these reasons, I urge you to take decisive action and defeat the GST.

Some Hon. Senators: Hear, hear!

Senator Buckwold: It is signed by Art Eggleton, Mayor of Toronto.

Senator Perrault: It is the same in B.C.

Senator Buckwold: A representative from the City of Edmonton appeared before the committee. Keep in mind that Edmonton operates many commercial activities. They have their own power plant and electrical system and their own telephone system. Their representative told the committee that the tax bill for the City of Edmonton will rise by $20 million a year because of the taxation of city-operated commercial services.

The GST will hurt those companies carrying on business with municipalities because of the bias of municipalities towards non-taxable work done in-house, as opposed to taxable work that is contracted out. There is an advantage for cities and municipalities to do their own work with their own workforce rather than contract it out, which is generally the best way to do it.

Although the proposed GST rebate system is supposed to ensure that the MUSH—that is, municipalities, universities, schools and hospitals—sector pays no more sales tax under the GST than under the existing federal sales tax, the system is flawed.

Firstly, the rebates offered are based on the average amount of sales tax paid by each of the MUSH sectors, not on the actual amount of tax paid by each individual organization. Again, this is a generalization that has very serious consequences for many of the people who are involved. As a result, the tax bill of some organizations will rise under the new regime.

Secondly, the rebate system, which involves paying out sales taxes and claiming it back later, will impose a substantial cashflow penalty on participating organizations. The Canadian Hospital Association calculated that the sector's cashflow burden will have to be borne by hospitals; that is, the money they pay out that they will get back from the government will constitute a cashflow burden to the hospitals in the amount of $95 million per year. I am sure that many of you, as prominent citizens of your communities, have been involved with hospitals. You know the financial problems they have.

The GST will impose an unfair tax burden on cooperatives. That is one aspect that really hits home, and it was pointed out to us right across the country, especially in the maritimes and western Canada where cooperatives are such a major factor in economic life. The share capital that people put in to join a co-op will be treated as a membership. In other words, if someone wants to belong to a co-op and puts in $2,000 or $3,000, they will pay a 7 per cent tax on what otherwise would be common shares.

Senator Barootes: They pay $5 to join. Come on!

Senator Buckwold: Read some of the evidence that was given to us, if you can read, Senator Barootes.

Senator Cools: We know he is a slow reader.

Senator Buckwold: The co-ops complain that taxing direct charges that are paid by customers in lieu of higher shelf markups and forcing them to account for the GST at several levels of their organization will be an added expense and burden.

The committee believes that this application of the GST to cooperatives is unacceptable. They have appealed time after time to the Minister of Finance but with no results. They represent millions of consumers across the country. Surely, they should receive some response from the government about the problem that they face. These organizations provide a valuable service to this country, and they should be encouraged rather than discriminated against.

● (1530)

Honourable senators, contrary to the impression given by the government, as I said earlier, health care services will bear the GST. Although public health care facilities would receive a tax rebate based on that sector's current FST burden, non-profit, long-term-care facilities would receive a lesser rebate of 50 per cent of sales tax. It gets more and more complicated as you go along, and I do not expect everyone to understand all the things I am discussing because it took me a long time to understand them. Those long-term facilities operated for profit, such as private nursing chains, will not be eligible for any rebate on the tax paid on their purchases. So that has to represent an increase in the cost of staying in those homes and, therefore, the cost of most long-term-care facilities must go up.

The committee also heard that a number of important health care practitioner services would be taxable under the GST. The list includes psychoanalytic psychotherapists for children, massage therapists, dieticians, social workers, veterinarians and Christian Scientists. The Christian Science delegation was interesting. Their health care practitioners are presently eligible for provincial payment for services rendered

for health. Under the federal goods and services tax, they will be charging their patients, by law, a tax of seven per cent.

Senator Hastings: It's a tax on religion!

Senator Buckwold: Yes, a tax on health and religion. We have had many representations—and I am sure many senators received correspondence—from those who feel that this is a very discriminatory action.

As I indicated, if all of those services that I outlined, such as dieticians and social workers, are performed in a hospital, there is no tax. If they are performed in private consultation, then there will be tax payable. I do not blame them for coming to the committee and appealing for relief so that they would not have to add that burden onto those who come to them.

I have said that physicians' services would be exempt under the GST, but they would not be permitted to raise their fees to compensate for the increased costs of their inputs. Thus, physicians are being asked to bear the cost of the GST in the form of lower incomes.

Funerals will be taxed. We heard a lot about the funeral tax, and if Senator Barootes does not mind me using my old line, this whole business of funeral taxes reminds me of the midwife who married the undertaker so that they could get people coming and going! This is exactly what the government has done: It has got them coming and going—the midwife married to the undertaker—because you will pay a tax for the midwife and you will pay a tax on your funeral. What I once thought was just a funny line has become a reality in Canada. That is what the government is doing.

The government has also suggested that education will not be taxed under the GST, yet the evidence shows that many non-credit courses will be taxable, as will books; and this is where we come to our bibles and other educational materials purchased by students.

The Alberta Association for Continuing Education, in particular, objected strongly to the government's assertion that education would not be taxed:

> We have seen one advertisement that has been running which suggests that the GST will have no impact whatsoever on education. That is a blatantly false statement from our perspective. We would certainly appreciate if the advertising in support of the GST being purchased by the federal government was more accurate.

Senator Hastings: Lies! Lies!

Senator Buckwold: It is worth noting that this is yet another instance of the government producing misleading advertising on the GST.

Senator Perrault: Hear, hear!

Some Hon. Senators: Lies! Lies!

Senator Buckwold: Please allow me to clarify the issue of education costs. The law says you do not have to pay the tax on a diploma-granting course that you take at a registered university or college.

Senator Fairbairn: A credit course.

Senator Buckwold: Yes, a credit course. However, if you want to take an upgrading course and pay for it, such as a stenographic, computer course, language course or literacy course, you will have to pay the GST.

Senator Barootes: Bill C-21 will look after that!

Senator Hastings: You look after nobody!

Senator Buckwold: The government is attempting to make some minor changes through regulations, but what I am really getting at is that anybody who tells you that education is not being taxed is not being truthful, because education is being taxed.

Senator Perrault: They would still have to believe in the tooth fairy!

Senator Buckwold: The taxation of reading materials is another aspect that I find very objectionable. Not only will this measure affect the quality of education by limiting the number of books placed on post-secondary curricula, it represents a giant step backward in the promotion of literacy.

Some Hon. Senators: Shame!

Some Hon. Senators: Hear, hear!

Senator Buckwold: Taxing newspapers, magazines and books has never been done in Canada, and is unacceptable to Canadians.

Senator Perrault: Unbelievable! Shame!

Senator Haidasz: Even *Maclean's*?

Senator Buckwold: Yes, *even Maclean's*. Yesterday in Vancouver the Prime Minister seemed absolutely startled when asked a question about this issue by a student. I saw it on television. The student asked, "Why are you taxing bibles?" and the Prime Minister seemed almost, as I say, startled by the question.

Senator Hastings: Stunned!

Senator Buckwold: Perhaps "stunned" is the better word. He mumbled that he was not quite sure about it, but obviously, he really knew nothing about it, which is, I think, the general state of his knowledge about the whole impact of this legislation.

Senator Cools: That is his actual state.

Senator Haidasz: Tell us about beer!

Senator Buckwold: We had representation from the Canadian Brewers Association in which they complained bitterly that the cost of beer will go up, in spite of what the government has said in its propaganda.

Senator Perrault: Shame!

Senator Buckwold: When it is served outside of a liquor store, in a tavern or a restaurant, the price of beer will go up quite considerably. That evidence is available, if anyone wants to read it, in the transcripts of the committee hearings.

Now, honourable senators, it gets worse as we go along. I am sorry to be taking so much time.

Senator Perrault: No, no! Carry on!

Some Hon. Senators: Hear, hear!

Some Hon. Senators: More, more!

Senator Buckwold: I think that, if you had listened to the litany of problems, you would understand how the opinions of members of the committee changed as we moved across the country from a position where we thought we might make some amendments, to one of more serious consideration, and eventually, almost involuntarily, to one where every member of the committee on our side came to the conclusion that this legislation had to be rejected, as a result of all of the evidence that we heard across the country.

Senator Barootes: Would you entertain a question?

Senator Buckwold: No, not at the moment, not even an entertaining question.

Senator Cools: There are lots of taxes on entertainment!

Senator Buckwold: The property and casualty insurance companies, for those of you who are in that business, would also be hit hard by this tax in a very unfair manner. Although the industry is exempt under the GST, it should not be construed as a benefit. Indeed, the property and casualty insurers have repeatedly asked that they be subject to the GST in order to be able to claim input tax credits. They want to be taxed, but they are not. Instead, the industry would have to pay GST on claims settled after December 31, 1990, but would not be able to claim this tax as an input tax credit. In other words, those claims, which run into hundreds of millions of dollars, for things like accidents and fires, will have to have a tax put on them because of the service provided. The companies will have to bear that loss. The insurers stated to the committee that they will be required to settle claims after December 31, 1990, but those claims will be funded by lower premiums collected prior to the GST implementation date.

● (1540)

They said it has been calculated that the GST will reduce capital and reserves in that industry by about $350 million, with the decrease, in at least one company, exceeding the combined profits of the past two years.

This is a little difficult to follow sometimes, but it soon becomes very understandable that a liability sitting out there has to be accounted for on the balance sheets. Representatives of the property and casualty insurers appeared before the committee pleading their case in most of the cities we visited.

Honourable senators, in defence of the GST it has been suggested that its invoicing requirements to claim input tax credits might bring some of the underground economy out into the open. That is the story we have heard. That is true to a degree, in that the only way one can get the input tax credit is to claim back the output tax credit, and vice versa. We have been told that this will make people honest.

We were told that the introduction of the GST would drive an even larger segment of the economy underground, and let me explain that. Under the GST, purchases by businesses would require an invoice in order to qualify for an input tax credit. That would encourage the issue of invoices on business-to-business sales. However, there would be no incentive to issue an invoice when the sale is made to the final consumer who, by definition, is not eligible to claim the input tax credit. In fact, the incentive to account for sales to final consumers is substantially reduced with the application of a new 7 per cent sales tax, since firms that do not charge a tax on their sales have an obvious advantage. In other words, the underground economy develops.

Furthermore, the quick method of GST accounting reduces the incentive to account for sales on business-to-business sales. Under the quick method, a business making taxable sales may simply pay a flat rate of tax based on sales without accounting for tax paid on inputs. The quick method would apply only to smaller operations, and the applicable rate would vary according to the types of sales made. For instance, firms involved in manufacturing or services would pay a flat rate of 5 per cent on sales but would not be able to claim input credits for the tax paid on their purchases. Because businesses using this method of GST accounting cannot also claim input tax credits, they have no incentive to obtain invoices from their suppliers.

Does this sound complicated? It is. I can tell you that there will develop a substantial underground economy, not just to avoid the GST, but to avoid the provincial sales tax and income taxes. Already the growing underground economy is taking billions of dollars of revenue from the Government of Canada.

Another problem with the tax lies in its application to native people. Although Bill C-62 is silent on the issue of taxation of Indians, the government is interpreting section 87 of the Indian Act to mean that the GST will not apply to purchases made by Indians on reserves or purchases made off the reserves that are delivered to the reserves. In other words, a registered Indian would not pay the GST if he or she lived on a reserve or had the goods purchased delivered to the reserve, but all other purchases made by Indians would be taxable.

Native witnesses objected strenuously that under Treaties Indians should not be subject to this tax. This fundamental disagreement between the native peoples and the government has not been resolved. I predicted that this will lead to serious disruption, and those honourable senators who attended the committee meetings at which representatives from a variety of tribes appeared—and that was in several cities across the country—can understand my concern, and that is the militancy that was expressed by these people who feel that they are protected by law but are not being listened to by the Government of Canada.

Honourable senators, in contrast to the existing federal sales tax that lies buried in the price of many goods, the GST was promoted by the government as being a visible tax. Honourable senators will recall that this was going to be a "visible" tax. However, based on the evidence the committee heard it seems that the GST will also be invisible in many cases. Most cash registers simply are not equipped to handle separately the application of the provincial sales tax on top of the proposed

goods and services tax. Some retailers, such as Sears, have indicated they would show GST exclusive prices, in other words, the price plus the GST. Woolworths and others have stated that they will include the GST in the posted price. If the price is $9.95 for an item, the GST would be included in that $9.95 price. So there are two types of merchandising philosophies.

It now appears that visibility has been sacrificed, and the best the government can do is require vendors to have a sign stating that the retail price is GST included. There is no guarantee of visibility at all. The government knew that that was not possible, yet the original concept was a "visible tax" and we are still being told in propaganda materials being sent to homes across the country that it is visible.

The exemption of a number of services to the GST has also diminished the visibility of the tax. Exemption under the GST does not remove the tax, it only hides it. To the extent that landlords pay GST on their costs, monthly rents will rise. To the extent the dentist has to pay GST on purchases, that will show up in higher dental fees. The same applies to day care services. The amount of tax contained in the final price for any of these services would be invisible to the purchaser. This is another example of a tax that is supposed to be visible but is buried in the price.

Honourable senators, these are a small number of the many technical problems that the committee heard about, and I certainly have not exhausted the list. I can give honourable senators a list of other problems that were pointed out to the committee. There are problems respecting prepaid funerals, used goods, works of art, customs brokers, exporters, periodical marketers, telecommunications carriers, flower wire service operators, brewers, jewellers, investment advisory services, with some burden being imposed on agriculture.

Honourable senators, this is a tax grab not a tax reform. The government claims that it will raise approximately the same amount of revenues from the GST as it would get from the existing FST. However, the GST would also impose a significant administrative burden. Originally estimated at $200 million, the cost of administering this tax is now almost double that. The current estimate is approximately $380 million. That extra money must come from somewhere. It will come from the taxpayers. It will also impose a higher compliance burden on businesses, especially small businesses. These costs must be paid by someone. As I have said, they are likely to be paid by the consumers.

Witnesses told the committee that the government is going through the exercise of introducing the GST in order to put in place a tax which would significantly raise future revenues.

● (1550)

The government did not say that; the witnesses said that. For example, the Minister of Finance for British Columbia said:

> It is no secret that the federal government sees the GST as a solution to stem the red ink and slow the growth of the mountain of debt . . . I am frustrated by the federal mindset that sees a tax grab as the only solution to our fiscal dilemma.

Yesterday the Prime Minister, while in Vancouver, said that the GST is revenue neutral, but went on to finally say that if it should produce extra money the government will find a place for it. What a farce!

Senator Perrault: I bet they will!

Senator Buckwold: He did not say it would be used to reduce the deficit. I will digress at this moment to discuss a major concern in this country: the deficit. I think the government should have been frank, honest and forthcoming in discussing the problem of the deficit. This country is going through a crisis. If we do not look out, we will end up being a South American republic as far as our finances are concerned.

The government said it is going to appeal to the citizens of this country to do something about the deficit. It is going to do something that it does not like to do because this is not a fair tax, but a sacrifice is going to have to be made. Those of you who have my coloured hair will remember that during the war years we had to make a sacrifice. A 100 per cent excess profit tax was charged to businesses. If a business made more money than it did before the war, it had to pay 100 per cent of that profit to the government, although I believe that 20 per cent was later returned. We were happy to do that because it was a war effort. Now we are in a fiscal war.

If the government had told Canadians in a frank and honest way that it needed this money to do something about the deficit, that it could raise $10 billion more than it could with the manufacturers' sales tax, and had committed itself to reducing the deficit, Canadians would have responded. They would have recognized the major problem facing this country and that the government had to do something extraordinary and commit every extra penny that was raised to lowering the deficit.

As a matter of fact, when we were in Vancouver this summer, the Fraser Institute representative, Mr. Walker, who supported the tax in principle, voiced his opposition because there was no commitment that the money raised would reduce the deficit. We do not know exactly what will be done with that money.

Eventually this tax will increase, as it has in every other country in the world that has this tax, to bring in billions of dollars. The government denies that, but Mr. Wilson would not go through the kind of punishment he is enduring today if he did not have something in mind that would pay off in the end. It would be ridiculous for him to be hissed at and booed everywhere he goes if he did not have something in mind. But he did not make a commitment that that money would reduce the deficit. If he had, perhaps Canadians would have responded differently, and perhaps our committee would have made a different recommendation in its report.

So we have the government saying in Vancouver yesterday, through the Prime Minister, that this tax is revenue neutral, and if there is extra money it has ways to use it. We know what those ways will be. The government will advance a series

of giveaway programs to the voters for the next election—a nice bunch of "gimme" items that will ensure the re-election of a government that is presently unpopular. That is where the money will go. We need the commitment that every penny of this extra tax will be used to reduce the deficit. In its first year the tax will be revenue neutral, but watch what will happen after that. I hope somewhere along the line that commitment will be made. So far it has not been forthcoming. This is part of the propaganda we have heard.

The Canadian Advertising Foundation agrees that this tax is not simply a replacement tax. The standards division of the Canadian Advertising Foundation ruled that the government radio advertising stating that the GST will be applied on a broader basis that the FST, including such services as restaurant meals and haircuts, is not a replacement tax, but it is a new tax. The Better Business Bureaus of Vancouver and Toronto have labelled the government GST advertising as offensive and misleading.

Then we go to the problem of the provinces—and I am not going to mention any names of former premiers who were involved in the statement I am going to read now; but nine of the ten provinces opposed this move by the federal government in a tax field which they regard as their own. Let me quote from the final communique of the 31st Annual Premiers' Conference held in Winnipeg, on August 13, 1990. That was two months ago.

> The Premiers continue to believe that the imposition of the federal GST is unacceptable and should not proceed. They agreed that the GST, which represents a federal intrusion into traditional provincial tax fields, will

—and this is what the Premiers unanimously said—Quebec was not present—

> fuel inflation in Canada hence increasing upward pressure on interest rates and the Canadian dollar. This will hurt the competitiveness of export industries; add to tax complexity, especially for small and medium-sized businesses, farmers and fishermen; damage key economic sectors, including tourism; increase government spending because of the high administrative costs of the GST . . .

They asked the Government of Canada to withdraw the tax. Now three major provinces—British Columbia, Alberta and Ontario—are taking the government to court for those very reasons.

All I am saying is that you people across the way may look at a committee, moved by political concerns, trying to embarrass the government with its committee report. Believe me, that was not the case. This was a committee impressed by what it was told, which is confirmed by the premiers' of all the provinces except Quebec, which was not represented at that conference. But in the premiers meeting of two months ago they told the government not to do this and to withdraw the tax.

Further, the Minister of Finance for New Brunswick told the committee:

> The goods and services tax represents a massive federal invasion of the sales tax field, which until recently was exclusively a provincial domain. If the federal government decides to use the goods and services tax to reduce its deficit, it will do so on the backs of the provinces by raising its initial 7 per cent rate and crowding the provinces out of this very important revenue source.

Provincial governments have traditionally managed the consumer direct sales tax. The excise tax is federal, but the direct consumer tax was a provincial field; and now the federal government, in its grasping way, is horning itself in and trying to squeeze the provinces out of this important provincial revenue source.

• (1600)

Senator Haidasz: Unconstitutional!

Senator Buckwold: This could result, said the Minister of Finance of New Brunswick, in a reduced ability to deliver provincial services or an increased reliance on other taxes such as higher personal or corporate income taxes.

Honourable senators, in British Columbia the Minister of Finance told the committee that the provinces are being put in a vice. He said that they are being squeezed on the revenue side by the GST's intrusion into their tax field and on the expenditure side by the offloading of program costs. As I have said, the provinces of Ontario, Alberta and B.C. are in the process of court actions against the federal government and opposition to the GST.

Honourable senators, I believe, and a majority of the committee members agrees, that the GST represents an unwarranted intrusion into what has traditionally been a tax field occupied by the provinces. Over the long term, such a move is likely to impair the ability of provinces to raise revenue by means of their own retail sales taxes. Those senators who have been involved with provincial administrations—premiers, deputy premiers and members—will recognize the importance of the retail sales tax to the overall financial wellbeing of provinces.

Honourable senators, the supporters of the goods and services tax made much of the fact that many countries have adopted this form of taxation. I wish to point out that some countries have studied and rejected the tax. In Australia, for example, a value-added tax was rejected a couple of years ago because of unacceptably high administrative and compliance costs as well as a belief that such a tax would not solve tax evasion problems. More importantly, it was felt that the tax would be regressive and would have a significant impact on inflation. Australia rejected this kind of tax not that long ago.

Senator Haidasz: Yes, they are smart!

Senator Buckwold: One striking feature of the testimony we heard across Canada is the extent to which Canadians are unhappy with our tax system as it exists at the present time. This discontent should not be dismissed lightly. The government response that no one likes to pay taxes does an injustice to the sentiments of Canadians. Many feel that they pay too

much tax and that the way in which the burden is distributed amongst citizens is unfair.

Honourable senators, the GST would exacerbate both of these flaws in the existing system.

The memory of the Carter Commission is alive and well. I was surprised at the number of Canadians who cite the principles espoused in the report of that commission. I was also surprised at the number of tax alternatives that were presented in testimony before the committee. Serious tax reform, honourable senators, is too important to be left to the Department of Finance. Offering one or two alternatives to Canadians and maintaining that the rest have been studied and dismissed is simply inadequate.

The flaw in the federal government's approach to tax reform is its tendency to involve the public at the end of the process. I think a much more fruitful approach would be to involve the public right from the start. I think it is time to engage the people of Canada directly in the tax reform process. Let them present their alternatives. Let them evaluate those alternatives.

Some Hon. Senators: Hear, hear!

Senator Buckwold: The people have to have an input. We have to listen to them. But we have a government that does not listen. We have a government that just ignores public opinion. Little wonder that a recent Gallup poll, asking a question on the confidence people have in various institutions of the country, indicated that most people, out of a list of various organizations, have four times as much confidence and place four times as much credibility in the chartered banks of this country as they do in the federal government.

Senator Cools: Small wonder.

Senator Buckwold: Can you believe that? We do not love banks, generally.

Senator Kelly: Is that in your report, senator?

Senator Buckwold: No, that is not in my report.

Senator Kelly: You are outside your report now, I gather.

Senator Cools: But he is not reading his report, he is making a speech.

Senator Buckwold: I made a comment about what I saw in a recent Gallup poll.

All I am saying is this: I think it is reasonable to ask the government to reestablish something like the Carter Commission, to have an in-depth study done not only by bureaucrats from the Department of Finance but by representatives of the Canadian public, by representatives of provincial governments as well as representatives of industry. Let us talk about how we are going to reform our tax system rather than unilaterally maintaining that we have the answer in a goods and services tax.

Many talk about alternatives. I am sure that Senator Kelly may say, "Well, what are your alternatives?" When the committee started out, it was saying that it was going to ask for alternatives. Believe me, we got lots of alternatives in committee. Many of our witnesses made interesting presentations. Some of our witnesses were ordinary people; others were qualified experts like Professor Neil Brooks, Professors Jack Mintz and Thomas Wilson, Mr. Mel Hurtig, Mr. Dennis Mills and many others. Their suggestions included: higher personal income tax; higher corporate income tax; vacating the sales tax field, leaving it to the provinces in exchange for lower transfer payments, as proposed by the Carter Commission; moving the manufacturers' sales tax to the wholesale level; a retail sales tax similar to the present provincial tax without the complications of the proposed GST; a personal expenditure tax; a turn-over tax; a business transfer tax, and a single tax as proposed by Dennis Mills. I might say that that is a proposal which might be more worthy of serious study than many people can accept. It is an idea whose time may have come. Others have asked for a United States style minimum corporate tax.

Honourable senators, all of these proposals are discussed in the report of the committee. Within the capabilities of committee researchers, we did the best we could in trying to analyze them. Senators will notice that in the proposals we see some good and some bad points, some problems, but we did not have the expertise among our researchers to be able to put forward a definitive response on what we should do. Within the capabilities of the committee researchers we did the best we could.

More in-depth study is needed by professionals of the Department of Finance and more detailed investigation of the alternatives has just been issued—and this was since the report, Senator Kelly—by the Canadian Tax Foundation. It is probably the most respected independent tax authority in this country. This research was done by Mr. John Whalley and Deborah Fretz in a book entitled *The Economics of the Goods and Services Tax*. I think senators will find this interesting reading. I wish we had had this reference while our committee was still meeting and before the report was written.

I shall quote from the study of the Canadian Tax Foundation as presented by these people just last week.

> Assuming that we accept the argument that the manufacturers' sales tax is so badly flawed that it must be replaced, what is the best replacement tax?

By the way, this is an in-depth study, not a superficial sort of look at things.

> Is it the goods and services tax as proposed, or is it some other tax? This is perhaps the area where the debate on the GST thus far has been the weakest.

Neither the government nor the committee, in the sense of being able to suggest definitively what we should do, has looked at the alternatives.

> Options outside the GST have not been fully considered and, within the value-added tax approach, the merits of the GST as proposed relative to other forms of VAT have not been fully debated.
>
> Most government documents on sales tax reform over the last four or five years have implicitly assumed that replacing the MST by some form of alternative sales tax

> on a broader base is the only way to proceed, and that, inevitably, the replacement sales tax has to be a value-added tax. The case made for this position seems to rest as much on arguments of political feasibility as on economic desirability.

● (1610)

That is well said. In other words, it is a political decision rather than an economic decision.

The Canadian Tax Foundation further states:

> Evaluating the alternatives to the GST essentially involves two separate questions. The first is whether it makes sense to abolish the sales tax. If a major, though unstated, objective of reform is to put in place a tax system with more capability to raise additional revenues in the long run, is it better to leave the existing tax in place and raise revenues through additional tax measures? Introducing a new tax first to replace the existing tax, and only subsequently to raise revenues, would seem to be an indirect way of proceeding.
>
> The second question is what alternative replacements to the MST are available beyond the GST. One alternative, for instance, would be to increase personal income tax rates and simultaneously try to broaden the income tax base to offset the revenue lost through the elimination of the present sales tax. Because the personal income tax was changed in the 1987 tax reform exercise, however, this option might seem an unlikely choice, but it is, nonetheless, one which could have been looked at.
>
> Another alternative is to consider replacing the MST with a payroll tax, a tax widely used in Europe. While there are many obvious political difficulties with such a change, it is nonetheless a tax option which has not been looked at in the present debate.
>
> Yet another alternative is to evaluate the feasibility of eliminating the MST and, at the same time, reducing transfers from the federal to the provincial governments. This was the option proposed in 1966 in the Carter commission report.
>
> Finally, there is the option of making good the loss in revenue from the elimination of the sales tax through a combination of other revenue-enhancing devices available to the federal government. These options include broadening the base in the income tax, full taxation of capital gains, and a possible reintroduction of the federal gift and inheritance taxes which were abolished in 1971.

Those statements are from the in-depth study of the Canadian Tax Foundation. It further states:

> These problems with the MST are well known. The base of the tax is relatively narrow and it has a number of biases—in favour of imports and against exports and investment.

That is true.

[Senator Buckwold.]

> There is extensive use of notional values because of inequities in the tax created among similar firms in the same industry, and there is also cascading in the tax.
>
> Despite this litany of woes with the tax, which has been well known since the 1950's, the quantitative dimensions of the problems have not been investigated.

That startled me when I read it, keeping in mind that those people who wrote this know what they are talking about, although they are not necessarily chairmen of committees. The report further states:

> Neither in government documents nor in results from the research community is there extensive support for the argument that these problems are serious enough to demand the kind of actions implied by implementing the GST.

I would recommend to supporters of the government that they read the book published last week by the Tax Foundation which covers these various alternatives in detail, which looks at the pros and cons, but emphasizes that there has not been enough study by the Department of Finance before moving helter-skelter into the GST.Honourable senators, you will be glad to know that I am nearing the end.

Hon. Senators: No. More!

Senator Buckwold: In spite of all the protests, all the problems, and all the risks expressed by Canadians—80 per cent of them—and sending millions of objections to ministers, senators andb members of the House of Commons, the government blindly rushes on, disregarding once again the views of the people.

The time has come for all governments, not only the federal government but provincial and local governments, to start having some relationship with the people who support them and who are paying the costs. All of us are too arrogant and we think we have the answers.

I mentioned the Gallup poll and I now have the actual percentages. In August 1990 the question was asked: "How much respect and confidence do you have for the following: Sixty-one percent of respondents expressed respect and a lot of confidence in, of all things, banks; 17 percent of respondents expressed confidence and respect for the federal government." I made a little note here which stated that Rodney Dangerfield should be a cabinet minister because he admits he gets no respect.

Yet when opposition senators respond to the views of Canadian citizens, the Honourable Otto Jelinik states publicly: "51 unelected, unaccountable, old farts are highjacking democracy." All I can say is that we don't smell as bad as the legislation we are asked to approve.

Honourable senators, I want to read a letter from someone I believe is an average Canadian. I invite senators to my office to see the boxes of mail I have received, but this is one that I picked at random. It is dated September 1, 1990, and was addressed to me as chairman of the Committee on Banking, Trade and Commerce. It states:

Dear Senator Buchwold,

I am writing to tell you that the GST is *not* good for my business. My service is to paint houses for people and hang wallpaper. My clients *have* never had to pay a tax on my service and now if they do, this will reduce the deficit! *I do not believe it!* Look to the corporations, Sir. It's rumoured that they don't pay much to begin with. And cut government spending.

The economy is going through such a contraction now that I have been forced to lay off 6 painters! They were all fine men. All immigrants and all well paid. Now the government can look after these six and their families because I can no longer do it. I view the GST as unfair and excessively greedy. And *too* complicated. The government will have to hire an army of paper pushers in an effort to keep track—it never works. It's just another expenditure.

Remember, Sir, the American revolution and the French revolution were ignited over excessive taxation.

But then what do I know, I am just a painter.

Honourable senators, this painter represents the great majority of employers in this country. They represent the small businesses, the small contractors and the self-employed who are providing most of the jobs. As far as employment is concerned, it is not provided by the big industries and the great manufacturers. These are the people who are supporting the economy. But he says in the letter, "What do I know? I am just a painter." Believe me, he knows more than some of the representatives of the Canadian Chamber of Commerce and some of the representatives of the Business Council on National Issues.

● (1620)

Senator Perrault: You bet he does!

Senator Buckwold: He knows more than the Canadian Manufacturers' Association, because he has a payroll of six that he is trying to meet, and he is trying to provide a decent living for new immigrants who come to this country to give their services.

Senator Haidasz: He knows more than Wilson does!

Senator Cools: Could you tell us his name? Also, Senator Buckwold, I observe that the letter is handwritten.

Senator Buckwold: Yes. He does not have a secretary. His name is Eugene McDonald, from Don Mills, Ontario.

Honourable senators, this represents a decent, hardworking, average Canadian who is struggling to make a living and knows full well that what the government is saying is baloney.

Senator Cools: Absolutely!

Senator Buckwold: He knows that what the government is promising is bunk, and that what it is doing will be ruinous to his business when one recognizes the fact that there is now a recession and that he will have to lay off his six painters and let the government look after them.

Senator Haidasz: That is immoral!

Senator Buckwold: That is what will happen.

Senator Cools: That is sacrilegious!

Senator Buckwold: Honourable senators, I appeal to Tory senators to at least look seriously at the implications of this tax. There were two of your colleagues in the House of Commons who were sitting on the government benches and had sufficient courage, honesty, conscience and feeling for the people of the country that they voted against their party. They paid a price though; they were kicked out of their caucuses.

Senator Lucier: They kept their own!

Senator Buckwold: I refer to Mr. Kilgour and Mr. Kindy, both from Alberta. Both of them will be re-elected. In fact, they will be the only Tories who will be re-elected in that province. They did it because they knew that this was not a tax for Canadians. They were honest enough to admit it. They were not blind followers. They had the integrity and personal conscience to be able to say, "This is not a good tax for Canada;" or, as Premier Rae of Ontario said, "It is the wrong tax at the wrong time for the wrong people."

Surely there must be a few senators on the government side who are impressed by the fact that millions of Canadians have not only an aversion to the tax but also a deep-felt concern that this tax does not come into effect, that there could be, as we were told in committee, a tax revolt, because people have reached just about the end of their tether. It is not just the goods and services tax; it is the whole spectrum of government inability to recognize what the people want. It is a response on the part of the public in recognition of their frustration with government. The GST is only adding to a feeling across the country, which, I warn you, will eventually create problems which I do not know how we will handle.

Again I appeal to senators opposite—even some of the new senators who have recently arrived—to take a look at this tax to see how it affects the country and to see how people respond to it. As my friend, Senator Steuart, said the other day, "Surely, some Tory senators with a heart—

Senator Haidasz: And a conscience!

Senator Buckwold: —will review their position, keeping in mind that you have a no-cut contract. You can still remain members of this honourable body."

Honourable senators, in conclusion, the Standing Senate Committee on Banking, Trade and Commerce has not taken this decision lightly; nor has it failed to consider the possible consequences of its action. However, Bill C-62 is a bad piece of legislation that calls for drastic action on the part of the Senate.

Senator Haidasz: It is immoral.

Senator Buckwold: To reject this bill would be an unprecedented step on the part of the Senate. We know that. Indeed, the committee report is itself a dramatic departure from the conventions of the Senate. This bill is so unacceptable to the people of Canada that this action is necessary, because there is just no other choice for us.

Honourable senators, the tax is ill-conceived, the government is ill-prepared, and the implementation is ill-timed. The country is not only ill but it is also sick about it.

With that in mind, it is the recommendation of the committee that this bill should not be proceeded with further in the Senate of Canada.

Some Hon. Senators: Hear, hear!

Hon. Efstathios William Barootes: Honourable senator, will you accept a question now?

An Hon. Senator: Ask your question.

Senator Barootes: I congratulate you on a herculean task with this speech, which was beautifully delivered, Senator Buckwold. You always have my admiration in that respect.

An Hon. Senator: Let us have the sword!

Senator Barootes: Twice, however—at the beginning and in the middle of your speech—and here I hope I am paraphrasing it correctly, I think you said that "It is not possible to patch up this mess by amendments." Later on, toward the end of your speech, you again pointed out that this bill was so ill-conceived and ill-thought that there was no way it could be amended.

My question, Senator Buckwold, is this: If it is such that the bill is unamendable, should we expect any amendments from you in the future? You tell us that the bill cannot be amended and cannot be fixed. Therefore, I presume that we will not hear any amendments from you or from the other side at any time.

An Hon. Senator: Wait and see!

Senator Frith: Would you mind sitting there and holding your breath for the next little while? We would love that!

Senator Buckwold: Honourable senators, I welcome the question from the distinguished senator from Saskatchewan.

Senator Haidasz: You mean the surgeon!

Senator Buckwold: As we looked at the bill I indicated that the first reaction and the first choice was that the bill was unamendable, because there was just so much that was wrong with it. But if that fails, believe me, we will not go for the best—we will go for the second best! Are there amendments that would improve the bill? Sure there are.

Senator Barootes: No!

Senator Fairbairn: The Prime Minister says so; yes!

Senator Buckwold: But it will not make the bill more generally acceptable. Certainly there are amendments!

Senator Denis: Hundreds of them!

Senator Buckwold: Do you want me to give them to you? I can give you 100 amendments. The fact is that we can have an amendment for every one of the complaints, objections and criticisms that were given to the committee. I think that you asked me a kind of stupid question.

Senator Denis: Of course it is!

[Senator Buckwold.]

Senator Buckwold: You thought that we would fall into a trap where we would not have amendments. Sure, we will have amendments. We will have more amendments than you can handle. Believe me, we are working very hard on them.

Hon. Peter Bosa: Honourable senators, would the honourable gentlemen permit a question? This is a matter that has puzzled me for some time. When the goods and services tax was first proposed by this government it was speaking in terms of 9 per cent. It was supposed to be revenue neutral and was to replace the federal sales tax, presently at 13.5 per cent on manufactured goods. From 9 per cent it was reduced to 7 per cent. I understand that the total revenue from the federal sales tax amounts to between $18 billion and $19 billion.

If the 9 per cent had prevailed, would that amount have been exceeded, or is the 7 per cent below the revenue neutral proposition that was presented to us?

Senator Buckwold: When the Commons committee came in with a recommendation, it was well expected by the government. It was well prepared for it—in fact, I think it was a bargaining chip. They compensated for the loss of revenue by a series of other tax changes that brought in the additional revenue. That is available to you, if you would like to find it.

• (1630)

Senator Bosa: I have a second question to ask the honourable senator. He stated that with the threshold in place a person with an income of less than $6,000 will not qualify for a tax credit, yet a person who earns $11,000 is eligible for the maximum credit. Does this mean that a person who has reached the age of 65 and who draws the full old age security pension and the Canada pension, which amounts to something in the order of $9,000 per year, would not qualify for the tax credit?

Senator Buckwold: One has to differentiate between the general tax credit and an additional tax credit for a single person. It is expected that a single person living alone requires more assistance. The figure I gave concerning the amount of $6,000, being the income required, was for a single person, before taking into account the single supplement which is in addition to the basic credit being given to everyone regardless of income up to a ceiling of about $30,000.

What we are saying is that if you are a single person who does not earn $6,000, and for some reason you do not have anything but your old age pension, then you are not eligible to receive the $100 credit. That seems to be an anomaly and just another expression of the hard-heartedness and lack of concern on the part of the government to those who need it most.

Senator Kelly: Honourable senators, first, I too want to comment on the excellence of the performance of Senator Buckwold, who is a friend of mine. I want to depart from my normal practice to take the odd shot simply because I feel compelled to do so.

Senator Buckwold referred repeatedly to the committee and the opinion of the committee throughout his discussion. I would like to suggest that the objective of that committee, at least in the mind of Senator Buckwold from the outset, to use

his expression, was to "axe the tax." In fairness to him, I believe that he was probably moved by the letters he received. We all received letters and, admittedly, it is not a popular tax.

My main objection is that he decided to use the banking committee of the Senate as a vehicle to axe the tax, something which is not in the tradition of that committee. Never before in my experience over the past eight years, and from reading past reports of that committee, has it been used for that purpose.

The advertisement that went out when the committee started its caravan trip across the country invited people to make submissions outlining their objections to the tax, suggesting that they might bring forward alternatives to the tax—which hardly comes through as being an open-minded approach.

The committee report is an excellent one. There is no question in my mind that it is very well written. It was prepared under the direction of the chairman. None of the committee members had any opportunity to look at it until a few hours before the report in its present form was tabled in this chamber. In all my experience—and I have had a good deal of experience of committee work of various kinds, as have others—I have never known of a committee to function in that way.

Senator Buckwold talked about the tyrannical approach, about barging ahead—

Senator Frith: It was a response to a filibuster in the committee.

Senator Kelly: He talked about not listening. It seems to me that listening to members of the committee is rather a normal thing to do under the dictates of good manners.

Senator Frith: The committee was filibustering waiting for the eight. That is quite clear.

Senator Kelly: I am sorry, Senator Frith, do you have a question?

Senator Frith: No. You said that you had never seen it happen before. I was explaining why it happened. It was for your edification.

Senator Kelly: I would be surprised if Senator Frith has not seen it before; but I have not seen it before.

Senator Frith: Had you seen a filibuster before, you would have.

Senator Kelly: I do not intend to get into a debate on premises, on assumptions, and then predict results with Senator Buckwold. We all know how difficult that can be. Two sides can be right when we talk hypothetically. It reminds me a little of my father when I think about scaring people. When interest rates went from 3 per cent to 5 per cent my father said, "Son, this will absolutely destroy the business community as we know it." I was reminded of that when I heard Senator Buckwold speak.

Honourable senators, I want to talk about some of the issues which I think are broader issues, and which do apply here very seriously. We have gone through a difficult period in Canada. Canadians' view of the future appears equally uncertain, if not grim. Our confidence in the future of our institutions, even our ability to stay together as a nation, has taken a very severe pummelling. The debate over the GST has doubtless been a contributing factor.

The government is not without blame in this regard. The government is reaping the whirlwind of what I consider to be its initial less-than-effective attempts to communicate and to explain the GST. In my view it is misinformation and misunderstanding about the GST that are at the root of much of the opposition, the concern and general bewilderment; but there is enough blame to be apportioned to everybody.

The GST has become a lightning-rod. It has become a manifestation of public discontent with government, with politics and politicians and for concerns about our economic future. I have been distressed to see that some have taken advantage of this situation for short-term political gain. It is especially repugnant to me when criticism of the GST comes from those who offer no alternatives and who are in part responsible for the fiscal malaise in which we currently find ourselves.

The committee report recommends that the Senate refuse to pass this bill; or, as Senator Buckwold has said almost from the beginning of the committee study, and he placed it before the media early on, "axe the tax." The essential reason given is that there should be further study of the various options presented to the committee as alternatives to the GST. In many ways this is a typical Canadian compromise. I might add that it could easily result in our ending up with a GST anyway.

I believe that over the past years there has been enough study and enough experience to draw on to demonstrate that a broadly based value-added consumption tax is what is required for the circumstances in which Canada now finds itself. Over the past many years the federal sales tax has been the subject of six major studies and reports, including two royal commissions. The consensus has been that the FST should be scrapped and replaced by some form of retail sales tax.

In 1983, the Goodman committee recommended a broadly based value-added tax to replace the FST. In its white paper of 1987, which was the subject of extensive public consultation and review, the government announced its intention to implement a multi-level sales tax. That became more formal and defined in the April 1989 budget address.

The technical details of the GST were laid out in the technical paper published in August of 1989, which was reviewed in detail in the House of Commons and was the focus of untold numbers of seminars, conferences and consultations across the country. However, I doubt if in those cases they were focused specifically on what was wrong or what was right. Hopefully, they were broadly based and open-minded approaches. I believe they were.

Bill C-62 was studied extensively by the House of Commons Finance Committee through a process of public hearings. Honourable colleagues, does anyone seriously believe that more study, the consideration of more options, is really required?

I do not pretend to advise my friends opposite on their strategy. If I may say so, I think they have done both themselves and the Standing Senate Committee on Banking, Trade and Commerce a disservice. By deciding on the apocalyptic approach to axe the tax in this place, the public and the government have been diverted from some of the observations and recommendations in the committee report which, in my humble and personal view, were worthy of considered attention and debate.

I would like to give honourable senators a few examples of that. It has been argued that the GST in and of itself is regressive. The government's response was to put in a system of tax credits indexed to the rate of inflation over 3 per cent a year. Of course, the 3 per cent base erodes the real value of the tax credits over time. It may have been possible to convince the government and the other place to index fully the credits. This would have enhanced the progressivity of the tax. Unfortunately, confronted by an "axe the tax" strategy, we never availed ourselves of the opportunity.

● (1640)

Social welfare groups expressed concerns that some provinces might treat GST credits as income for tax purposes. Surely the federal government could have been convinced to reach agreement with the provinces or look for other ways to ensure this did not happen. Unfortunately, confronted with an "axe the tax" strategy, we never had the opportunity.

There are other examples. I could go on, but I think you get my point. These are matters that are not fundamental to the GST, but, if addressed and resolved, could have improved it significantly or at least could have removed misunderstandings. I suspect it was such matters that the Prime Minister had in mind when he said the government would be prepared to look at amendments proposed by the Senate. He did not present us with an "all or nothing" scenario. That has been our doing here.

If we had not painted ourselves into the "axe the tax" or "nothing at all" corner, but had proposed amendments to address some of the legitimate issues identified by the standing committee, we would have performed a valuable, proper and constructive role that would do credit to the Senate and to all senators.

I believe, however, we are at the point where the proper thing to do and the responsible thing to do is to get ahead with Bill C-62 in its present form. Enough time has been spent and far too much delay, for all the wrong reasons, has taken place.

It is difficult, if not impossible, to design a perfect piece of legislation the first time round, particularly a comprehensive tax bill such as Bill C-62. Over time, of course, there will be adjustments either through regulation or amendment, but now is the time to press ahead and eliminate the massive uncertainties that the delays have caused.

If the committee report is adopted by this chamber, do we recognize what message the committee's recommendation to "axe the tax" sends to Canadians, to the world's capital markets and to investors at home and worldwide?

[Senator Kelly.]

We seem determined to present to the world the image of a country in stalemate: political paralysis, constitutional paralysis, institutional paralysis leading to economic decay.

Some of us may not like the GST, but the international financial community does. It understands broadly-based, value-added consumption taxes and works with them in some 45 countries around the world. The international community also likes what the GST will do for our deficit and economic performance generally.

Honourable senators, there is no point in mincing words. The international community would interpret our killing the GST as putting short-term political interests ahead of the long-term economic interests of this country.

I ask you in all sincerity: Are we really prepared to send that message? Are we prepared to establish that precedent? I certainly hope not.

I also believe it would be the height of irresponsibility and political cynicism to invite a constitutional crisis over the GST, especially at this time. That would only further damage our image in the world's capital markets, our prospects of economic recovery and growth, heighten the level of cynicism and rancour and erode our ability to face the challenges that confront us.

Canada is facing a number of challenges on the economic front. According to the Conference Board of Canada, after almost seven years of sustained and impressive economic growth, the Canadian economy is entering a very difficult period of sluggish growth and potential recession. I think it is clear that we are now in a recession. The only question is its length and severity. Meech Lake and recent political events in Ontario have eroded investor confidence.

However, the single most important drag on economic prosperity is our deficit and our apparent inability to get our deficit house in order. The borrowing required to finance the deficit scoops scarce resources from the capital markets, which in turn retards growth and a return to economic prosperity. Our deficit is inflationary and is a contributing factor to the tight-money monetary policy being followed by the Bank of Canada. The deficit erodes our ability as a federal government to respond to new or changing circumstances and requirements and gives credence to those who argue that Ottawa has become fiscally weak and ineffective. In the challenges that face our federation, the federal government has to demonstrate the ability and the resolve to get its fiscal house in order; in fact, to get our entire house in order.

The GST will, in the longer term, assist in deficit reduction. On the revenue side, in my opinion, it will doubtless prove to be the largest single contributor to deficit reduction.

Aside from its impact on deficit reduction, the GST will help in overall economic growth by replacing the manufacturers' sales tax. Once again, the Conference Board of Canada forecasts an export-led recovery in the manufacturing sector in 1991 due to stronger export markets and the benefits of the GST.

Honourable senators, there is little point in rehashing the various economic arguments in favour of the GST. Those arguments, both pro and con, have been presented ad nauseam over the past several years. That is why I find a recommendation for further study to be particularly galling.

I assure you that I am not being partisan when I say this, but I am absolutely convinced in my own mind that this chamber has neither the constitutional nor the moral right to block this bill.

Senator Frith: On what basis do you make that constitutional judgment?

Senator Kelly: I will explain. Over the years, the Senate has progressively retreated from the full exercise of its powers as written in the Constitution, to the point where, I believe, the convention has been clearly established that this chamber would not oppose the government on fundamental issues that had been approved by the lower house. There is no question that the GST is a fundamental issue central to this government's economic, fiscal, structural and trade policies. In fact, I find it difficult to imagine a matter that impacts so directly and to such an extent on such a wide number of policy sectors. Not only do I believe that the convention of not blocking fundamental government policies has been firmly established; I believe it was and is right and proper.

The cabinet, by convention, is chosen largely from members of the lower house and depends on the ability to retain the confidence of a majority in that house. Governments do not and should not rise or fall because of what happens here. This is not a popular house in both respects. We have no constitutional or practical right to obstruct the will of the lower house.

Sooner or later this government will face an election—the most effective accountability mechanism designed for governments by mortal man. The electorate will decide whether it wishes this government to continue or not, based on the government's overall performance. No one in this place has the luxury or discipline of facing an electorate.

I cannot help, at this point, quoting from President Kennedy's address to both houses of Parliament in May 1961. Referring to the distinguished senators before him, he noted:

> . . . the lofty appearance of statesmanship on the faces of the members of the Senate who realize they will never have to place their case before the public again.

As senators, we have no right to superimpose our views on a government and legislature that does face the electorate on a regular basis. The government may, in fact, be defeated in the next election. The new government, with a clear popular mandate, can then do what it likes, including removing the GST. I would expect the Senate, regardless of its composition at that time, to allow it to do so.

I have read with interest the reflections of Eugene Forsey on the constitutionality of the Senate blocking the GST by whatever procedural means are available. As I understand it, he argues that because of the evolution of party discipline in the House of Commons and the "excessive"—and I put excessive in quotes—use of time allocation, the Senate has a duty to defy the will of the lower house on issues of fundamental principle.

● (1650)

With all possible respect to the esteemed Senator Forsey, I think he is wrong. In the first place, as the House Leader in the House of Commons has demonstrated, "excessive" use of time allocation is a phenomenon that is neither new nor unique to this government. In the second place, the Senate has no possible right to judge the efficacy or rectitude of the review process in the House of Commons, as long as that house acts within the constitution and constitutional conventions.

I have heard it said—by Senator Buckwold recently—that because the public opinion polls show wide disenchantment with the GST the Senate has a moral obligation to block it. Surely, honourable senators, that is a red herring. This place does not represent the ebbs and flows of popular opinion. We are not equipped to do so. That is the role of the lower house, where governments stand or fall on their abilities to lead and interpret public opinion.

To have a bicameral legislature, both parts of which purport to represent the popular will, is to invite stalemate and indecision. I think it is ridiculous. To say that the Senate must block the GST in deference to opinion polls, is, in my opinion, to try to find a democratic rationale for an undemocratic action.

In any event, I would have been amazed if a majority of Canadians had not been opposed to the GST—or to any new tax measure, for that matter.

If the Senate represents anything other than being a place of "sober second thought," it represents the regions of Canada, and I would like to note, therefore, that one major region, Quebec, has already joined forces with the federal government on the GST, and four other provinces, Saskatchewan, Nova Scotia, Newfoundland and New Brunswick, have indicated a willingness to come on board. Another province, Alberta, while opposed to the GST, does not agree that the Senate is the appropriate forum to stop it.

In other words, by "axing to tax", the Senate would be acting contrary to the wishes of popularly-elected governments in six provinces.

In addition, Senator Forsey argues that the rise of party discipline in the House of Commons places a burden on this place to ensure adequate review and debate of legislation. Research, which I had the Library of Parliament do for me, indicates that the Senate's record in passing, rejecting or amending bills approved by the House of Commons reflects a clear increase in party discipline, which evidently spilled over from the House into this chamber, and perhaps that is leading us to where we find ourselves these days. Rather than acting as a counter-balance to party discipline in the House, we are progressively following the same course.

This progression, in my view, is quite at odds with the intention of the Fathers of Confederation who wanted to move the Senate from the centre of the broader political process to foster a chamber that was essentially non-partisan and acted truly as a chamber of "sober second thought."

Honourable senators, finally, I want to move on to another matter which has affected me deeply.

Since I accepted the honour of an appointment to the Senate, I have made a deliberate, concerted effort to rise above, if you like, purely partisan considerations because I believed that was my proper role as a senator and the role in which I would be most effective. I have therefore been distressed to see this house divide so resolutely along partisan lines, in deference to instructions from the leader of a political party who currently serves in neither house and who has not faced an election since 1984.

Senator Frith: I tell you what: if you get some people over there to vote in favour of the report, we will see if we can get some here to vote against it. Then you can sleep well because we will not be divided on partisan lines.

Senator Doody: We want to see yours first!

Senator Frith: Senator Kelly is always depressed about partisan lines but I have never seen him vote other than in a partisan way.

Senator Kelly: I might respond to Senator Frith's comment with something I noted while Senator Buckwold was speaking. If I understood him correctly, he said that, if there was a categorical commitment on the part of the Minister of Finance or the Prime Minister that the GST would be used to assist in reducing the deficit, then he would change his mind completely on the bill that we are discussing now. That is what I understood him to say.

Senator Buckwold: That is not quite right.

Senator Kelly: I may have misunderstood.

Senator Murray: It was hedged, was it?

Senator Kelly: Honourable senators, just to complete my plea, since 1982, I have also been impressed by the mutual respect and trust demonstrated among senators, regardless of background, seniority or previous political or other affiliations. Nothing has distressed me more than to witness the total abandonment of the decorum and mutual respect that has always characterized proceedings in this place.

In the spotlight that has been focused on us over the past few weeks we have not done credit to ourselves, to this institution or to the principles we purport to represent.

Senator Frith: Pity Senator Charbonneau is not here to hear you say that.

Senator Kelly: There is no doubt in my mind that, for good or ill, we have set in motion a chain of events that will have profound implications for this place.

In Imperial China, emperors ruled by divine right. The only check against their authority was if they began to act in their own selfish interests contrary to the interests of the empire.

Senator Frith: Exactly. You've got it! That's it!

Senator Kelly: In such cases, the emperor was deemed to have lost the "mandate of heaven" and it was then proper to violently overthrow the regime.

[Senator Kelly.]

Senator Frith: Send a copy of that, underlined, to Senator Charbonneau!

Senator Kelly: I am not suggesting any revolution. What I am suggesting is that, by our recent actions, we may well have lost the "mandate of heaven". We may well have lost the moral authority to influence the constitutional future of parliament and this place.

Senator Frith: Perhaps that is where he got his precedent from: China!

Senator Kelly: Senator Frith is demonstrating one of the very points I am trying to describe here.

Senator Frith: Hear, hear! You bet I am!

Senator Kelly: How many of us remember, as very little boys or little girls, our parents saying, "Don't interrupt." Do you remember? I remember. Senator Frith has apparently forgotten.

Senator Barootes: We certainly did not do that to Senator Buckwold.

Senator Stanbury: We are just thanking you for making our case.

Senator Kelly: I sincerely hope that we can now acknowledge our constitutional, moral and practical duties. I would also hope that we will all make a concerted attempt to return to the civility that has, in my experience, characterized the proceedings in this place.

Whatever we do, I implore us all to ensure that it is done with dignity and mutual respect.

I am very close to being finished, honourable senators. I just have one more barb to shoot.

Senator Barootes: We have lots of time!

Senator Kelly: In conclusion, as I noted earlier, the Prime Minister signalled a willingness to be accommodating with this house on proposed amendments to Bill C-62. I had hoped that we would have used that opportunity when it was available to us and not use our time doing many other things that were simply obstructionist.

I think we have a fundamental choice facing us. We can allow this house to be used as a tool in a wider but short-term political strategy, or we can send a message to Canadians and to the world that this house rose above short-term partisan considerations to do what was best for the economy and the country, and that, rather than contributing to political deadlock and uncertainty, this house, in spite of the misgivings of some of its members, was prepared to act with honour and independence and to allow the democratically elected government of the day to have its way with an essential element of its strategy.

There is no question, honourable senators, that those who oppose the GST in this place have made their point. God knows, Senator Buckwold made it today! Your fight has been valiant. Your opposition has been noted. You could, if you choose, retire from the field with grace and dignity and in deference to the conventions of our parliamentary system.

If the government's economic strategy fails, or if it has so badly misjudged popular opinion, it will bear the brunt at the next election.

That, honourable senators, is what I think is the right thing to do—right for this house and right for the country we serve.

Some Hon. Senators: Hear, hear!

Senator Frith: Will Senator Kelly answer a question? I want to be sure I got his remarks down right. When I asked Senator Kelly on what basis he came to his conviction that the Senate had neither the moral nor, particularly, the constitutional right to defeat this legislation, he said that it was because he felt that there was now a convention of the constitution that had arisen on the basis of the fact that the Senate had not, for many years, probably decades, defeated such legislation. In other words, by the Senate's not exercising its constitutional right, the convention had grown up that it could not do so. Do I understand that correctly?

Senator Kelly: Honourable senators, with one major change. I do not believe that the convention developed simply through lack of use of that power. I think it was a conscious decision as the country matured. I think it became a conscious decision that, while it may have been appropriate in very early years, as parliament matured, it became less and less appropriate. I think it was a conscious decision, not just simply through lack of use.

Senator Frith: And who made the conscious decision: succeeding senators?

• (1700)

Would the Kelly doctrine not apply with special force to section 26, which not only was not used recently, but had never been used? Would the doctrine not apply that a succeeding Prime Minister had never used section 26 to stack the Senate and, therefore, a convention would have grown up having four or five times the force of the one Senator Kelly is applying to the Senate, since it is approximately four or five times as long, namely, that it had never been used?

Senator Kelly: Honourable senators, in addition to the fact that that particular position will be tested in the courts, I have not studied the history to determine if situations such as we faced recently, occurred in the past. I have to believe that no such situation existed before.

I think the need for that was very clear to anyone looking closely at what was happening. We were in a constitutional crisis. I think something of that sort had to take place.

Senator Frith: Now it is a matter of need. Could the honourable senator not argue there is a need now for the Senate to defeat the GST?

If the criterion is need, as the honourable senator has said, respecting the use of section 26, although it had never been used before, and therefore no convention would apply, would the same "need" doctrine not apply?

It seems to me that the honourable senator's position is very inconsistent.

Senator Kelly: Honourable senators, I see a vast difference between the two situations. The need I felt required recognition was the situation when we had—and I find it difficult talking about one side versus the other—one side of this house deciding to hold Parliament hostage. All that was missing were the armoured cars, the tanks and somebody occupying Government House and padlocking the House of Commons.

Senator Frith: Locking senators out and not allowing them to vote.

I thank the honourable senator for those comments.

Senator Kelly: In most strikes I have been involved in—

Senator Muir: You did not make any yards, Senator Frith.

Senator Barootes: You don't believe the courts either!

Senator Buckwold: I have a question for Senator Kelly, but before putting it, allow me to thank him for the kindness and courtesy he extended to me. I reciprocate that kindness and courtesy.

I am a little concerned with Senator Kelly's emphasis on amendments. It is true that the Prime Minister indicated yesterday, and even before yesterday, that he would accept amendments, but honourable senators will note he was careful to say that those amendments would come in only after the bill was dealt with in this place.

Does the honourable senator really believe that the government would welcome amendments and accept them—through the majority the government apparently now has in the Senate, with some question mark—knowing full well that the bill would go back to the House of Commons and face the impact of—

Senator Barootes: Amendments if necessary, but not necessarily amendments.

Senator Frith: That's about it!

Senator Buckwold: I am putting my question to Senator Kelly, not Senator Barootes. I am trying to visualize what would have happened had we brought in amendments and asked the government to accept them—

Senator Simard: Politicians do not answer those types of questions.

Senator Buckwold: —knowing full well the government would not allow the bill to go back to the House of Commons. In fact, the so-called amendments promised by the government through the Prime Minister will come after the bill has been dealt with, and at that time some amendments can be put forward in order to correct what are some obvious defects.

Senator Kelly: Honourable senators, I fully accept the suggestion Senator Buckwold is making. I am saying that in the normal traditional pattern of the Standing Senate Committee on Banking, Trade and Commerce, it would have prestudied the bill. That was precluded by the decision made on that side of the chamber a very unfortunate decision.

During the course of the examination, had it been an open-minded, normal practice, amendments could have been

passed on and discussed with officials from the Department of Finance, or others, but that is not what took place. That is not what happened this time. I am saying that is unfortunate.

I am also saying that the minute the bill receives Royal Assent a minister will think of something he or she would like to have put into the bill. When you have a complex piece of legislation such as this, one never gets everything included that one wants.

That is part of the problem. Over time that has led to patching and correcting inequities to the point where we reach the stage and say: "This is too complex. Let us reform the tax system. Out it goes. We will start all over again."

Had the decision been mine, I would have proposed an across-the-board value-added tax, then adjusted for inequities as time went on and as they were discovered.

That is not the route that was followed in this case, and I do not fault anyone for that. I am not trying to suggest that now is the time to come in with an eleventh-hour deathbed repentance, saying, "By the way, we should have talked to you about this last June, but now we will talk to you about it."

I am confident many of the matters the Honourable Senator Buckwold and I would agree need attending to will be attended to.

Hon. Jean-Maurice Simard: Honourable senators, I listened from the Senate Reading Room—

Senator Corbin: That does not count!

Senator Simard: I intend to read Senator Buckwold's speech. I took note of the answer Senator Buckwold gave to Senator Kelly.

Senator Frith: Are you embarking on a debate?

Senator Simard: I am asking questions. You were allowed to ask questions.

Senator Frith: Are you asking a question?

Senator Simard: Yes. I am getting to it.

Keeping in mind the answer Senator Buckwold gave to Senator Kelly, is he trying to convey a message that—

Senator Frith: Who are you putting the question to, Senator Buckwold?

Senator Simard: I am asking Senator Buckwold if he is now tempted to suggest to his colleagues in this place that the report be withdrawn. He seems to be having second thoughts about the strategy on the other side of axing the tax. After all, that is what the report calls for.

Is the honourable senator now telling us that he is prepared to withdraw the report of the committee recommending that the legislation be killed? If that is the case we may be getting somewhere in this place.

That being the case, we likely would be sending a message to the government that the exercise was worthwhile and we have heard some interesting amendments.

The honourable senator had better make up his mind. He cannot have it both ways. He cannot say on Thursday next

"axe the tax" and then come back the following week and ask that amendments be made to it.

Honourable senators opposite should level with the people.

Senator Frith: To whom are you putting the question?

Senator Simard: The honourable senator is old enough to admit that he has made an honest mistake. If the conclusion is that the report is a mistake, please tell us and we will all support the honourable senator in withdrawing the report.

Senator Frith: This "Happy Hour" has been brought to you by Senator Simard.

Senator Simard: Honourable senators opposite cannot have it both ways.

Senator Frith: Senator Simard must be asking Senator Kelly that question.

Senator Simard: I am asking Senator Buckwold the question.

Senator Frith: While you were out of the chamber at "Happy Hour" Senator Kelly spoke.

Senator Simard: Is Senator Frith now Senator Buckwold?

Senator Frith: Honourable senators—

Senator Simard: Oh, Senator Frith is Senator Buckwold's master. Obviously, he was his master on September 25. I am sure Senator Frith will yield to Senator Buckwold, if Senator Buckwold has an answer.

Senator Frith: Honourable senators, it is now seven minutes past five. I understand the judge will be here at 5.20 p.m.

• (1710)

Senator Stanbury was going to speak, but he would have liked to have a longer period of time in which to do so and would now prefer to speak tomorrow. Since we have had a speaker on both sides, I move the adjournment of the debate and we can come back at the call of the bell in 10 minutes.

Senator Simard: I would like an answer to my question!

Senator Frith: The problem with that, senator, is, while you were out, things were going on in here that you were unaware of. Your colleague Senator Kelly entered the debate. Senator Buckwold had finished. So I move the adjournment of the debate.

Senator Barootes: Are you adjourning the debate in Senator Stanbury's name or in your own name?

Senator Frith: Is that important to you?

Senator Simard: Let the record show that Senator Frith is still speaking for Senator Buckwold.

On motion of Senator Frith, debate adjourned.

The Senate adjourned during pleasure.

• (1720)

At 5:30 p.m. the sitting of the Senate was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Beverley Marion McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Deputy Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Beverley Marion McLachlin, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by a Clerk at the Table.

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act (*Bill C-28, Chapter 39, 1990*)

An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act (*Bill C-21, Chapter 40, 1990*)

The House of Commons withdrew.

The Honourable Deputy Governor General was pleased to retire.

The sitting of the Senate was resumed.

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I ask that all remaining orders, inquiries and motions stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, October 24th, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

THE HONOURABLE J. MICHAEL FORRESTALL

PROPERTY QUALIFICATION FOR MEMBERSHIP IN SENATE

Hon. J. Michael Forrestall: Honourable Senators, you will be aware of the exchange that took place yesterday following certain media observation with respect to my qualification to be seated.

I wish only to assure honourable senators that I have every confidence that I am properly seated. Senators will want to know that I sought advice both here in Ottawa and in Nova Scotia. On the basis of all advice and counsel, I am satisfied that I have met, and still meet, the requirements of Section 23 of the Constitution Act, 1867; and, more specifically, honourable senators, that I am legally or equitably seized as freehold for my own use and benefit of lands or tenements held in free and common socage, or seized or possessed for my own use and benefit of lands or tenements held in franc-alleu or in roture, within the province of Nova Scotia, of the value of four thousand dollars, over and above all rents, dues, debts, charges, mortgages and incumbrances due or payable out of or charged on or affecting the same.

REQUEST FOR CLASSIFICATION

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I am glad to have Senator Forrestall follow up the question that was raised yesterday during Question Period. Senator Forrestall says that he is satisfied that he qualifies and has read the words of Section 23(3) to indicate what it is that he is satisfied about.

It seems to me that we are still left with a question, because we have not been given any detail as to the nature of his holding. The nature of his holding only becomes an issue because of the information that is publicly available, and that is not as clear as it ought to be. I would like it to be. I had hoped that we would have had a clearer picture.

I want also to put on the record the contents of a copy of a letter addressed to the Speaker, signed by the Clerk, with copies sent to Senators Murray, MacEachen, Doody and myself. I received a copy of this letter at noon today, and it states:

> Honourable Senator Charbonneau:
>
> A question was raised during the Oral Question Period yesterday concerning the validity of the Declaration with respect to Property of the Honourable John Michael Forrestall, made by him pursuant to section 128 and the Fifth Schedule of the *Constitution Act, 1987*.
>
> The Clerk of the Senate was asked to file a report on the circumstances surrounding Senator Forrestall's Declaration. With the Senator's consent to divulge our conversations, I am making this report.
>
> On September 27, 1990, Senator Forrestall presented himself before me, a person authorized for the purpose by the Governor General, in order to take and subscribe the Declaration of Qualification. At that time, Senator Forrestall asked me if "joint ownership" met the requirements for the Declaration. No further details of ownership were given.
>
> I advised Senator Forrestall that an interest in land held in joint ownership was acceptable as long as it met the other requirements of the Constitution such as being in the area for which he was appointed, and having a value to him of $ 4,000.00 over and above all debts and encumbrances.
>
> Senator Forrestall then declared to me that he met the property qualification and executed the Declaration of Qualification before me.
>
> Section 128 of the Constitution Act, 1867 does not require the person authorized by the Governor General to take the Declaration of Qualification to ask for a deed or title from the senator making it. Nor does it require a senator who is taking and subscribing the Declaration to identify the property upon which the Declaration is based. I have never asked for a deed or title from a senator taking the Declaration of Qualification and I did not ask for one from Senator Forrestall. Nor was one tendered. My role was limited to taking the Declaration at face value without a title search or an evaluation of the property.
>
> On October 17, 1990, I telephoned Mr. Mark Audcent, Assistant Law Clerk and Parliamentary Counsel, to confirm the advice that I had given to Senator Forrestall and to ask him to speak to the Senator. Later that day, Mr. Audcent advised me that he had reached the Senator by telephone and that, based upon the Senator's description of the facts, the Senator did not seem to have a problem with respect to his property qualification.
>
> Trusting that the above is of help and to your satisfaction . . .

Dealing with the first part, I agree with the Clerk that it is not his job to ask for the production of a deed, nor is it his job to go behind a statement made by the senator at that stage. The Clerk has given us the information that he promised to

give. However, that does not answer the question raised, and that is what is contained in the Constitution. It does not answer the question raised by the public information that gave rise to the issue in the first place. On the basis of that information, the senator says that he has a gift over or an interest in a property that he shares with his brothers and sisters. He states, "I own my share of the family home in the Annapolis Valley."

Incidentally, I accept that Mr. Forrestall believes he is qualified, and I also agree with the Clerk that joint ownership would qualify. I have no question about that. However, the information states that the home was willed to the family by a relative who stipulated that it could not pass on to Mr. Forrestall and his brothers and sisters until both his parents had died. His parents both still live in the house.

The will also states that should Mr. Forrestall die, he cannot bequeath his interest in the property to his own children. His share must go to his brothers and sisters.

As a lawyer, that raises certain questions. It may be that there is a simple answer to them, but I have been unable to get any. In order to get that information from Mr. Audcent, I telephoned him and asked him, "What was the information that Mr. Forrestall gave you?" He refused to tell me. He stated that that would be solicitor and client privilege. I asked him who his client was, and he replied that his client was Senator Forrestall.

The specific question still remains—and I am sure it could easily be answered. Reading that information, any lawyer would ask: Does that mean that the property was given by will, a life interest to two persons with a gift over, a remainder gift, to Senator Forrestall and his relatives? If it were left at that, then on some interpretation that would mean that it could be argued that the title had vested. However, if the will provides that the only persons who will take possession after the death of the mother and father are those who have survived the death of the mother and father, then it is not vested and will not vest until the two conditions are met; namely, the death of the mother and father and the survivor, or whoever wishes to take an interest.

I am sure there is a simple answer to that question. If we can find that out, and if it is the survivor only, then there is a real question as to whether or not the title is vested and, therefore, a real question as to whether there is property qualification on that basis. If it is clear doubt that survivorship is not necessary, then it is probably vested and is a proper qualification.

● (1410)

That leaves us with the provision in the Constitution that it makes it the Senate's responsibility, if a question is raised about qualification, to decide whether or not there is qualification. I do not see how we can do that until we find out more about the title and the will purporting to confer it. Thus far, all we have is what the Clerk did, which I think was quite proper. We have the fact that Mr. Audcent, on the basis of what Mr. Forrestall told him, is satisfied; but we do not know what Mr. Forrestall told him. We have Mr. Forrestall's statement that he is satisfied that he is qualified.

I believe that still leaves an important question before us, and a responsibility for the Senate to find an answer to it.

Honourable senators, it seems to me that all I can do is consult, and I will do that. I will then decide whether I wish to make a motion to refer the matter to the Standing Committee on Standing Rules and Orders. However, I do not mind leaving the matter dangling, as it is, because I do not want to make that motion until everyone has had an opportunity to give me the information I want.

[Senator Frith.]

DISTINGUISHED VISITOR IN GALLERY

REPRESENTATIVES OF POLISH PARLIAMENT

Hon. Stanley Haidasz: Honourable senators, I have pleasure in bringing to your attention the presence in the visitors' gallery of Mr. Czeslaw Kurzajewski, a member of the Polish Parliament and Vice-Chairman of the Committee for Youth and Physical Culture, and his assistant Jerzy Kaczmarek.

Both are attending the UNESCO Conference on Sports for All taking place in Ottawa. We wish them successful deliberations and a happy and interesting visit to Canada.

Some Hon. Senators: Hear, hear!

QUESTION PERIOD

PERSIAN GULF

DEPLOYMENT OF CANADIAN GROUND FORCES—
ESTABLISHMENT OF CRITERIA—GOVERNMENT POSITION

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, can if the Leader of the Government tell us whether there have been any discussions between the Government of Canada and the Government of the United States, or with any other government, about the possible deployment of Canadian ground forces in the Persian Gulf.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I would have to consult with my colleagues on that matter and report to the Senate tomorrow.

Senator MacEachen: Honourable senators, I wonder if the Leader of the Government could go a bit further in his inquiries and find out whether, in the event that the matter has been raised or is under discussion, the Government of Canada has established any criteria under which it would agree to such a proposal, or whether it is a matter which is not under consideration or will not be under consideration by the government?

Senator Murray: I shall do so, honourable senators.

I think the house is aware that the ships that were dispatched to the Gulf area were dispatched with a view to

discouraging further Iraqi aggression and with a view to supporting the multi-national sanctions against Iraq. Since that time, as the honourable senator knows, aircraft have been sent for the purpose of providing air cover for our ships.

So far as I am aware, no request has been made for the deployment of ground troops; but I shall confirm that with my colleagues and report back to this house tomorrow.

EFFECTIVENESS OF SANCTIONS

Hon. Allan J. MacEachen (Leader of the Opposition): The honourable senator's answer has stimulated a further question. Is there any assessment by the Government of Canada as to the effectiveness of the sanctions which have been applied to Iraq? Is it the view that at this stage the sanctions are working effectively and that further military action is unnecessary?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I shall see what my colleagues, the Secretary of State for External Affairs and the Minister of National Defence, have to say about that. There is a general impression among the countries that are most directly concerned that the international sanctions against Iraq are working. Whether this means that there will be no further military engagement is another question.

The objective of the whole exercise is to have Iraqi forces withdraw unconditionally from the territory they have occupied in Kuwait.

Hon. M. Lorne Bonnell: Honourable senators, will the Leader of the Government assure the Senate that before Canadian ground troops are sent to Iraq, or to any other country in the world, to participate in a war, Parliament will first be asked for its approval rather than that a minister will decide in the middle of the night what the Canadian government should do?

Senator Murray: Honourable senators, there is a law in this matter, and the law will be respected.

Senator Bonnell: Was the law respected when the navy and air fleet were sent to Iraq?

Senator Murray: Honourable senators, the short answer to that question is yes. I invite my honourable friend to consider the chronology of events.

The Iraqi forces invaded Kuwait on August 2. That same day a resolution was passed by the United Nations Security Council calling upon Iraq to withdraw. When, four days later, it was clear that Iraq was not going to withdraw, a second resolution was passed by the United Nations Security Council imposing international sanctions on Iraq. It was fours days after that, on August 10, that the decision was made and announced to dispatch ships to the gulf.

The honourable senator knows that once an order in council is passed, ten days are provided for during which Parliament must be brought into session. The order in council was indeed passed on September 15. Parliament returned from its summer recess on September 24.

• (1420)

Senator Bonnell: Honourable senators, that is all chronologically factual, but these Canadian ships were running around the Mediterranean Sea for about a week looking for something to do. Apparently, the order in council did not get passed until some time after that, waiting for Parliament to be resumed in the latter part of September. I am suggesting to the Leader of the Government that these decisions should have been made by Parliament, not by a minister, or by executive council, with the ships running around the Mediterranean for a week. Parliament should have been recalled.

Senator Murray: They were not running around the Mediterranean for a week, as the honourable senator suggests.

Senator Bonnell: Where were they?

Senator Murray: They entered the Strait of Hormuz on September 25, the day after the House of Commons returned from its summer recess. The law was complied with. The order in council was passed, as I said, on September 15, and Parliament returned eight or nine days later. The honourable senator is simply wrong in suggesting that what the government did was illegal or improper. We announced our intention to dispatch the ships on August 10, after two Security Council resolutions had called on Iraq, without success, to withdraw from Kuwait. The honourable senator suggests that we should have waited longer or called Parliament into session sooner, but there was no call to do anything except what we did. There was no reason for taking any other course than the course we took, which was to dispatch the ships and then, in good time, to pass an order in council and to have Parliament discuss it when Parliament returned.

COMMAND OF CANADIAN NAVAL FORCES

Hon. M. Lorne Bonnell: Honourable senators, I did not think the United Nations was the Government of Canada or the Parliament of Canada. I was not too sure who was in control of our ships. Were they under American control, Canadian control or United Nations' control? My understanding is that these are not United Nation troops over there now. The United Nations passed those resolutions, as you say, but I would like to know if the forces in the Gulf are under United Nations charge, under the charge of the Americans or under the charge of Canadians? Under whose command are our ships?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Our ships are under the command of Canadian officers. They are under Canadian command. They are in the same situation as the ships and the forces of a large number of other countries who have responded in an unprecedented international effort to try to deter the aggression and to support the international sanctions that have been agreed to. I should have thought that the honourable senator would be applauding (a), the international effort and (b), Canada's participation in it.

Senator Bonnell: Honourable senators, we seem to have three Canadian ships running around in the Gulf and no one in

charge of the whole fleet. I do not know what is going on over there, but I would say that somebody must be in command of all of those ships running around in the Gulf. Are the Americans taking charge and telling our Canadian captains what they should do with their ships? Are the United Nations telling them what they should do? Who is in charge of the Canadian fleet in the Gulf? Is there anyone coordinating those ships or are they all running around on their own.

Senator Murray: Honourable senators, there are rules of engagement that have been given to the officers in charge of those ships. There is, of course, as in any multinational effort of this kind, a great deal of coordination taking place between Canada's military and the military of the other countries that are involved. As a result of that coordination, Canadian military forces have had certain jobs to do in that area. They have done them. They have intercepted and boarded the ships of various other countries, all in support of international sanctions and the unprecedented multinational effort that is going forward and that is supported by the United Nations to deter further aggression.

Senator Bonnell: Honourable senators, can the Leader of the Government tell us who is in charge? Who is the CO of the multinational force in the Gulf? What country, captain, or admiral, is in charge of the fleet?

Senator Murray: Honourable senators, the Canadian forces are under the control and direction of Canadian officers. The United States military forces are, I believe it is safe to say, under the control and direction of American officers; and the same can be said for the Germans, the Saudi Arabians, and so on. There is, of course, a high level of coordination taking place, but it is not a multinational force in the sense that there is one officer or one command structure.

Senator Bonnell: Honourable senators, I want to know who is coordinating the fleet. The leader says that they have a coordinator. They cannot all be running around at sea over there with no one in charge. There must be someone who says what ships go where and at what time.

Senator Murray: Honourable senators, it is like the Senate used to be: it operates by consensus.

INDEPENDENCE OF FRENCH FORCES—RULES OF ENGAGEMENT—UNITED NATIONS SECURITY COUNCIL RESOLUTIONS—REQUEST FOR TABLING

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, if I may, I have a question on that point. I understand that apart from what system prevails among Canadians, Germans and other forces in the Persian Gulf, the French operation has a degree of independence that no other operation has. Can the Leader of the Government explain to us in what way it has been possible for the French government to secure a degree of independence not available to the other forces? I am seeking clarification. I think Senator Bonnell has a good point in asking whether there is a coordinator, or whether they are all coordinating together with no central clearing house and, by accident, pooling together. I think it is somewhat more complicated than the minister has indicated. I invite him to table at some point the rules of engagement and any other directives that are in effect which explain how the Canadian forces relate to the other forces. I am also interested in seeing the resolutions of the Security Council, if they could be tabled. Perhaps Senator Doody has tabled them already, but, if not, it would be interesting to have them.

Senator Doody: I may have.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): There are the two Security Council resolutions, to which I have referred, and that at least one after that on, I believe, September 25, in which they affirm that their previous resolution on sanctions applies to all means of transport, including aircraft, and that it established an air embargo against Iraq and occupied Kuwait. If we have not tabled those resolutions, I shall obtain copies and see that they are tabled.

As for the rules of engagement, I shall ask the Minister of National Defence whether or not they are available and, if they are, I shall have them tabled in the Senate.

On the honourable senator's other point, I am not aware that the French have, as he has stated, a greater degree of independence—independence from what, from whom—than the others.

• (1430)

But if there is anything that my colleague, the Minister of National Defence, can report on the matter, I will certainly bring that report to the Senate.

Senator Bonnell: Can the minister assure us that before Canadian ground troops are sent over to the Persian Gulf area in the event of war that Parliament will be consulted immediately?

If a decision to send ground troops to that area is taken, I hope the government will make arrangements to provide base facilities and appropriate accommodation for our troops, and avoid the situation in which our CF-18 pilots and support personnel were placed, in that no base was arranged for them until approximately one week after they were sent.

Surely the government will not send our troops to the area and leave them on the ships because no arrangements for bases have been made.

I might also say that the three ships we sent over there had to sail around the Mediterranean for about a week because the government had not passed the appropriate order in council. We need better leadership, especially when it comes to the lives of Canadian troops.

Senator Murray: I do not know from where the honourable senator is getting his information.

Senator Bonnell: From the press.

Senator Murray: The honourable senator should not place on the record every tattered clipping, as Senator Perrault used to say, or every report the honourable senator reads in the press, no matter what the source of the reports might be.

If there was a question in the statement made by the honourable senator, I undertake to answer it.

FEDERAL-PROVINCIAL RELATIONS

PROTOCOL OF VISIT OF PRIME MINISTER TO BRITISH COLUMBIA

Hon. Jack Austin: Honourable senators, I should like to ask the Leader of the Government in the Senate a few questions with respect to his duties as Minister of State for Federal-Provincial Relations.

I am referring to the rather awkward situation that arose during the Prime Minister's visit to British Columbia over the past three days. That awkward situation arose as a result of rather unseemly statements made by each of the First Ministers, Prime Minister Mulroney and Premier Vander Zalm, that "the other did not seek a meeting. I would have gladly gone to a meeting if the other had sought a meeting." That was a poor demonstration of public responsibility on the part of both of them.

The problem comes to the door of the Minister of State for Federal-Provincial Relations because he is supposed to brief the Prime Minister on what should be done before he goes to a province, and repair any damage done after the Prime Minister returns.

The question is: Did the minister suggest to the Prime Minister that he should arrange a meeting with Premier Vander Zalm, given that there are a number of outstanding issues between the federal government and the province of British Columbia? Was it the Prime Minister's wish that the minister play that role rather than himself, because the minister is so good at talking to Premier Vander Zalm? Did Premier Vander Zalm in fact say there was no purpose in meeting with the Prime Minister? What actually happened that gave rise to this messy situation?

There are a number of things they could have talked about. There is the Kaon project and the GST, which British Columbia rejects. There are the law suits which British Columbia commenced with respect to transfer payments, to the GST and the appointment of the eight senators under section 26. There are the postponed forestry agreements and the Polar 8 project. I could go on at length. In any event, I earnestly seek a positive response from the minister.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I do not know to what issue the honourable senator is seeking a positive response. He has just enumerated a number of outstanding issues between the Government of Canada and the Government of British Columbia, all of which at various stages of discussion form part of the ongoing discussions between the federal and provincial ministries.

That is the first thing that should be said.

Second, there is no obligation on the part of the Prime Minister, nor has it ever been the practice for the Prime Minister of Canada, when visiting a province, to meet with the premier of that province. Third, I should point out that the present Prime Minister has been more accessible to provincial premiers than any prime minister in the history of this country.

Some Hon. Senators: Oh, oh!

Some Hon. Senators: Hear, hear!

Senator Murray: That is a fact. He has met with Premier Vander Zalm many times and with other premiers on a bilateral basis. They have, in my presence, had telephone conversations on a variety of subjects. All premiers know that the Prime Minister is eminently accessible for this purpose.

Frankly, I am unaware of the controversy that the honourable senator alleges has taken place during the course of the Prime Minster's visit to British Columbia this week. From the information I have received, that visit to British Columbia was tremendously successful, during the course of which the Prime Minister had an opportunity to do what he wanted to do; namely, to meet with British Columbians and discuss the policies of the government with them. There was plenty of opportunity for meeting on a government-to-government basis, and if Premier Vander Zalm needs to talk to the Prime Minister, all he need do is pick up the telephone.

Senator Austin: That is exactly the answer the Prime Minister gave to press inquiries as to why he had not had a meeting with Premier Vander Zalm. What I am suggesting to the Minister—and it may not be helpful to him—is that the image of the Prime Minister in British Columbia; contrary to what he just alleges, is not one of high esteem.

Senator Murray: I am sure you are doing your part to improve that.

Senator Austin: I will show you numbers to corroborate that in Decima polls. The question of the Prime Minister reaching out to show accommodation in British Columbia would have been very much to his advantage and in the interest of the province. I would be happy to bring the Minister's attention to press reports, which I am sure his staff must have in hand now.

Senator Murray: Honourable senators, I am happy to have received Senator Austin's political advice. I know he gave Prime Minister Trudeau advice on his standing in British Columbia. Given the results of that exercise, I will study his advice carefully.

THE ENVIRONMENT

POINT ACONI PROJECT—NECESSITY OF FURTHER REVIEWS AND STUDIES—GOVERNMENT POSITION

Hon. Robert Muir: Honourable senators, I should like to ask the Leader of the Government in the Senate a question relating to a question posed in the other place yesterday by Mr. Paul Martin, who was involved in the shipping business and in transferring ships to Panamanian registry so that he could pay cheaper wages. However, now he is a new-found environmentalist, and he has been raising questions in the other place regarding the coal-fired power generation plant at Point Aconi on Cape Breton Island and demanding that

further studies and reviews be conducted. He raised this point with the Honourable Bernard Valcourt, the Minister of Fisheries, who responded:

> . . . if the hon. member is referring to the Point Aconi project, he should know that we initiated an assessment of this project. We considered all the points raised by the public throughout Nova Scotia with respect to the Point Aconi project. According to the experts, all the questions that were raised could be dealt with through action that was taken and in fact requested by the company concerned. Once the criteria had been met, there was no need to request a public panel on a matter that, according to the experts, could be dealt with satisfactorily.

However, the members from LaSalle-Émard was not happy with that response. He continued on the subject with the Honourable Robert de Cotret and demanded that studies be undertaken, but still he is told that it has been proven that everything is all right.

● (1440)

I want the minister to reassert in Cabinet that this project means so much to Cape Breton and so much to Nova Scotia in regard to employment for hundreds of coal miners and the future sale of millions of tons of coal in the coming years.

It's all very well and good for people like Mr. Martin and others within the Liberal party to be in one part of Canada and say one thing and then when they are in Cape Breton, say another thing; such as: "We are for it, but we must have it checked; we must do this; we must do that."

Then we have another character in Nova Scotia by the name of McDonough—the NDP Madonna. She is doing the same thing, and her cohorts in the other place are doing the same thing. They are damning Point Aconi in the other chamber, but when they go to Cape Breton, they say, "We want it. We are all for it. We cry with the coal miners."

I tell you, sir, if you do not work on this for us, we will have hundreds of coal miners on the streets with nothing to do, if this project is stopped. I demand that it not be stopped. It must go ahead.

Senator Murray: Honourable senators, I am sure my friend takes some reassurance from the statements of my colleague, Mr. Valcourt, to the effect, first of all, that it was this government and his department that initiated the assessment; Mr. Valcourt's further statement that all the points raised by the public throughout Nova Scotia were considered and that all those questions could be dealt with through the action that had been taken and, in fact, requested by the company concerned. Mr. Valcourt has stated that once the criteria had been met, there was no need to request a public panel on a matter that all the experts said could be dealt with satisfactorily. There the matter now rests.

It appears that Mr. Martin and others mentioned by the honourable senator are proceeding on the basis of a misunderstanding or of misinformation as to what has occurred and the federal government's role in it.

[Senator Muir.]

Senator Muir: Misunderstanding be damned! They want to play ball with Greenpeace and all the other cretins and idiots that come on to the Island. They want to be on everybody's side. That is not what we want. I will bring hundreds of coal miners to talk to them, if necessary. Don't allow them to change your mind. I say go ahead with the project as planned.

TRANSPORT

NORTHUMBERLAND STRAIT—REQUEST FOR TABLING OF ENVIRONMENTAL IMPACT STUDIES OF PROPOSED FIXED CROSSING

Hon. John B. Stewart: Honourable Senators, since we are dealing with environmental studies, I would like to ask the Leader of the Government in the Senate if he will lay on the table the findings of the environmental impact studies that were conducted into the fixed link between Prince Edward Island and the mainland of Canada. Will he also make a statement as to where that matter now rests?

Senator Murray: Honourable Senators, if that material is available, I shall certainly be happy to lay it on the table. Will I make a statement? I indicated the other day, in answer to questions from Senator Bonnell, that we continue to study that report with a view to finding a proposal that would be environmentally acceptable while also being economical feasible.

THE ENVIRONMENT

RAFFERTY-ALAMEDA DAMS PROJECT—ABILITY OF GOVERNMENT TO ALTER CANADA-U.S. AGREEMENT ON FLOOD CONTROL IN SOURIS BASIN

Hon. Mira Spivak: Honourable senators, my question is to the leader of the government and it is with regard to the Rafferty-Alameda dams project.

Manitobans are concerned that the refusal by the Saskatchewan government to halt construction on the Rafferty-Alameda dams project will not permit sufficient time for a future review panel to determine what downstream effects the two dams will have on the Souris river which flows into Manitoba. At issue is the possible downstream environmental damage, including quality and quantity of water, an issue that was not addressed in the Saskatchewan Government's previous reviews.

Manitobans are also concerned that the Federal Environmental Review Process be respected so that the principle of "build now, review later" does not become a precedent for other provinces to follow.

These concerns may be academic if, as reported in *The Globe and Mail* on October 19, Saskatchewan is legally bound to build the Rafferty-Alameda dams exactly as detailed in an October, 1989 U.S.-Canadian agreement, regardless of whether or not an environmental review finds the diversion to be environmentally sound.

My question to the Leader of the Government in the Senate is: What is the Government's view of its ability to alter the Canada-U.S. agreement with respect to water supply and flood

control in the Souris river basin? Can Canada stop or alter the Rafferty-Alameda project if an environmental review panel finds it is necessary, given the environmental consequences?

I suspect that the honourable government leader may not have the answer at hand, and I would be most grateful if he would take up the question with his colleagues in cabinet.

Senator Murray: Honourable senators, all I can tell the honourable senator today is that, as she knows, there is an agreement between Canada and the United States to provide flood storage to the United States by constructing the Rafferty-Alameda dams. However, our obligations under that agreement are further subject to Canadian laws, including environmental laws.

TRANSPORT

PRINCE EDWARD ISLAND—STATUS OF PLANS FOR NEW FERRY AND TERMINAL

Hon. M. Lorne Bonnell: Since we are talking about ships and fixed links to Prince Edward Island, perhaps I could ask the minister what progress has been made in the construction of a ferry between Wood Island and Caribou, Nova Scotia. This was promised by the Minister of Transport a year before the last election. The election came and went, and the fixed link went down the drain with the environmental review panel. The plans for the ferry are not yet drawn.

Can the Government Leader tell me what plans have been made for the construction of the new wharves and terminal for the Wood Island-Caribou link: what progress the department has made in drawing up the plans for said terminal; what the plans specifically contain, and when we can expect a new ferry on that run?

Senator Murray: Honourable Senators, I shall make enquiries with the department as to the status of that project. As I told the honourable senator the other day, I should also add that the fixed link has not, as he put it, gone down the drain. The report of the environmental assessment group is being studied with a view to seeing whether there are alternatives which are both environmentally and economically feasible. Meanwhile, we await a definitive statement from Senator Bonnell as to his position on the matter. Is he for the fixed link, or is he against it?

Senator Steuart: Is that all that is holding it up?

ENERGY

PRICE OF GASOLINE IN LONDON, ONTARIO AND ENVIRONS

Hon. Charles Turner: Honourable Senators, my question is to the Leader of the Government in the Senate. Crude oil is moved from Alberta to Sarnia, Ontario where it is manufactured into gasoline and transported to London, Ontario by pipeline. Then, I am told, the dealers receive gasoline by truck, delivered from the large plants.

Last Sunday in London, I bought gas for 59.5 cents a litre. I went through Woodstock and the price there was 55.5 cents a litre. That is a distance of 30 miles. A person has to be paid to haul the gasoline from London to Woodstock and points east, north, south, west, and all over the area. Can you tell me why gasoline is cheaper outside of the City of London, Ontario?

Many years ago I contacted the oil companies by writing them all letters. Only one answered my letter, and that happened to be Imperial Oil. They sent a salesman up to my office and he gave me a "snow job". The reason I know it was a "snow job" is that he went back to his office and told the girl that he just gave Charlie Turner a big "snow job", and so she called me on the phone.

• (1450)

Do not tell, therefore me it is that the oil companies are honest. Why is gasoline cheaper outside of London than it is in London?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I do not know, honourable senators. If I can find out, I will let my friend know.

THE SENATE

DELAY IN PRODUCTION OF DEBATES

Hon. Jack Austin: Honourable senators, I wonder if the Leader of the Government in the Senate knows why we are so far behind in receiving our Senate debate records. There is nothing from yesterday, and there are several days missing from last week. It is very hard for a house to operate without having a contemporary record of its proceedings.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I appreciate the point raised by the honourable senator. I made the same inquiry myself the day before yesterday. I received a note from one of the officials advising that the marathon sessions that we engaged in recently have caused quite a backlog of printing, translation, pagination, and so on, and that it will still be several days before the Senate Debates people are completely up to date with our verbatim report.

FOREIGN AFFAIRS

JOINT CANADA-EEC DECLARATION OF SHARED PRINCIPLES—REQUEST FOR TABLING OF PROPOSED DRAFT

Hon. Jerahmiel S. Grafstein: Honourable senators, I have a question for the Leader of the Government in the Senate. In today's *Globe and Mail* there is an article datelined Washington that states that Canada and the European Economic Community will sign a joint declaration of shared principles next month that seeks to formalize trans atlantic relations. Later on, the article goes on to say that, for Canada, the plan is an extension of former Prime Minister Pierre Trudeau's 1974 effort to forge "a contractual link" with the EEC.

Would it be possible for the Leader of the Government in the Senate to table the proposed draft so that it could be

shared by members on all sides prior to its execution in Europe some time next month?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I shall obtain whatever documentation is available from my colleague, Mr. Clark, on that matter.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—THIRTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION FOR ADOPTION—DEBATE ADJOURNED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Buckwold, seconded by the Honourable Senator Stanbury, for the adoption of the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commerce (Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act), presented in the Senate on 26th September, 1990.—(*Honourable Senator Frith*).

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I yield to Senator Stanbury.

Hon. Richard J. Stanbury: Honourable senators, I see that the first two people I intended to address are not in the house. In any event, I wish to congratulate Senator Buckwold on a magnificent speech.

Some Hon. Senators: Hear, hear!

Senator Stanbury: It was an exposition of the work of the committee and the report of the committee which should, and will, be a classic for many, many years.

I also want to congratulate Senator Kelly, because I have always had a great respect and affection for him. I must say that my respect grew yesterday as I found that he had the ability to rationalize an absolutely impossible situation. Senator Kelly, when he returns will receive my congratulations for that great ability to rationalize the impossible.

Honourable senators, since coming to power six years ago the reform of Canada's taxation system has been a major preoccupation of the government. As we all know, stage one of tax reform was in place by the summer of 1988. Stage two has had a pretty rocky road so far this year, so far and it will not get any smoother.

[Senator Grafstein.]

In August of 1989 the government issued a technical paper that outlined many details of the goods and services tax. The House of Commons Standing Committee on Finance studied the technical paper and issued a report in November of 1989. Even the Tory majority on the committee recognized that there were problems with the proposal and recommended the lowering of the tax rate. The federal government responded in December 1989 with revised proposals.

Bill C-62 was given first reading in January of this year and was studied and amended by the House of Commons before being passed by the government and the House in April of this year—after multiple applications for closure and even though two Alberta Tories had the courage to vote with their conscience and according to the wishes of their constituents. They voted against the bill at the cost of expulsion from the Tory party.

Although the previous studies were extensive, as more time goes by and Canadians discuss tax reform among themselves, people generate a greater understanding of the tax and how it will affect them and the economy. The Senate committee's report is, thus, the most accurate and reliable measure of the Canadian public's attitude toward this component of tax reform. Let no one say that this report is faulty because the evidence was heard in a biased manner or was an inaccurate reflection of public opinion, like so many polls may be said to be.

The committee heard approximately 380 presentations during 200 hours of public hearings in all ten provinces and both territories. Of these, a mere 32 expressed unqualified support for the bill; another 32 were prepared to support the bill with changes. But 209 witnesses expressed outright opposition to the GST. These figures are significant, because they help demonstrate just how extensive is the opposition to the GST. These were thoughtful people who were not partisan. They opposed the GST as the government proposed it, because it is bad.

The committee's work has clearly been a tremendous effort. I should like to congratulate Senator Buckwold and the members of the committee on the production of what I consider to be an excellent, eye-opening report.

A total of 43 headings are used in the report to summarize recommendations for changes made by witnesses. What is startling, honourable senators, is that it appears as though every single sector of society, ranging from exporters, to natives, to providers of health care, have urged amendments. Had they believed that the Senate might be willing to defeat the bill, more would have urged us to do so during the hearings.

Clearly the overwhelming majority of Canadians are opposed to the GST. It is about time the government started to act in accordance with the will of the people. While most people agree that the current federal sales tax is a bad tax, the overwhelming evidence presented to the committee and summarized in the report leads one to the inescapable conclusion that this tax is more a problem than a solution.

In too many industries and sectors of the economy the GST concept has been exposed as containing too many flaws. The tax is unfair; it is too complex. It will harm the economy at a time when the economy most needs help and will result in a tax grab rather than legitimate legislative tax reform.

The government did not choose the GST concept for reform out of necessity. As the report indicates, there are at least ten alternatives that could be considered. Therefore, I support the committee's recommendation that the bill be rejected and not approved by honourable senators.

● (1500)

Honourable senators, the government has for years made the war on inflation a cornerstone of its monetary policy. While it tells us, on the one hand, that it is doing everything it can to wring inflation out of the Canadian economy, it simultaneously plans to adopt new inflationary measures. Is it any wonder that Canadians are extremely cynical about politics, and that this government has set new unpopularity records?

At the beginning of a new recession it is hard to escape the conclusion that this is the wrong tax at the wrong time. The government has made numerous claims about the affect of the GST on inflation and prices, with which it has tried to persuade the public that the impact will be minimal. According to the government, for example, the GST would result in a one-time Consumer Price Index increase of about 1.25 per cent.

The evidence before the committee has seriously questioned and challenged the government's estimate, meaning that the GST could be much more devastating than the government is willing to recognize or admit. The government has assumed that the savings from the removal of the federal sales tax would be passed on to consumers. But that assumption fails to take into account a number of special circumstances, including inadequate inventory rebates and regulated uncompetitive markets. The government's assumption is therefore unrealistic and unreliable.

Inflation will likely rise by more than the government is willing to admit. This will likely be used as an excuse to maintain interest rates at current levels or even to raise them, thus ensuring the depth and duration of the recession.

In addition, it appears that the government's assumption that organized labour is powerless to address a reduction in the purchasing power of wages has also been undermined. New labour contracts contain GST protection clauses which will further wage hikes and result in increased costs to firms, thus resulting in higher prices and higher taxes.

The report gives a thorough account of numerous technical flaws and inequities of which the bill is full. It would take too long for me to address the intricacies of each case. However, a few astounding examples to which the report refers are worthy of note.

The committee heard numerous examples of differential treatment under the GST for food and beverage products. The GST was supposed to eliminate relative price distortions, but instead it introduces a whole new set of distortions. The fact that the government would set some key requirements for a new tax and then fail to meet them but persist in supporting the GST is truly perplexing. It was to be visible, fiscally neutral, fair and equitable, broadly based and integrated with provincial taxes. This bill fails on every one of those government prescribed criteria.

The committee report notes that the GST will adversely affect the non-profit sector in many ways. Should a non-profit business employing handicapped people have its sales reduced because of a new tax? Should the Royal Canadian Legion be taxed for Remembrance Day wreaths? Should amateur sports associations be unfairly penalized by not being eligible for the 50 per cent rebate on GST paid on inputs because they do not receive 40 per cent of their funding from government and are therefore not national in scope?

Charities and non-profit organizations are especially vulnerable to the increased administrative burden that the GST will require. Rather than making life more difficult for them, the government should be thinking of ways to make things easier.

The municipalities, universities, schools and hospitals sectors—which some people refer to as the MUSH sector—also has a number of complaints about the GST about which we should be very concerned. For one thing, the GST system will have a serious impact on cash flow. As we have all heard over the past few years, hospitals and universities are already feeling incredible financial squeezes which make it impossible to provide health care and education of top quality in a reasonable time. This further complication is unconscionable.

In addition, the sheer administrative complexity of the tax will increase labour costs for municipalities which will either have to cut services or raise their own taxes.

One of the most cherished social programs in the country is the universal provision of health care. While health care facilities and recognized health care practitioners are supposed to be exempt from the GST, they will be affected in a very adverse way. Purchases made by health care providers are taxable and their costs will thus rise, even though some health care facilities will receive a rebate for the added tax.

Not surprisingly, therefore, the committee found that Bill C62 would discriminate among health care institutions and between practitioners.

It appears that public sector long-term care facilities would receive a rebate of 83 per cent while others operating on a non-profit basis would receive only 50 per cent. In addition, long term care facilities operated for profit would not be eligible for any rebate on the tax paid on their purchases.

Most alarming is the fact that psychotherapists for children, massage therapists, dieticians and social workers, among other groups, would not be included in the list of exempt health care services. This clearly contradicts the government's claim that health care will not be taxed by the GST.

Concerning physicians and their apparent exemption under the GST, they will have to pay the GST on their own purchases but would not be permitted to charge tax on their sales. In other words, physicians are expected by the govern-

ment to bear the cost of the GST and accept lower incomes. The provinces have indicated that they will not permit doctors to raise their fees to include the GST.

In the field of education, a reccurring criticism was that courses which do not directly lead to a diploma or a degree would be taxable. Education should be considered an investment worthy of being promoted, not hindered by increased costs. Students will also have to pay additionally for education materials. Clearly, the younger generation will have a harder time making ends meet during their student years than those of us who were lucky enough to graduate before 1991.

Believe it or not, the GST is actually supposed to apply to funerals. Benjamin Franklin was quoted as having said that there are only two things that are certain in life, death and taxes. Michael Wilson now thinks that they should be combined. It is surely the ultimate insult to the family of the person who passed away to make them pay tax for it. Should the dead person be the breadwinner of a young family in a lower-income bracket, taxing the funeral displays a terrible lack of compassion for people who can least afford it. Perhaps the Tories will become more sensitive to this issue and realize how offensive it is when they have to buy a coffin for their own political party after the next election.

One of the most disturbing things about this tax is the fact that it is simply so unfair. It is a regressive tax. Lower-income individuals spend a greater share of income on consumption and are therefore obliged to pay a greater proportion of their income on sales tax.

● (1510)

As we know, the federal government is trying to make this more acceptable by including a system of tax credits in the GST package. However, the credits and the income threshold are only indexed to take account of inflation in excess of 3 per cent. Thus, the real value of the credits will decline over time and benefits to families and individuals will be reduced. In the long run, the very poor would not be protected from the extra cost of the GST. The legislation does not provide for full indexation, and having the government say that it intends to adjust the tax credits over time does not create confidence.

After all, this was the government that began its financial reforms by attempting to de-index old age pensions. When Mr. Wilson suggests that he will review tax credits, the possibility that he will reduce them rather than increase them is to be expected as his government proceeds to destroy the social programs of Canada.

Other problems exist with the credits that are rather frightening. Could it really be possible that in order to qualify for a credit one must make more than $11,169? Do not the people who make less than that amount need it the most? And what about the high cost of living in Canada's remote regions? Transportation costs of goods are expected to rise, thus lowering the purchasing power of families in remote regions even more than in central areas. Why should these people be made to suffer disproportionately to the rest of us?

[Senator Stanbury.]

Surely the government should consider that in a country with a climate such as Canada's, taking care of society's shelter needs should be considered a priority. The government has attempted to assure Canadians that the GST will not affect housing. Not surprisingly, the evidence presented to the committee contained in the report is contrary to what the government has said. It is most alarming.

Land will now be taxed, and in the golden horseshoe area of southern Ontario this will increase costs significantly. In Toronto, for example, homes will cost, on average, $10,000 more. Is it not enough that the government has maintained interest rates at such a high level that fewer people can now afford to pay mortgage interest?

The committee also found that the price of exempt items such as residential rents would go up in price as a result of the GST, and it is expected to be a substantial increase in the case of new accommodations.

Besides being unfair, the GST is too complex. Most unfortunate is the fact that it is also regressive in terms of compliance by business. Cost of compliance is much greater for a small business than a large business. Once again, the government should be trying to help entrepreneurs establish going concerns that thrive, grow and employ people, rather than unnecessarily complicating matters for them and getting them bogged down with paperwork.

The complexity, paradoxically, increases rather than decreases when one considers the zero-rated and tax-exempt items that are added to the system. This will be especially evident in the case of small retailers selling food products, who do not have computerized checkout scanners to distinguish taxable and tax-free products.

It is no wonder that the Canadian Federation of Independent Business has stated:

> What this government is proposing is the absolute worst sales tax in the world. It is the worst system that man could possibly devise.

Another business group stated that the GST will create an administrative nightmare for small business.

If the Tories will not listen to the Opposition, then the least they could do is pay attention to their former allies. Traditionally, one expects that when business groups speak, the Conservatives listen. Clearly, that is no longer the case and it leads one to ask: With whom did the government consult when it came up with this idea? Obviously it was not labour, nor was it business or consumers. The lack of consultation is clearly one of the major problems with this scheme.

The complexity of the GST is also harmful to the economy. One area which is particularly disturbing is the additional bureaucratic costs. An additional 4,000 people will be hired to raise the same amount of money that is now collected. This makes no sense at all.

Besides the rise in prices, which I have already mentioned, the economy will suffer from this tax, because it is likely to lead to higher wage demands, unemployment and potential labour strife. The committee report is modest when it says,

"Exacerbating an economic downturn is not usually considered good economic policy." The fact is that exacerbating an economic downturn is so ridiculous that only this ridiculous government could even contemplate it.

The federal sales tax would be expected to raise $18.5 billion in 1991 if it were left in place. The goods and services tax is expected to raise a similar amount, but at an additional cost of some $200 million which will have to be paid for through more taxes. Many people, including the committee members, agree that this tax constitutes a tax grab instead of tax reform, and I agree. The threat of future escalating rates while the government does not use the revenues for their stated purpose is also of great concern. Senator Kelly's whole speech talked about the need for deficit reduction, but the government refuses to commit itself to use any surplus for that purpose.

A few supporters of the GST, including Senator Kelly, have stated that the opponents of the tax have not proposed any alternatives. I thought that myth had long since been laid to rest. The committee report outlines ten alternatives to the tax which should be considered. We have heard of other proposals from very important institutions in this country. The committee did not provide a complete evaluation of the various alternatives as it did with the GST, for obvious reasons, including lack of time and resources. However, rather than insisting on the GST, as if it were a sacred cow, the government should take advantage of the feedback it has received to scrap this terrible proposal and seriously consider the other alternatives which are bound to be more fair and efficient and less costly, complex and disruptive.

● (1520)

In conclusion, I am more than satisfied with the committee's evaluation of the material presented to it and the contents of its report. I fully support the concluding recommendation that the bill be rejected, and I think, again to use Senator Murray's words, that any sensible person looking at the evidence objectively is bound to come to the same conclusion. We are discussing a question of great significance to the financial wellbeing and future of this country. Never before have I felt so justified in opposing a policy of the government. Not only is it not in the interests of Canada, but Canadians in massive numbers simply do not want it. After all, this is supposed to be a democracy. If we do not reflect the will of the people, or, at least, respond to it, we will be in even deeper trouble than we are now.

The goods and services tax is an extremely complex matter, and it takes a great deal of time to understand its implications. This report goes a long way toward making it easier for all Canadians to understand just what is at stake here, and the more they learn about it, the more they demand that it not be implemented.

Hon. Azellus Denis: Honourable senators, may I ask a question of the honourable senator?

Senator Stanbury: Certainly.

Senator Denis: The honourable senator has talked about the government and he has said that its publicity does not support the truth. Can he explain the difference between the actual costs of the manufacturers' sales tax at the retail level and the actual costs of the GST at the retail level? Does he know how many times higher the 7 per cent GST will raise retail goods as opposed to the 13 per cent manufacturers' sales tax? Every book, paper and document of government publicity on the tax talks about the savings as a result of discontinuing the 13 per cent manufacturers' sales tax. You would swear from the advertising that the government is giving consumers a real deal with a cheaper GST. Has the honourable senator any figures to show how much the GST and the MST raise goods at the retail level?

Senator Stanbury: Honourable senators, I thank Senator Denis for his question. However, I am not sure that I am the right person to answer it. I am sure that Senator Buckwold has a better technical command of that situation. We do know that the present FST produces, according the government, the same amount of money as the GST will produce in its first year, less the cost of administration, which is about $200 million. We also know that some manufacturers will receive an exemption from the GST and some will not. Honourable senators may recall a question between two soap manufacturers that came before the Senate, one of whom will receive an exemption and one of whom will not. Of course, they both want the exemption. Also, the manufacturers who do not have exemptions support the GST because it means that they will get rid of the MST and that the cost of the tax can be passed on to the consumer.

The actual percentage of increase varies. I cannot recall the exact figures, but I can remember that there is a saving on a $750 refrigerator of $1.32 under the GST. Other items face substantial increases of several hundreds of dollars. It is difficult to answer the honourable senator's question without having before me the study that was done by the committee.

Senator Denis: Honourable senators, all this means that there has been no real comparison done of the different prices between manufacturers and retailers. Therefore, the comparisons used in the publicity are unfair to the consumer. It is like comparing a horse with a rabbit. Do you think that there is a great difference between the two taxes?

Senator Stanbury: Of course. We all know that the price of a product at the retail level is different than the price of that product at the manufacturing level. So if you apply 13.5 per cent to $100 at the manufacturer's level and there is a markup on the item of 50 per cent at the retail level—and here I defer to merchants—the rate and the amount in absolute dollars will be far higher.

[*Translation*]

Hon. Jean-Marie Poitras: The Canadian government has referred Bill C-62 to the Senate for consideration. This is a tax measure through which it proposes ways and means to finance its programs and its administration.

There can be no doubt that this bill reflects a new approach to taxation and that it raises a number of questions. But is that

enough to justify the antics we have witnessed recently in this chamber over the adoption of the bill?

When it comes to public finances, spending is indeed easier than taxing. As long as public servants dream up new spending programs, as long as special interest groups within society keep asking for an ever larger share of government hand-outs, and as long as politicians take credit for it all, government and political circles as well as pressure groups trade good procedures, smile with satisfaction and pat each other on the back.

When time comes to pay up, we always want our fellow citizen to pick up the tab, or else we defer payment further still. We will readily point our finger at a guilty party, a spendthrift, an egotist, or a lousy accountant. Intent on absolving our own conscience or on ignoring our own inconsistencies, our own blunders or even our own good or bad choices, we are quite prepared to denounce one and all, shoot the messenger, or hide our heads in the sand.

There is no economic context that will turn a bitter tax medicine into sweet honey. It will always be difficult to make people agree to pay more taxes. Human nature being what it is, the line of least resistance, the concept of reaping without sowing, or the had-I-known excuse become the ever handy way out for irresponsible people.

Fortunately public finances are governed by public ethics and simple logic: the elected representatives of the people are responsible for collecting and administering public funds. And those same elected representatives are responsible and accountable for the choices they make. Their stewardship is subject to the judgment of the electorate. Our institutions are rooted in respect for the democratic process. In fact, it is the people who judge those in whom they placed their trust. The purpose of the system is to improve society's opportunities for progress and to prevent specific groups from controlling, compromising or subverting the interests of the community.

As senators, we are proud of the fact that we have served our country as individuals, but we must acknowledge that our legitimacy as members of this "Upper" Chamber is not vested in us directly by the will of the people but by those who were elected by the people, in other words, the Prime Ministers who appointed us or the elected governments that ratified the Constitution by which we are governed.

In fact, the Constitution gives us certain powers and and also certain duties that are further clarified by British or Canadian parliamentary tradition. I doubt any senator could claim that the Constitution or our parliamentary tradition includes the right to compromise the exercise of the legislative authority of the elected Chamber.

Why this determination to highjack democracy, the people's right to choose those by whom they are governed? Why this determination to assume the right to veto the decisions of elected representatives and to usurp those social values without which we would not be here today? Can we honestly say we are serving the cause of democracy and the people?

Yes, we have the right and we are free to exercise certain powers within a specific framework. Yes, we may and we must intervene for the purpose of improving legislation and government measures. We even have the right to act like politicians and to be partisan.

Howeve, by abusing our rights, we choose to degrade our position, and in the process, our parties, our leaders, our elected representatives, our supporters and our fellow citizens. In the final instance, they will have to conclude that we have lost our legitimacy.

[Senator Poitras.]

● (1530)

Our conduct with respect to the present bill is particularly irresponsible because it takes advantage of the fact that the tax burden of Canadians is already very substantial. Where were our rebel senators when the budget deficit, which is about to bankrupt this country, was piling up?

This legislation is one of many. It is important, not only because of the present economic situation but because it is to become an integral part of our tax legislation.

What moral justification exists for this kind of obstruction? The bill's lack of popularity? A desire on the part of some people to destabilize the government? To encourage an early election call? Is it your inability to accept the ways and means chosen by the government? Is it spite, because you lost your majority in the Senate? If any of these assumptions proved to be true, I would call that political partisanship of the lowest order.

I find it hard to believe that your irresponsible behaviour was due to frustration or that you acted at the behest of a few frustrated, well-meaning senators, cocksure with the arrogance of former power brokers on desillusioned because the sun rises whether they like it or not.

Honourable senators, I have tried in vain to find some justification for the behaviour of those among us who are still reluctant to let their sense of judgment, discipline and courtesy prevail, all of which they seem to have lost when they let themselves get carried away by the childish antics of one particular group.

I find all this very depressing, especially when you consider that those who take their responsibilities as senators seriously have a valuable contribution to make towards improving our legislation.

With all the disturbances we have had in this Chamber, it is a fact that more than ever before, the eyes of Canada are upon us. I would have preferred Canadians to see leaders who are respectful of the Constitution, of our institutions and of authority. I would have preferred them to be able to admire the strength of character of people tested by experience, who respect the views of others. And at a time when the provinces would like to see changes in the role of the Senate, to make us better represent the interests of those provinces, I would have preferred our attitude to be one that create a climate of trust.

At a time when our country is going through one of the worst constitutional crises in its history, I would have liked to see us, as senators, agree to help consolidate and update our institutions, instead of discrediting them through our behaviour.

Senator Cools: It's a grand institution. It's too bad you don't liek it.

Senator Poitras: Time is running out. For the sake of Canada's future, we must take a more positive and constructive approach to the exercise of our responsibilities. The bill before us today deserves careful analysis that has been lacking so far.

Speaking of bills, perhaps I may address the report before us today. I think a little background would be useful. During the few years I have been in this Chamber, I have known two kinds of chairmen of the Banking Committee. First, ewe had Senator Buckwold, who was familiar with the customs, procedures and ways of the Senate. He was a President with a long experience of life, a President who respected the opinions of others and had a team spirit. It is under this President that we have prepared, presented and approved in this House a report on financial institutions. It really was the work of a committee, a twelve-member committee which had a steering committe and met regularly.

At that time, the steering committee's study group provided direction and, together, we would achieve a consensus, even if it meant for the staff, the researchers and the Clerk to come up with the projects we needed.

I recall that this particular report required at least five drafts. Working together, we were able to achieve a consensus which took our individual contribution into account and met with the approval of this House.

For the study of Bill C-62, we met and worked with a totally different President, a President who undertook, when the hearings were set, to write himself a report he claimed to be that of the Committee.

More precisely, one day in the middle of August, this President, acting on his own authority—surely he had a skill or knowledge no one else had—, with only our researchers as witnesses, took upon himself to amend the report, have it translated, proofread it himself and decide on his own that the translation was accurate. He also decided, as witness, juge and jury, that the summary of testimonies accurately represented what the witnesses wanted to say.

He did so even after strictly forbidding all researchers and one of his own colleagues, Senator Kirby, access to this study.

● (1540)

[*English*]

> No member of the committee or any other senator, including Senator Kirby, has seen the report in its present form. The report is being drafted by our researchers under the supervision of the Chairman.

Some Hon. Senators: Shame!

[*Traslation*]

Senator Poitras: This was confirmed by a number of letters from our researchers and the Senate committee clerk who had been expressely instructed not to show this document to anybody, even his own colleague whom, I consider as one of the most brilliant senators opposite.

Therefore at noon on September 24, was handed down a report he had prepared, scrutinized, translated with the assistance of his researchers—with the help of an outsider, one of these leaders who, together with him, empressed I should say rather freely the ideas to put forward and the action to take. We were told that before 6 o'clock we would have to had read this report, checked the validity of the comments on the testimonies, and verified the translation.

By the way, translating was fairly easy. For instance, on the front page of the English document which you have, you can read "Eleventh report" and in French we have "Treizième rapport". As you can see, there is nothing to it! This job is very easy!

So it is under duress that we had to read this report, without the opportunity to contribute any valuable input, a report which today is called "the Committee Report", but which in fact is the "Buckwold Report".

If I may, I should also like to tell you also how these hearings were set up. Of course, the Committee heard 379 witnesses, but it should be emphasized that there were several repeat performances. For instance, these 379 witnesses included the representatives of the Canadian Labour Congress who presented between 18 and 20 reports. In other words, twenty times the same report. As you can see, a hundred per cent of the witnesses were against!

Many funeral parlor directors appeared in turn to present the same testimony and often we had the very copies of previous testimonies. This certainly helped to get 100 per cent of the people against this document!

Finally, when a testimony did not seem representative of one side of the hall, the chairman's side, he had the opportunity—very astutely (I recognize his cunning ability and intelligence) to quote a text from the outside to simplify or contredict in someway the testimony we had just heard.

At this juncture most senators arrived here on September 25. But it was not on September 25 that the Liberal Senators showed their hand but rather when our Committee on Banking, Trade and Commerce heard the testimonies and held its hearings. At that point, the ethics went by the board. That was the end of the rules of "fairplay".

If I may, I should like now to deal more specifically with Bill C-62. I can understand that additional reviews are called for!

Just the same, Honourable Senators, I should like to remind you that since 1940, there were a series of reviews and commissions. I should like especially to remind you that in November 1982, a certain Minister of Finance by the name of MacEachen introduced in the House of Commons a Federal tax bill to replace this bad sales tax which was no longer acceptable.

● (1550)

I shall, if I may, quote a few passages from Senator MacEachen's proposal. I quote:

> The federal sales tax which is imposed—

This was in 1981.

> —at the manufacturer's level suffers from a number of structural defects. These have been the subject of extensive review and comment. The most serious consequence of these defects is that they place domestic manufacturers at a substantial competitive disadvantage in relation to importers.

And they want more studies! Further on . . . and I quote:

> After an extensive review of a range of options, the government has concluded that the imposition of the tax at the last trade level prior to the retail level, that is the wholesale level, would be the most direct method of correcting the defects of the present system.

He goes on to say:

> The necessary legislation to affect this change will be introduced early in 1982.

And today, they would have us wait another three, four or five years, at the public's expense! Further on, I would like to quote another passage from the same speech:

> A move to the wholesale level will permit a lowering of the general tax rate, while yielding the same revenues. The general rate will be reduced—

At the time it was 9 per cent. He decided to reduce it to 8 per cent. He couldn't bring it down to 7 per cent, but today we can!

> The reduction will, however, be delayed by six months, until January 1, 1983, in order to offset a one-time revenue loss resulting from refunds of tax on wholesalers' inventories.

Attached to these documents are a number of tables indicating the benefits of the new tax in terms of domestic products and imports, and the difference in price to the public. There is a reference to household products, toys and sporting goods, for instance. In all cases, differences range between 3 and 4 per cent.

That is still the case today. In just a moment, I will give you some new data to explain how this tax, in addition to making goods cheaper, will give a boost to our gross national product that will benefit the entire country.

These were a few quotes from a document by Senator MacEachen, who had already ordered extensive studies prior to coming up with the kind of tax we will have as of January 1, 1991.

People conveniently forget that this tax is a replacement tax. Of course, someone is going to pay for this new tax. Of course it is a tax. It will cost about $18 billion. However, I challenge anyone here in this Chamber to tell me how much federal sales tax he or she pays at the present time. The tax we have is a regressive tax, and it is a hidden tax. That is the kind of tax we want to replace.

I have here figures for our two largest provinces. We could get them for all the provinces, if you like. Out of $18.5 billion, the province of Quebec pays $4.5 billion annually. Every Canadian, including children and the elderly, pays an average of $660 each. It's a tax. It's money. They would rather not talk about that. They only want to talk about what the new tax will cost.

[Senator Poitras.]

Ontario, this country's largest province, pays $7.6 billion annually in federal sales tax. It averages out to $780 per person, again including children. But they prefer to forget these figures. Let's not talk about them. Let's talk about this bad new tax. To find out how this tax will increase the gross national product, all you have to do is look at the official chart issued in April 89 which shows how each province will benefit. The average for the whole sector is 1.4 per cent, which translates into $9 billion in the next few years.

Do you know which provinces will benefit the most from the increase in the gross national product? Together, the western provinces will see their economies grow by twice the national average or 2.5 per cent. But you never hear about these figures!

What is important is not the taxes we have to pay but how our country will develop, how our companies will grow and compete with the rest of the world.

I am quoting these figures, honourable senators, to clearly show how this tax will, in the medium term . . . Of course, we will have to live through the first day, the first six months and the first year.

I think a short-term policy is irresponsible. To build an economy, one has to think of the short and medium terms. Trade is no longer national, sectoral or provincial. It is international.

To compete with the Europe of 1992, we will need this legislation. We must remain competitive at the international level or else the companies that do business only in Canada will also suffer and this, in turn, will lead to insurmountable difficulties.

Having said that, honourable senators, I would like to close by quoting some comments made by the hundreds of groups and the thousands of individuals who have signed petitions against the GST.

We have to take the people into account. All trades are equal in value. But when comes the time to take care of a specific need, we go to a specialist. When we are sick, we go to a doctor, not to a lawyer, however bright he is. And when we need financing, we don't go to a doctor, but to our banker or broker. The qualifications of those who agree or disagree with a project must be taken into account. To me, to forget that is to forget completely the soundness and the value of whatever testimonies we have.

I have here the summaries of a few testimonies and I want to quote first the Economic Council of Canada:

> The GST would improve productivity, thence competitiveness and, over the long term, would give the federal government a stronger fiscal structure. With a wider tax base and a relatively low rate, the GST would help lighten the tax burden, create less distortions than the existing manufacturers' sales tax and encourage people to save for their retirement. Moreover, it would give a boost to

exports, to investments in equipment and machinery and therefore to employment and production.

I now quote another witness, the Conference Board:

The GST brings long term economic benefits because it:

1. improves efficiency through a better distribution of resources;

2. makes our exports more competitive;

3. reduces the capital cost of investments in Canada.

According to the Conference Board, the challenge will be the management of the transition from the MST to the GST from 1991 to 1993.

By making tax evasion more difficult, the GST would be a stable tax that would allow the capture of much of the underground economy.

We had as witnesses several university professors, those who teach economics, who have the expertise and who thoroughly examined these questions. I quote from Mr. Irwin Gillespie, who is a professor at Carleton University. He thinks that, by and large, the introduction of the GST would be a good reform, would make the tax system more equitable, taking in account both the treatment of the equal elements and the progressiveness of all of the tax system. With a more efficient tax system, the economy will also be more efficient, and this change would have the net effect of increasing per capita income. Finally, he believes that the GST would be a more stable source of predictable revenue.

Another professor at the same Carleton University, Mr. Maslove, thinks that the GST would have four advantages:

1. It would be more efficient given its neutrality for exports and imports; presently, our system favours imports over exports.

This is one of the critical issues. I quote again:

2. It would be more equitable, because it would simply replace the FST, given that the GST would apply to a wider range of goods and services, which are not taxed at the moment.

One point that should be noted in our tax system, which is outdated, is that we tax to the limits those who produce the goods while the numerous services purchased by the well-to-do are not taxed. Thus, the present system works at the expense of those who produce the goods. The system which is used by some fifty countries insures that both groups will carry equally the burden of developing the country.

This is another basic point about the GST. Finally, there is a fourth professor, I believe, from the University of Quebec in Montreal, Mr. Pierre Fortin. He says that the GST is the first step towards a simpler and fairer tax system which will be better able to foster our competitiveness at the international level. I do not know very many senators from the other side of the Chamber, or from this side, who would be more knowledgeable than these experts. He continues:

1. It would favour economic growth by stimulating business investment.

2. It would create a better tax balance between the goods sector and the services sector.

These are only a few testimonies, there are many more, by those who have the expertise, who are familiar with the subject, which show clearly the way we should follow.

I would like to conclude with another quote, to share with you part of the testimony from one of the most important and better qualified groups in this country to judge the validity of this tax. I am referring to the Canadian Institute of Chartered Accountants, the very same people for whom an honourable senator from the other side introduced a private bill. He proved to us that they were one of the most important and most reliable groups in the country, and told us that all financial statements should be certified by a member of this Institute. I would like to quote first what Senator Buckwold had to say about this group.

● (1600)

[*English*]

I would now like to call on the representatives of the Canadian Institute of Chartered Accountants. I have the name of Irene David who is the Chairman of the Commodity Taxation Committee of the Canadian Institute of Chartered Accountants. I would like to say, in welcoming you, that the committee has been looking forward to the representations of the Institute of Chartered Accountants; that you are a very important part of the whole economic life of our country.

That was stated by Senator Buckwold.

[*Translation*]

I now continue. Here is what the president of that committee, Miss David, was saying.

[*English*]

Ms. David stated, and I quote:

I have just a few points to make at the outset. As some of you may be aware, the CICA committee represents 48,000 chartered accountants both in public and private practice throughout Canada. The committee itself includes members working with public accounting firms and members who work in business with extensive experience in industry such as telecommunications, oil and gas, manufacturing and import-export.

Over the years our committee has participated in special task forces and advisory groups with both the Department of Finance and Revenue Canada on a number of federal commodity tax issues. Our committee has also reviewed and provided input at each stage of the development of the GST. We appeared before the House of Commons Standing Committee on Finance and indicated at that time that the proposed régime is preferred over the seriously flawed federal sales tax system which currently exists. As a result we support the implementation of the reform measures introduced by the government.

We are here today, however, to stress to you that it is imperative that the business and professional community

have certainty that the GST will become law on a specific date.

• (1610)

They cannot get up to speed at the eleventh hour. Thus, we encourage you to proceed with your review as expeditiously as possible so that the bill can receive Royal Assent.

[*Translation*]

I will continue for your information. I will quote another very interesting except. You will see any way that all that is happening today could have been premeditated. I am referring to the question senator Kirby asked Miss David and I quote:

[*English*]

He states:

If the bill is not passed, assuming it passes at all, until November 15,—

And perhaps that will be the date. He goes on to state:

—to pick an arbitrary date, would your advice then be that the government still ought to try to implement the tax on January 1? Or given your statement that it would take two to three months or more in order for business to be ready, would you suggest at that point that the launch date ought to be delayed?

[*Translation*]

Here again, we have a very clear answer given without any hesitation.

[*English*]

Ms. David said—and I quote:

Assuming that there are no changes, that the bill is—

Senator Kirby: That is a big assumption.

Ms. David: If there are no changes, I would say that the bill should take effect on January 1, 1991.

Senator Kirby then asks other questions. I will read them to you, because it is important to hear them. Senator Kirby goes on to state:

That is somewhat illogical. Can you explain to me why you say that? Accountants, of all the professionals in the world—and I say this as an ex-mathematician—understand the importance of accuracy and rigour. Why would you suggest that businesses would succeed with something that, by your own submission, they would not be ready to do?

Ms. David replies:

Some would. I think it would force them to get ready for the tax in that shorter period of time. If they had some assurance that the bill was going to receive Royal Assent in the fall, say in November, then they would get on with it and proceed.

Senator Kirby pushes again. He states:

Obviously, that assurance cannot be given. One of the purposes of this committee is precisely to deal with that issue.

[Senator Poitras.]

Ms. David: I think that is what our purpose here today is. It is to urge you to expedite your review so that that certainty is there, and so that the decision is not deferred.

This is very clear, honourable senators. This is what we should do, and this is what we intend to do.

• (1620)

[*Translation*]

In conclusion, I have explained to you this bill was discussed in the worst possible circumstances, and that something has to be done about this. You realize also that this report is the work of only one man who had the ability and the skills to lead a team, and if this had been a team report, it would have been far superior. Finally, you can see that the best experts in this field do not hesitate to recommend to the government to go ahead with this project?

That is why, honourable senators, I join with my colleagues in recommending that this report be not approved but instead be rejected, since it is not even the report of a committee on Banking, Trade and Commerce.

Therefore, I suggest, when the time comes, that we should reject this report and pass this bill, as fast as we can, just like the Canadian people expect us to do. Thank you, honourable senators.

Hon. Azellus Denis: Would the honourable senator entertain a question?

Senator Poitras: Yes, senator Denis.

Senator Denis: Let's come back to one effect of the goods and services tax. Does the honourable senator not recognize the fact that someone earning, let's say, $25,000 a year and a millionnaire would both pay the same tax on clothing, home heating, housing, et cetera, if the GST is passed.

Senator Poitras: Honourable senators, this is a very easy question to answer. First of all, your premise is all wrong. I have children, as you do and as many of us here do. I know some poor people. They do not live in the same kind of appartments, but their lodgings are tax-free, so they will not be treated the same way under the GST.

Secondly, the people who only have one source of income, who hold a job or run their own business do not need so many services, such as legal services, accounting, and so on. They do not need researchers for this and for that. They do not need all the services bit business people or the well-off require.

Thirdly, the less fortunate are all entitled to a credit even if they do not pay taxes. If you are interested, I have here some data which show that, compared to our present system, the poor people will benefit, not suffer, from the GST. For example, a family with two children and a net income of $20,000 will receive the GST credit of $580. Under the present tax system, the same family receives $320, but will not pay the present sales tax when purchasing a table, chairs, furniture, a TV set, a refrigerator, and so on.

So, lower income people will be better off and the rich will pay the biggest bundle. I can go on if you want me to. I can explain how the least fortunate will be better off tomorrow in

each and every income bracket. We will see also a more rapid growth of the GNP which will create new jobs on the middle and the longer term. The economics of the GNP growth do not revolve around one single tax. By economics, we mean the mutual interaction of laws and circumstances. I will be pleased to answer any further question, honourable senators.

Senator Denis: I have a supplementary question. I am not talking about the poorest, or those who are tax free. I am talking about the vast majority of Canadian citizens. I mentionned those earning $25,000. That is the income bracket I was concerned with. I did not want to know what would happen to those in the $3,000 or the $4,000 income bracket. I wanted to know if families whose income is in the range of $25,000 or less, let us say $20,000 or $15,000, would pay the same tax as a millionnaire? We know that a millionnaire will likely buy more expensive cuts of meat, but the price of bread, milk, housing and heating is the same for everyone. The cost of staples is basically the same. What is the difference? Is it two, three per cent?

We know that some people managed to get rich by being thrifty and not spending too much as is the case of people who buy products that cost as much or more than those bought by millionnaires, even though they cannot afford them. Therefore, let us stay with the $25,000 income bracket. Let us put aside for now those who make $3,000. I do not want to know the answer for people in that income range. I want to know if those two people with different incomes will pay the same amount of tax?

Senator Simard: It is clear that they will be better off under the GST, Senator Denis.

Senator Denis: Honourable senators, I prefer Senator Poitras' answer because it is certainly more intelligent than the Senator Simard's answer.

Senator Poitras: First, I would like to remind honourable senators that 8.7 million families and individuals across the country will receive tax credits for the TPS. Some 8.7 million people! There must be a few poor in the lot.

Senator Denis: Let's keep to the question, Senator Poitras.

Senator Poitras: I will keep to yiour question. Would you be satisfied if I take the $30,000 income bracket? The figures here say that the Government made sure that individuals with income under $30,000 a year will be better off than they are now. For instance, a couple with two children living on a single income would gain $245. That is one case where people will receive more than they do now. They will be in a better financial position. This is my answer to your question. That is exactly what will happen.

But to accept those figures is to recognize that we might be right. That is one of the problems I noted earlier.

Hon. Noel A. Kinsella: Senator Poitras, I have two questions for you. First, by what role did you play on the Senate Committee on Banking, Trade and Commerce?

Secondly, when did you first see a copy of the report on Bill C-62?

Senator Poitras: Listen, Senator Buckwold has indeed made life easier for me. The steering committee did not meet after August 27. That was our last meeting. According to the chairman, though I am vice-chairman of the committee, I could not present our documents, talk about the witnesses we heard or analyse their testimonies because the researchers and the clerk had received orders from the one we call "Our Father in Heaven". Therefore, we were not able to analyse any of the testimony before September 24, at 11:45 in the morning. That is when I received my French copy, even though we had been promised the two versions at the same time, good or bad. Does that answer your question, senator?

Senator Kinsella: Yes, Senator Poitras.

[*English*]

Senator Sparrow: Senator, you said that people earning less than $30,000 will be better off after the GST is implemented than they are now. I believe that is what I heard you say, is it not?

Senator Poitras: Yes.

Senator Sparrow: I suppose in that statement you have to take into consideration the taxes they are paying now and what they would pay after the GST is implemented. I have figures from the Department of Finance which show that someone earning $28,050 per year will be entitled to a rebate of $5. What are you telling me? Are you saying that with the GST they will be paying only $4.50 in tax?

I have also read in media reports some comments that people will be better off after the tax is implemented. Would you comment on that, please?

Senator Barootes: Is that for a single parent with two children?

Senator Sparrow: Yes, that is right. It is for a single income earner. Those are the figures about which we are talking.

Senator Poitras: I do not have the figures to which you refer in front of me at the moment. I would be pleased to look at them and give you a response tomorrow at the very latest.

What you and others forget is that today everybody is paying the federal sales tax. Could you tell me how much you pay in federal sales tax? No one seems to know.

Senator Sparrow: Would the senator permit another question? If you are making a statement of that kind, then please bring me the figures which show what we presently pay in terms of the federal sales tax and make the comparison on that basis. Remember that this individual who will receive the $5 rebate will be paying the tax on all services which are not taxed at the present time.

You have just had delivered to your desk the figures to which I referred from the Department of Finance. Please review them very rapidly.

Senator Poitras: I would like to examine the figures and tomorrow I will give the honourable senator an answer. I do not like to talk about figures when I am not sure exactly what I have.

[*Translation*]

Hon. Philippe D. Gigantès: May I ask Senator Poitras a question?

Senator Poitras: Yes, Senator Gigantès.

Senator Gigantès: Let us take the case of a student who just learned from the government that she will get a $65 GST tax credit every three months.

Her total income is $8,700, including scholarships, and her tax credit will be $260.70 annually.

Let us assume that she uses half of her income for food and clothing. Most of the time, students just eat sandwiches and yogurt that are taxable. This is a law student. She does not have the time to stay home and cook her own meals and make her own clothing.

So, that student is going to pay at least $300 in tax and her credit will be $260.70, which means that she will pay more taxes than she does now.

Now, that student is fairly well-off. Some students do not even have scholarships and their income is less than $8,700. They will nonetheless have to pay just as much tax.

Senator Poitras: Senator Gigantès, you are overlooking an important fact. Among those who are paying $18 billion right now, you are assuming that some taxpayers do not pay a cent.

That is not true. The tax we pay now cannot be figured out. Nobody can estimate its cost for any taxpayer.

How much tax do we pay right now? Anybody can pretend that he does not pay a cent. But if that were true, the new tax would be an extra burden. But if somebody pays $300 and gets a $280 tax credit, he will be better off if, at the present time, he pays more that $20 in sales tax. Students buy radios and pay tax. They have small TV sets in their rooms. They buy cars. Students have cars, nowadays, or motorcycles.

Any way you cut it, the student in your example will be better off with the new tax.

In other words, the situation is not as cruel and as complicated as you say it is. These are just scare tactics.

• (1630)

People in other countries were able to manage. We heard French witnesses. They have a VAT in France. Other countries will have a competitive advantage if we do not change our system.

Senator Gigantès: Senator Poitras, you told us that it is impossible to figure out the cost of the tax we have now.

Senator Poitras: How much do you pay?

Senator Gigantès: You just said it is impossible to figure it out. Could you tell me how much I pay?

Senator Poitras: In Quebec, the average is $660. In Ontario, it is $780. You must be paying more than that.

Senator Gigantès: How come?

Senator Poitras: Yes, for food and other important items.

[Senator Poitras.]

Senator Gigantès: What about the things poor people buy, like clothing, shoes and food? Can you calculate how much tax they presently pay?

Senator Poitras: This is the problem.

Senator Gigantès: Then, how can you say that they will pay less under the new tax, if you cannot calculate it? Why less? You just don't know.

Senator Poitras: We know that the tax paid in Ontario is $7.5 billion. This is paid by men and women like you and me, by human beings, by Canadians. We know it. We know the average. This is the tax that the Hon. Allan MacEachen wanted to replace.

The problem is that you need a lot of courage. This is true. Eventually you have to go ahead and make a transition. In Ontario, electricity was converted from 25 to 60 Hertz. It was an extraordinary feat that cost a huge amount of money. Everybody was against it.

Today, who would want to go back to the old system? We also converted from Imperial to metric and nobody would revert back. In this case, too, we have to make a change. So let us make it and in a few years, you will be the first one to say that it had to be made.

Senator Gigantès: Senator, you just said that in the case of a person who is poor and spends most of his money on food, clothes, shoes and transportation, you cannot calculate just how much tax is being paid.

So, if you don't know it, how can you say that this person will receive more money from the government than he presently pays? You simply cannot say it.

So why od you keep saying it if you don't know?

Senator Poitras: Honourable senators, all our researchers and scientists make deductions. It is a proven fact that when people who are intelligent and have the proper training and instruments proceed by deduction, the results of their calculations are very accurate and allow them or others to make further discoveries.

[*English*]

Senator Frith: The scientific method is by induction, not deduction.

Hon. Peter Stollery: Honourable senators, I should like to say a few words about the report that has been tabled by my distinguished colleague, Senator Buckwold.

However, before doing so, I should like to take up the point that was brought to our attention at the beginning of Senator Poitras' remarks. I must say that I had not thought of the term "vanity senators" before, but I suppose it is like vanity press. When people write a book and cannot get it published, they publish it themselves. They are called vanity presses.

[*Translation*]

I never thought that Senator Poitras was so vain! It never occurred to him that his coming here, to the Senate, meant that he was coming to the Parliament of Canada, which is not exactly the place for a holiday.

[*English*]

This is not a holiday. When we come to Parliament, we do not come to be a "vanity senator" and to have a licence plate beginning with SEN if we live in the province of Ontario.

I have news for Senator Poitras. When he came to Parliament, you came here to be a parliamentarian. When those people like himself were asked if they would like to be senators and they agreed, they said, "Yes, I am going to be a parliamentarian. I am going to participate in a democratic exercise in which some people propose projects and other people oppose them and try to defeat them."

Senator Poitras' idea of the Senate is a chamber that is made up of vain senators who come here but do not actually do anything. He has some concept of the second chamber in which members go to receptions. I guess he thought when he came here that he would be going to receptions with other senators.

● (1640)

I do not mean to pick on Senator Poitras, but he brought the subject up. I know that he is a gentleman. However, he has just shown us by his speech that he is capable of being partisan.

Senator Stewart: Senator Molson will have to speak to him because he does not want that sort of thing in this "old folks' club."

Senator Stollery: Senator Stewart has just pointed out that Senator Molson will have to have a talk with Senator Poitras about the partisan nature of his speech.

Senator Frith: Senator Kelly was so disappointed that this debate had divided along partisan lines, although I have never known him to vote in any way except along partisan lines.

Senator Stollery: The idea that we might have differences of opinion seems to be striking some of the more newly-appointed senators as a terrible shock.

On a more serious note, I would like to take up the challenge laid before us by Senator Poitras. He has suggested that the second chamber should acquiesce to legislation; that it does not have a role to play in legislation that affects the lives of Canadians. Though that idea may be fashionable, it is extremely wrong-headed.

Senator Cools: Extremely.

Senator Stollery: It is particularly wrong-headed in a country like ours, with its large geography and its people spread throughout.

Senator Stewart: Do you realize that you are giving the Quebec viewpoint in contrast to Senator Poitras' viewpoint, which is the old Toronto viewpoint?

Senator Stollery: I am sure that the people of Alberta, British Columbia and other parts of Canada will find it a little offensive when they read Senator Poitras' view of the Senate of Canada. They will know that what he is saying is that Canada, from the Pacific Ocean to Newfoundland, should be run on the basis of representation by population, which would mean that southern Ontario and southern Quebec could dictate to the rest of the country.

Senator David: No, no.

Senator Stollery: That is exactly what he is saying.

Senator Cools: Of course.

Senator Frith: That is the consequence of what he is saying.

Senator Stollery: That is why, in every country with a large geography like Canada's—and I do not think there is an exception—there is a second chamber. Of course, when these countries wrote their constitutions, they knew that the people who lived away from the more populated areas—in the case of Canada, thousands of miles away from the more populated areas—would not join the federation because they would realize that it would be run by the people who lived two or three thousand miles away from where they lived. They simply would not join the federation under those circumstances, and they insisted on a second chamber so that their voice could be heard, and so that there could be an element of equity in the way their Parliament operated.

I am sure that when the phone call was made to Senator Poitras asking him to become a member of the Senate of Canada, it was indicated that he would be participating in a chamber that protects the interests and rights of people who live away from southern Ontario and southern Quebec. At least, that is how I understood it when I decided to come to the Senate. So I reject out of hand that small-town-Toronto or -Montreal view of the way Canada functions. I know that it will never be successful.

Honourable senators, I would like to make a few remarks about the GST and the report. I did not have the assistance of the Department of Finance.

Senator Buckwold: They wouldn't help.

Senator Stollery: I spent a couple of weeks travelling with the committee, and it did not take me very long to get the picture of what was being proposed and how the proposal was being received by the people of Canada. The Banking, Trade and Commerce Committee has reported that the bill is regressive, is inflationary, is not revenue neutral, is unfair in its application, is not visible as a tax and is inefficient.

I do not wish to get into an argument over the manufacturers' sales tax because I do not think that it is relevant. I believe the manufacturers' sales tax has been around since just after the Great War, and it has never been considered a good tax. I do not think that anyone is trying to make the case that the manufacturers' sales tax is a great tax. Of course, this government, in opposing it, has increased the rate from 9 per cent to 13.5 per cent in six years, an increase of almost 50 per cent. However, I do not think that the MST is the issue, although the government has tried to make it so by saying that it is being replaced by a revenue-neutral, improved version. We know that that is not true.

First, I would like to address myself to the regressive nature of this consumption tax. I think that its regressiveness is what offends me the most. I have always been a believer in the

principle of progressive taxation. I may be old fashioned, but I have always thought that it was fairer to base taxes on the more you earn the more you pay, in order to have the kind of orderly society we hope we can maintain in Canada.

I know that the Conference Board "mossbacks" referred to by Senator Poitras are not interested in progressive taxation. They love sales taxes because progressive taxation means that they are the ones who will pay more tax, whereas regressive taxation, such as the GST, means that Mr. and Mrs. Smith who live down the street and who earn $35,000 per year in total income will pay, to a great extent, the same as the gentleman who lives in Forest Hill who has an income of $500,000 per year and who lives in a house costing $2 million. That essentially is what it means when you start getting into this sales tax business.

● (1650)

Now, I also understand that provinces have sales taxes, and they are regressive taxes. They are, without any question, regressive forms of taxation and they have been resorted to by the provinces of Canada. Ontario brought in the sales tax. I think it was under Premier Frost, because at the time we called it "Frost-bite" and I think it was three per cent. At the time I was on the cash register in our business. I have done quite a few things, but I am retail merchant by profession and I spent many years at it. I remember the day they brought in the three per cent "Frost-bite" because I had to ring up the sales and calculate it on the cash register. I do not think anybody thought it was a great idea.

Senator Murray: They won six or seven elections after that, Senator Stollery.

Senator Frith: Why don't you try it on this?

Senator Stollery: As Senator Murray says they won quite a few elections after that.

Senator Cools: He wants to imitate Frost.

An Hon. Senator: Is that why they're doing it?

Senator Frith: Call the election! You can have it done by December. Have an election and we will see.

Senator Stollery: I think the late Premier Frost may have been more successful in his attempts at re-election than this government will be. At any rate, I found it interesting to learn, from the report by the committee, that 60 per cent of family expenditures go toward untaxed services. I think of my own neighbours in Toronto, and that makes sense. House repairs are large expenditures for the home-owner, for such things as getting the roof fixed, putting an extension on the back of the house, doing things to the driveway, and all of the various maintenance projects that one does around the house. They all add up to a great deal of money by the time a year or two go by. In my part of Toronto, every spring, around the first of April, out come the ladders, and so on, and the people get to work maintaining their homes and spending a lot of time and money doing it.

As Senator Buckwold mentioned, of course, food services are also untaxed. I am not certain that in my neighbourhood that is a big item, because the people where I live are mostly immigrants and they do not go to restaurants very much. They generally save their money and own their own homes and are quite successful.

However, transportation is a pretty big item in their annual budgets. I think we now have to pay $8 for seven subway tokens. Most people, although not everyone own cars and pick-up trucks. I know that Senator Poitras says that the price is going to drop on the pick-up truck and the car, but frankly I do not believe that. I think the price may not go up for a few months. For six months we may not see an increase, but any saving will be absorbed because of inventory costs, which are so difficult to calculate and which the officials at the Department of Finance, who thought up this unwieldy scheme, have never understood.

At any rate, that deals with house repairs and transportation, but we have so many other things.

Senator Buckwold: There is heating and electricity.

Senator Stollery: There are so many other elements in keeping up one's house. One of the results of this tax will be that people earning $500,000 per year will be paying the same amount of taxes for services—at this point untaxed services such as heat for their houses—as people who are earning $25,000 or $35,000 per year. They will all be paying the same taxes! Well, I reject that. I do not agree with that.

We hear about the Europeans and their value-added tax. Personally, I have always wondered why the Europeans so readily stood still for the value-added tax and allowed it to become fashionable. Possibly it is European in nature. Europe has always had a class structure that we have not had in the Americas and perhaps their class structure makes it easier to tax the poor at the same rate as the rich. However, it is a concept that we in Canada have always tried to avoid, although we have not always been successful.

Senator Frith: Especially under Conservative administrations!

Senator Stollery: As Senator Frith says, and I agree with him, especially under this Conservative administration!

My next point concerns the inflationary aspect of this tax. That is important, although it is not as important as the regressive nature of the tax. What will happen is that the government will increasingly depend on this regressive tax by raising it—and it will go up! The second thing that will go from this tax program will be the tax credit, once the seven per cent has gone. After the seven per cent has gone to ten or 12 per cent, they will then get rid of the tax credit.

Senator Buckwold: No indexation!

Senator Stollery: No, there is no indexation.

Senator Murray: Not true!

Senator Stollery: It will be the next thing to go. I want to get away from the regressive element, but should explain to honourable senators that that is the part I reject the most. I believe it is becoming fashionable not to believe in progressive

taxation, but I am afraid I have not changed my mind; I think it is the only fair way to raise money.

I now go to the inflationary aspect. The inflationary element of this bill is, in the short term, the most damaging to its credibility. I was at a meeting when the Governor of the Bank of Canada discussed this. Now, he may very well have been at more meetings than I attended, but I was at the one when he discussed this with the committee.

Senator Cools: One is enough!

Senator Stollery: We discussed the fact that the Department of Finance says that the GST will add 1.25 per cent to inflation in the first year. I was impressed by the scepticism of the Governor of the Bank of Canada. He did not really seem to me to want to be drawn into a discussion of any kind, but, in particular, of whether or not it was really going to cause only 1.25 per cent inflation in the first year. It almost became an embarrassment to question him, when everyone knows that he is under a lot of pressure and he is trying to maintain high interest rates. He keeps saying, "I have to do that because we have to fight inflation," and it seemed just too easy to say, "Well, then, you must not be very happy about the fact that, next year, you will have to fight a minimum of 1.25 per cent more inflation than you have to fight this year." If the government is wrong in its forecasts—as it usually is—inflation next year may be 2.5 or even three per cent higher as a result of the GST. We do not want to embarrass the man and ask him these questions, though they go through our minds.

• (1700)

The rate today is in the area of 5 per cent, and next year the rate is forecast to be 6.25 per cent. If the forecasters are wrong, as they usually are, the inflation rate next year may well be 7 or 8 per cent. This is taking place at a time when everyone would like the Governor of the Bank of Canada to reduce interest rates because we are in a recession.

The fact is that we do not want to embarrass the Governor of the Bank of Canada, because we know he is not going to be able to lower interest rates, and we know that the chances are that that will emphasize the recession, which, as Chairman Buckwold pointed out yesterday, may well become a depression. We all know that this recession has become very serious, and the government, in its usual clever manner, has contrived a way, with the introduction of the GST, so that it cannot possibly lower interest rates for the next 12 months or longer.

So with this clever manipulation of policy, the government has guaranteed that we cannot get out of the recession. It has guaranteed that, because the government itself has said that the inflation rate will increase by 1.25 per cent next year over this year, and that it has to keep interest rates high this year to fight inflation this year and the increased inflation rate next year.

In the 1970s we all talked about the expectations element of inflation. That was a common expression in government circles back then. This government has gone from expectations to an almost lead-pipe cinch that we are going to have increased inflation next year. That will have a terrible effect on the economy.

During the week we heard the Governor of the Bank of Canada tell us—and we also read it in the newspapers—that the union settlements were taking into consideration the increased inflation caused by the GST. I think the first union to negotiate protection against the GST was the Steel Workers.

Senator Cools: And Air Canada.

Senator Stollery: And Air Canada. So that guarantees that this tax will be inflationary.

A third negative—and it is a big negative, because it affects the whole nature of government in Canada—revolves around the untruths that have been spoken, the principal one being that this is revenue neutral.

We have been hearing conflicting stories—with the Prime Minister saying one thing and the Minister of Finance saying another—for so long that the credibility of the government is at an all-time low in western democracies. How long has this government been at 15 per cent in the polls? How long has it been since this government reached 20 per cent in the polls? Quite some time. When, at the same time, we have a statement made that the tax is revenue neutral and that we have to reduce the deficit, how can we expect the public to believe that? They cannot possibly believe that. One man says that the tax is revenue neutral, and the next man says that we have to reduce the deficit. One man says that we are going to replace the manufacturers' sales tax, and the next man says that this country's deficit, at $30 billion, has to be reduced.

With the mismanagement we have experienced over the past few years, and with increased interest rates, I would not be surprised if the deficit hits $40 billion. I will be surprised if it is not over $35 billion because of the high interest rate policy of this government and its need to pay interest on bonds at those high rates.

Senator Barootes: You may have to eat those words.

Senator Stollery: I would be happy to eat my words. They may not taste very good, but I would not mind doing that. However, I will only eat my words when I see the Prime Minister eat his words when he says, in the same breath, that this tax is revenue neutral and that we have to reduce the deficit.

I am sure I am not the only senator who found it strange to hear the Prime Minister say, on his own behalf, in the Atlantic provinces that this scheme was tried on Jean Chrétien and Allan MacEachen when they were in the finance portfolio, but that they refused to go along with it, and it took the courage of Minister Wilson to undertake this. I immediately substituted the word "stupidity", because basically the Prime Minister acknowledged that none of Mr. Wilson's predecessors would have touched this crackpot plan with a ten-foot barge pole.

This really reminds one of the government of R. B. Bennett. I think his Finance Minister was Gordon, if I am not mistaken.

Senator Murray: He was his own Finance Minister, just as was Pierre Trudeau.

Senator Stollery: Well, we all know what happened to the R. B. Bennett government.

As I said, the untruths are what cause resistance in the country to this bill. If the government had been straightforward in the first place, I think that many of the problems would not have arisen. I think the reason this bill will probably not come into effect on January 1—-

Senator Barootes: You will have to eat those words, too.

Senator Stollery: —will be, more than anything, the result of the untruths that were spoken at the outset.

I think Canadians understand that the deficit is high; I think they understand the need to get it under control. I do not think anyone objects to that. What Canadians object to are the untruths. They object to people picking their pockets while telling them they are not picking their pockets.

They do not like that.

● (1710)

My fourth item of concern about the tax is its unfairness. I have already said that I did not like its regressive nature; but there is another aspect of unfairness to it. It is interesting that this tax comes from a Conservative government that sees its strength in the outlying areas of this country. There will be an incredible tax on transportation. It was only through listening to witnesses who appeared before of the committee, and my colleagues, that I realized that we in southern Ontario and Quebec will prosper with this tax because we will pay less tax than the voters of Alberta, British Columbia, Saskatchewan, Newfoundland or any of the other outlying areas of Canada. When I buy something in Toronto, the chances are that the item was made in Ontario, New York State or Ohio, and it takes the trucks only six hours to bring the product here, and therefore the transportation costs are minimal. On Monday I bought a pneumatic nailer from one of my hardware suppliers that cost me $485. I am sure that had I bought that same item in Edmonton, it would have cost me $600, because of the transportation costs and because there is less competition in Edmonton. I am sure that the people in Senator Barootes' constituency would pay over $600 for that same item—

Senator Barootes: Come on! It would have cost $5 to transport that thing out west!

Senator Stollery: —because of the transportation element involved. In fact, it would be interesting to do a comparative study on that particular tool. I find it interesting that Senator Barootes and others support a tax which clearly discriminates against people in their own region. After all of the things we have heard for years about the power of Ontario and Quebec, the government is proposing a tax that would make those two provinces more competitive and outlying regions less competitive. What an oddball approach to government from a party that has prided itself on representing the disadvantaged in the outer regions of Canada. I wonder how the voters in Alberta will like that. Do you think that is the reason why that other party seems to be doing so well?

I have a couple of other issues that I would like to deal with. Because of my background as a retail merchant, I do not like the fact that the GST is an invisible tax. I am sure members opposite are waiting to jump up and tell me that I do not understand the manufacturers' sales tax because it is also invisible, and that is true. I am not making a case for the manufacturers' sales tax, but this tax is much worse, because it is no substitute. We have heard many stories about countries that have a value-added tax, such as Europe and New Zealand. I do not know about New Zealand, but in Europe it is a visible tax, just like the sales tax in Ontario. When one buys an item, the VAT is added at the bottom. That does not appear to be the situation in Canada.

I do not know what the retail merchant will do, because I do not think the Department of Finance or the officials who promoted this scheme have any idea of the complexities of inventory and the element of overhead involved in prices. When I was a retail merchant, we calculated the overhead every week. We knew what everything cost to one-tenth of a per cent and what it would cost to sell. One of the reasons Canada has an uncompetitive atmosphere today is the fact that the retail business in particular has lost control of its overheads and inventories. That is a serious problem in the chain stores across this country.

Now one merchant can include the tax on the cost of the merchandise—make it one price including the VAT—whereas the next merchant can sell the item at a price separate and apart from the tax, which would be added on at the time of purchase. Personally, I would sell the item at its cost plus the tax because that would be more competitive.

Senator Buckwold: Woolworth's say they will not.

Senator Stollery: Senator Buckwold says Woolworth's will not. That is one way of getting a little more money out of the customer, because the customer cannot do any comparison shopping. It will be difficult for him or her to determine if the same item being sold down the street will have the tax included in its price or if it will be added at the time of purchase. The consumer has no way of economizing. The government has taken a tremendous weapon away from the average consumer. I do not think the people who thought up this scheme have any idea what goes on in the mind of the average citizen.

The government talks about the rebates it will provide, and, of course, all of these things can be readily done away with in a year or two; but that is not nearly as important as the citizen's ability to shop for himself or herself and have an idea what he or she is paying for the item. If someone goes to Canadian Tire to buy a tool, which included the GST in the price, he will not know what effect the tax has had on the markup. I think a merchant will sell more if he lists the price and then adds the GST in a visible manner. I thought the government would have guaranteed that. I thought that as an

article of faith merchants would have to show the price plus the GST.

Senator Barootes: You are saying that customers are stupid!

Senator Stollery: An article of faith would be lost on Senator Barootes.

Senator Cools: This government has no article of faith!

Senator Stollery: I hope he will be able to explain this to his neighbours in Saskatchewan, because I am having great difficulty explaining it to mine. I am trying to explain it to Senator Barootes, and if he would sit still and listen, perhaps I could. He might actually learn something.

Senator Barootes: I must be as stupid as the customers you are talking about!

Senator Stollery: I think that the visibility of the tax is an important element, and I am surprised that the government has not taken that aspect more seriously. I do not see that as some great government evil. I do not think the government realized the importance of this to the average man or woman who goes shopping.

Honourable senators, my final criticism—and others have different criticisms of the tax—is that it is inefficient because we live in a federal state with ten different provincial tax structures. Some of them have sales taxes and others do not. We have different rates of taxation.

• (1720)

In the majority of cases, this tax does not appear to be harmonized with provincial sales taxes. As I understand it, in Newfoundland, compounded with the 12 per cent provincial sales tax, it will amount to a tax of 20 per cent! My goodness, a tax of 20 per cent! We will soon see a tax in Newfoundland of 25 per cent. Imagine the effect on the economy. Inevitably, as sure as I am standing here, within 24 months there will be a 25 per cent tax on everything in the province of Newfoundland. That is becoming a very heavy rate of taxation and will not do the Newfoundland economy any good at all.

In Ontario there will not be that problem, because Ontario has an 8 per cent sales tax. Even if using the same increase, and without a calculator it is difficult, we are looking at a 15 per cent, and very soon a 20 per cent sales tax, on everything we buy in Ontario.

As I said in my opening remarks, it has to be remembered that today 60 per cent of family expenditures are not taxed. With 60 per cent of the average family's expenditures being taxed, it means that they will be paying a huge rate of taxation. In the short term this will have a devastating effect on the commercial economy, and I do not think there are many people opposite in the commercial economy.

One cannot forget what that will contribute to the underground economy. Faced with a 25 per cent tax every time they turn around, how many Newfoundlanders will pay the person who puts a deck on their house with a cheque? Not very many. They will be giving cash, as is done now to a large degree. However, when faced with a 25 per cent difference in the price, they will certainly not be paying by cheque.

Today, in Toronto, if a tradesman is paid 30 dollars an hour, the same tradesman will work for 20 dollars cash. The standard rate in the city of Toronto today is 30 dollars an hour for a tax receipt, and 20 dollars an hour for cash. The underground economy is very large, and in some areas of the economy there is nothing but the underground economy.

However, can senators imagine the situation when these combined taxes are 25 per cent in the province of Newfoundland, or Ontario, or Quebec? The underground economy in Quebec will go through the roof. I do not know, but I respect the word of our chairman that already Quebec has the largest underground economy in Canada. I would think Quebecers, being intelligent people, quite possibly would have a large underground economy. Their taxes are very high, so why wouldn't they? If I were a Quebecer, I certainly would.

Senator Murray: High compared to what?

Senator Stollery: Everyone knows about the underground economy. I am sure senators here are not so insulated from the world as all that. I suppose some senators opposite are, but I am not. Of course, honourable senators, there is the question of where is this money really going to go.

In closing, I would like to refer to the observations of Senator Buckwold. There were 370 witnesses who appeared before the committee, 209 of whom expressed outrage at the GST, and 130 asked the Senate to overrule the House of Commons. I do not remember the reply of Senator Poitras to those 130 who seemed to feel that the Senate did not have the strength it should have. I believe that the Senate must meet the expectations of Canadians and do everything in its power to defeat the GST.

Hon. Senators: Here, here!

Senator Barootes: Senator, would you accept one question?

Senator Stollery: No. I have a rule, Senator Barootes, that I never accept a question. You make your speech and I make mine. That is the answer that any former member of the House of Commons would give you.

Senator Doody: It's not in the script.

Senator Barootes: Thank you very much for your graciousness. Perhaps you would permit a comment.

Senator Stollery: You have the floor.

Senator Barootes: I was listening to your talk about the regional impact at the periphery of the country. Unfortunately, my information is that it is not totally right. In fact, it is wrong.

Those parts of the country which depend on capital intensive resource industries, such as the west, will be much better off with the GST. The average regional output gains from this sales tax will be 1.4 per cent for Canada. For Quebec it will be 1.0 and for Ontario it will be 1.1, well below the federal rate. On the prairies it will be 2.5 per cent, which is considerably higher—in fact, double; in British Columbia it will be 1.3; in the Atlantic provinces it will be 1.4 per cent. I would point out

that the output gains with this reform are considerably better than indicated in your address.

Senator Lucier: I wonder if Senator Barootes would entertain a question?

Senator Barootes: Do you want me to tell you about the north, too? I have those figures.

Senator Lucier: I was only wondering if you would entertain a question.

Senator Barootes: When I give my two hour address tomorrow I will take questions.

Senator Lucier: Perhaps I will make a comment, Senator Barootes, the same as you did. If the west will be better off with the GST, why are British Columbia and Alberta taking the government to court on it? Why are Saskatchewan and Manitoba both diametrically opposed to it?

Senator Simard: Just federal bashing.

Senator Lucier: If everyone in the west is going to be better off, why do they hate it?

Senator Frith: He was referring to other than those four provinces.

• (1730)

[*Translation*]

Hon. Paul David: Honourable senators, as an introduction to the speech I prepared on Bill C-62, I would like to read Alain Dubuc's editorial in *La Presse* of October".

By an extraordinary coincidence, this editorial illustrates perfectly well the remarks I want to make today.

The title is "The homework of unruly students".

> With their tasteless mayhem, the Liberal senators succeeded in overshadowing the fact that their noisy fight against the GST was the end product of long term efforts.
>
> All summer long, the senators criss-crossed Canada, devoting many days to hearing what Canadians had to say about the GST. After their field investigation, the Standing Committee on Banking, Trade and Commerce published a bulky report containing more than 200 pages.
>
> We tend to forget that it is because of the conclusions of that report that the Liberal senators decided to kill the GST instead of proposing amendments to it.
>
> Why is it then that that document, which played such a central part in this crisis, has not been cited, analysed, commented upon?
>
> By reading the report—

Goes on Dubuc:

> —one can see why. If the senators are unruly students, they also botched up their homework. The liberal majority's long paper is an endless, simplistic and partisan manifesto contradicting everything that we have heard on the senators' rigour and research capacity.
>
> In fact, by choosing to listen to groups having something to say about the GST, the senators envidently drew the attention of all the lobbies against the tax, with an over-representation of the West, fiercely opposed to it, and of local unions.
>
> The bulk of the document is not a report, but a catalogue. It is however useful for one thing: it identifies the victims of the GST and underlines the bill's contradictions. However, the senators' attention to detail leads them to concern themselves with trivialities such as the problems of the Newfoundland Legion and the sale of poppies, the sale of flowers by wire service or the GST's effect on transport costs of Nova Scotia Christmas trees.
>
> But where they really get off the track is in the analysis section.

And I insist on that sentence.

> In the chapter on recommendations, the senators merely draw a list of the demands of all lobbies which they heard from, without commenting in any way on their demands, without presenting them in any way, as if parliamentarians had decided to give up their duties and become stenographers. No point in looking for an analysis of the VAT impact in countries where it exists—the senators did not bother to do that;

There is no point in looking for

> an in-depth study of the economic impact—there is none;

There is no point in looking for

> alternatives—they are summed up in another list without conclusions.
>
> In short, the conclusions of the report which must have cost a fortune to the taxpayers—I imagine you will discuss this with Senator Simard—were foregone from the very beginning. No wonder that after such a dreadful exercise the Liberal senators would scream rather than debate the issues.

Honourable senators, you already know—but it needs repeating, as Senator Poitras did earlier today—that the committee members did not have time to read, analyze or discuss the Buckwold committee report. I got the French version around noon, barely an hour and a half before the committee was scheduled to meet at 1.30 p.m. Still, I read this on page 185, article 514, chapter XXVII entitled "Rejection of the GST":

> "When the government introduced its tax reform White Paper in 1987, it promised taxes which would be fair and equitable, visible and supportive of the economy. The GST has been touted as a tax which meets all of these criteria, but from the evidence the committee has heard and the analysis we have undertaken, it fails to pass the test." That is the analysis made by the committee. In fact the committee did not make any such analysis nor did it study the report. For the past three weeks my colleagues opposite have been abusively talking for hours on end about freedom of speech. Yet in committee you did not even allow the Conservative minority to examine the report last September 24. I think that was a blatant breach of democracy. As it was, the chairman saw fit to lower the boom and gave us only a few hours to make a final decision on the original document which then ran to 300-odd pages. The decision, flying in the face of basic democratic principles, was to reject Bill C-62. This is why as member of the committee I dissociate myself from this false, uncontrolled, unproven and unsubstantiated statement that the report was the result of "the analysis made by the committee". Your unending "follybusters" gave me time to read the final 215-page document and to make a few comments.

● (1740)

My first question has to do with the actual number of witnesses heard by the committee.

On page 185, article 515, the number is 370 witnesses. Then on page vii of the preamble the number is up to 380. In Appendix A on page 1484 of the *Debates of the Senate* appear the names of 241 groups or individuals, in alphabetical order. In Appendix B beginning on page 1507 I counted the names of 349 witnesses or groups, according to the location of the hearings and again in alphabetical order. So, all in all, the figure sits anywhere between 349 and 390.

Those various figures about groups or witnesses heard and mentioned in the report show a glaring lack of rigour that, with much leniency, I would attribute to the haste in its drafting. Well, the Committee could have corrected the presentation of those figures if only it had been given the time to do it.

As one of the members of this Committee who heard witnesses in Montreal, Toronto, Edmonton, Yellowknife and in Ottawa, both before and after the trip, I would like to point out a few aspects of the report that I found particularly amazing.

In Section 515, page 185, it states: "It must be acknowledged that the current FST is flawed. Most of the 370 witnesses heard during the Committee's cross-country meetings agreed with this assessment" and a little further on, in Section 607, page 215, "This Committee acknowledges that the current FST is flawed and should be replaced". But when if says the Committee, it should be understood that it is the Liberal majority and its chairman that acknowledge that the FST is flawed and should be replaced. Senator Poitras and others have quoted reports of numerous committees and commissions that had come to the same conclusion over forty years. The problem is that no government up until now had the courage—and "courage" is the word—to "replace" what the Committee and the witnesses view as a bad tax. We have here new evidence that it is infinitely easier to criticize and demolish than to create and build. The Buckwold report is no exception in this regard since it bluntly rejects this new tax scheme without suggesting any alternative one. I will get back to that in a moment.

Let us return to the number of witnesses who asked the senators, all the senators on the Committee that is, to reject the Bill.

In Appendix B of the Report, we notice that:

> On 349 witnesses, 59 (17 percent) either gave their «unqualified support» to the Bill or supported it «with changes», 125 (36 percent) requested that the Senate reject the Bill and 165 (47 percent) made suggestions or recommended amendments to the Bill.

These figures do not add up to the 370 or 380, as I explained earlier, but they nonetheless were the basis for this analysis. Are we to conclude that the 21 or 31 witnesses not accounted for had no opinion?

Elsewhere in the document, more precisely on page 185, paragraph 516, it is indicated that 130 witnesses, instead of the 125 reported in Appendix B, asked the Senate to overrule—now, that is quite clear—the House of Commons and reject Bill C-62 completely. The fact that 130 witnesses made such a request to the Senate is an indication of the extent of the opposition to the GST. That translates into 35 percent, based on a total of 370. That is to say that 35 percent of the witnesses asked the senators to reject the Bill.

In other words, when it recommended the complete rejection of the Bill, the Liberal majority on the Commit-

tee decided, on its own authority and without even reviewing or examining the report *per se*, to ignore the 65 percent of witnesses who did not favour such an extreme measure.

The democratic thing to do would have been not to recommend the rejection of the Bill but to examine carefully the amendments and proposals that were likely to respond to the objections raised by those who agreed in principle with the Bill but wanted it to be improved.

Those are suggestions and comments that were made yesterday by Senator Kelly. On this October 24, it is clearly much too late to do anything and the Liberal majority of the caucus is fully responsible for the situation we are now in.

From what I have just told you, nevertheless, keep in mind that the recommendation of the committee to reject Bill C-62 outright does not reflect the opinion of the majority of the witnesses but that of the majority of Liberal senators associated with the 35 per cent of witnesses who were in favour of that alternative.

Chapter XXVI is a summary of the recommendations to amend Bill C-62 and goes from page 149 to page 193.

• (1750)

Part of the first paragraph of that chapter reads as follows:

"The following details the major problems raised by witnesses during the course of the Committee's investigation and their recommendations for change. We present these recommendations without editorial comment as to their merits."

Is a committee acting in a serious and credible way when they present the recommendations made by witnesses without commenting or analyzing them?

Careful reading of that chapter shows clearly those are suggestions made to the committee by witnesses and, fortunately, not recommendations brought out by the committee . . . The ambiguous title of the chapter in itself speaks volumes about the credibility of the report.

Allow me to make a few points regarding sectors that I know perhaps better than others, for instance, health care and long-term care facilities.

Paragraph 531, page 190, states that Bill C-62 provides for an 8 per cent GST rebate for institutions of the public sector, a rebate of 50 per cent for non-profit organizations such as charities, and no rebate for the private sector.

There semms to be some surprise that all health care sectors or health care institutions are not put on an equal footing.

[Senator David.]

I believe this policy is coherent because those three types of institutions, at least in Quebec, are financed according to different criteria. Nevertheless they all wish or hope for as large exemptions as possible.

An examination of that issue would have been interesting, but the committee did not do that either.

Paragraph 532, page 191, refers to the grievances of health care practitioners and lists some of them: psychotherapists, massage therapists, dieticians, social workers, Christian scientists and veterinarians.

It is useful to recall—and the committee members knew it full well because they had been told about it—that psychotherapists accredited by their corporation such as medical psychologists are also exempt from the GST.

Other practitioners among those listed are also exempt when they work in public institutions, which is the case of the large majority in some of the professions cited.

On the other hand, it seems logical and coherent to me that self-employed men and women be subject to the tax that will be paid by their clients. Because even in the health care area, I submit at the risk of shocking you, there are limits to the generosity of governments that are already hard-pressed to pay for our "free", universal and generous systems.

Let us talk about doctors whose comments appear on page 200, paragraph 533. We listened to the complaints of physicians who will have to pay the GST on their purchases without being able to pass it on to their patients because their fees are regulated by the provinces.

I think one must take these grievances with a grain of salt. Doctors already pay the federal sales tax on their office furniture and equipment. In addition, as everybody knows, professionals with private offices can deduct all their expenses from their personal income.

However, their insurance premiums have gone up substantially in recent years because of what was happening in the United States. This did not prevent physicians from practicing but, in the negotiations that followed, the provincial governments did their part to compensate them for the unexpected increase in these premiums now adding up to several thousands of dollars annually.

I just found out recently that some accommodations had been found between the ministers responsible and the Canadian Medical Association.

I think a problem such as this could have been solved at the table in five minutes if the people involved had taken the time to study the grievances of my colleagues. And even though they have my sympathy, their average income does not make me feel sorry for them.

Talking about physicians, let us have a look at funeral services, not because it is a consequence of seeing doctors but because it is a fate we cannot escape whether we see them or not.

It is said on page 200, paragraph 535:

> The Funeral Service Association of Canada told the Committee, "We believe that every Canadian has a right to a burial or a cremation according to the rites and practices of his or her religion and cultural heritage.

I wonder who would question such a statement. Besides, the Committee does not question it and neither do I. But they add:

> —and that Canadians find it offensive for the Government to tax those services."

I want to point out that many witnesses who were against GST advocated restoring succession duties as an alternative. I really wonder that those same grieving families would think that whether they would rather prefer this 7 per cent tax to the much heavier succession tax of yesteryear. If Committee members had taken time to study such alternatives, I think they would have come to a quick conclusion. Again, Committee members did not have time to study anything in this report.

In Section 574, page 204, the report deals with tourism:

> Of all the tax alternatives presented to the Committee, none is as damaging to the Canadian tourist industry as the GST.

That is what can be found in the resport. Such a categorical statement would have deserved a more thorough analysis on the part of committee members.

The article states also that the GST would encourage Canadians to take their holiday abroad and discourage foreigners from journeying in Canada.

That is a very interesting observation. This leaves the impression is that when Canadians travel abroad, they do not have to pay the GST, but what is the VAT if not the GST under a different name? When they travel for instance to Austria, they find that the VAT amounts to 20 per cent, something the committee knew full well, for it appears in Clause 599; 22 per cent in Danemark; 18.6 per cent in France; 14 per cent in Germany; 18 per cent in Italy; 20 per cent in Holland and 23.46 per cent in Sweden. Was that enough to discourage Canadians from travelling to Europe? I do not think so. I believe that over the past few years Canadians have travelled to Europe in record numbers in spite of the VAT.

As for discouraging foreigners from coming to Canada, they are already unknowingly paying the federal sales tax on the purchases they make. They keep coming, even if they pay taxes in restaurants, entertainment places and hotels. The new legislation provides for the reimbursement of taxes as well as the setting up of tax free stores which do not exist today. I suggest these are positive rather than negative factors.

I am sure that if the committee had taken the time to look into these concerns, it could have easily eliminated such inconsistencies. I suggest that when deciding to travel or not, exchange rates weigh a lot more than a possible GST or VAT. Travel is characterized by one's own standard of living, which means that the lower the standard of living, the lower the travelling expenses.

● (1800)

In section 593, page 211, the minister of Finance from British Columbia is reported as saying:

> It is no secret that the federal government sees the GST as a solution to stem the red ink and slow the growth of the mountain of debt.

That is a wonderful statement that made me very happy. But I did not like so much what he added:

I am frustrated by the federal mindset that sees a tax grab as the only solution to our fiscal dilemma.

I do not easily accept the word "grab" in this statement, because it condemns the 48 countries that have such a tax, most of which are among the most industrialized and civilized countries in the world.

I also noted that Section 595 says this:

> The U.S. does not have this kind of tax and has deliberately rejected it in the past.

It was quite interesting to watch them denounce, in this case, the Canadian behaviour towards our main trading partner, when they were insisting, during the free trade debate, that we ought to be careful not to become dependent on our neighbours. The rationale of the Liberal Party does indeed vary, depending mostly on how many political points they can score with a particular bill.

Chapter XXV, which is entitled "Options", is about 20 pages long, not an awful lot out of 228 pages. It runs from page 127 to page 143. In those pages are described the 10 options and alternatives Senator Buckwold referred to in his speech yesterday, so I will not mention them again.

But it is interesting to see that each of the first nine alternatives is followed by short paragraphs entitled "Advantages" and "Disadvantages". That is almost the only analysis I could find in this report, where something is analyzed, either positively or negatively. Except for the description of those ten

alternatives, nothing much in that chapter can be seen as an analysis of the advantages and disadvantages of the GST.

Nevertheless, the report is still interesting since I counted, on the whole, 27 advantages and 27 disadvantages that Senator Buckwold and his researchers listed from this set of proposals. Frankly, I found that to be of a remarkable neutrality.

Therefore, we can conclude that the set of proposed alternatives offers the same amount of advantages and disadvantages. Let us keep in mind that there are ten proposed alternatives.

We can easily imagine how difficult it was to get a possible concensus on replacing a bad tax, the MST, by a better one, the GST. Based on that finding, we can presume that since a tax is always inpopular, no proposed alternative providing the same amount of advantages and disadvantages would have been accepted by the Liberal Party since they rejected the GST on the basis of its inpopularity.

It would have been more realistic on the part of the Liberal Party to offer a single alternative since they recognize that the current MST is bad and must be replaced. It would have been interesting to see, then, how people would have reacted to the liberal alternative.

Now, to conclude, I would like to examine what is, in my opinion, the biggest problem in Canada. This problem has never been discussed in Committee. Just as a reminder, there has not been a single moment when the report could have been studied, analysed and commented.

I submitted the problem many times to the witnesses who had presented a memoir. I must add that, apart from the economists and the B.C. Minister of Finance, I never received a positive answer from any of the witnesses. It seems to me a very serious problem, that is, the annual deficit and the cumulative debt.

Honourable Senators, I am talking about the cumulative debt and the annual deficit, and I think it is worth mentioning.

[*English*]

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I wonder if we can agree not to see the clock? Senator David needs a few more minutes.

The Hon. the Speaker *pro tempore:* Is it agreed, honourable senators?

Hon. Senators: Agreed.

[*Translation*]

Senator David: To give you an idea of how the situation has evolved, I will quote numbers taken out of a table which appears on page 7 of a book entitled: "Resolving the Deficit". It was published by L.N.C. and written by Jack Biddel. The book came out in 1990, so we can't say that it's outdated.

Let's start with annual deficits. For each of the last 12 years, that is from March 31 1979 to March 31 1990, we have had a deficit, that is to say our expenses have been higher than our revenues. The deficit, which, on March 31 1979, totalled 11.7 billion, has increased every year, reaching a maximum of 36.1 billion on March 31 1985. That Liberal record has very much taken its toll, and it still has negative consequences today. Since we are in government and as of March 31, 1989, the annual deficit has gone down from $36.1 billion to $27.7 billion, with an estimated rise to $30.5 billion as of March 31, 1990.

Concerning interests on the total debt, they have gone up from $7.1 billion as of March 31, 1979 to $22.6 billion as of March 31, 1985. That represents an increase of 218 per cent or a 36 per cent annual arerage. That probably sets a record in the history of Canada's economy and demonstrates the irresponsable administration of the Liberals.

From March 31, 1990, interest on the national debt have gone up from $22.6 billion to $39.4 billion, that being a global increase of 74 per cent and an annual average of 15 per cent.

• (1810)

Honourable senators, 15 per cent represents less than half of what happened under the Liberal Government.

As for the national debt, from March 31, 1979 to March 31, 1985, it has gone up from $55.8 billion to $191.4 billion, representing a total increase of 243 per cent or an average annual increase of 40 per cent.

Under our Government, it has gone up from $191.4 billion to $351.4 billion, that being an increase of 83 per cent, or an average annual increase of 17 per cent. That is less than half the average annual increase registered by the Liberal Government.

Nevertheless, that figure of $351.4 billion remains in itself a disastrous figure and justifies the numerous measures taken by the Mulroney Government and its Minister of Finance to try to reduce it.

The conclusion seems clear to me: Our national debt grew dramatically between 1979 and 1985, when a Liberal government was in place. Since this government came to power, the rate of growth of the debt is still monstruous. Such a legacy is disastrous for the Canadian economy, particularly for the people who have to bear the costs.

Considering the size of the debt and the fact that the public has lost touch with the very meaning of the word "billion", I made a few calculations to show you how huge the problem really is.

Let us take a look at the revenues the government needs to generate in order to pay only the interests on this debt. It needs $1,000 per second, which means $3,600,000 per hour, $86,400,000 per day, $604,800,000 every week, $2,721,600,000 per month and $32,659,200,000 a year.

That is not even the estimated deficit for the current year. I though that using the example of $1,000 per second would make it easier to figure things out. I hope I am not wrong.

So using this example, if we reduce the annual deficit—and it does seen enormous—by $5 billion annually—it would take six or seven years to balance the federal budget. If we go on at the same rate, it would take another sixty years to get rid of the cumulative debt.

In the circumstances, honourable senators, I believe it would be irresponsible and disastrous to delay or even amend Bill C-62.

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

It is my opinion, and I would like to take Senator Buckwold's call to unity he made yesterday and reverse its focus, that the opposition parties in this Chamber should work with the government, and do so quickly, to reduce our national debt and our annual deficit, and enable the government to pursue its tax reform, by passing the bill before us today as soon as possible.

Otherwise, the debt virus will create a situation that will require increasingly drastic treatment, whose side effects will be increasingly painful for the patient, in other words, for all Canadians and for every business in this country.

These comments were intended to explain my objections to the report and to the logical consequence of its recommendations, which would be to vote against this bill. Thank you for your attention.

[*English*]

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I ask that all remaining orders, inquiries and motions stand.

The Hon. the Speaker *pro tempore:* Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, October 25, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

THE HONOURABLE RICHARD B. HATFIELD

SEVENTEENTH ANNIVERSARY OF FIRST ELECTION AS PREMIER OF NEW BRUNSWICK—QUESTION OF PRIVILEGE

Hon. Jean-Maurice Simard: Honourable senators, I seek the floor for a few minutes on a question of privilege to bring to the attention of my colleagues in this chamber a significant anniversary in the history of New Brunswick and Canada.

Indeed, on October 26, 1970, the honourable Richard Hatfield was elected provincial Premier by the citizens of New Brunswick.

The honeymoon between the people of New Brunswick and Premier Hatfield was to last for 17 years. He broke the records of all his predecessors and was re-elected for four consecutive terms.

[*English*]

The following statement from a letter of the Prime Minister of Canada to Richard Hatfield, dated October 13, 1987, is to the point. I quote:

> During your remarkable four terms in office, you became not only the Dean of the First Ministers' Conference, you also became its conscience, demonstrating remarkable leadership on national issues such as the Constitution.
>
> Your initiatives, for the further advancement of the recognition of New Brunswick, as Canada's only officially bilingual province, will go down in history as an important and lasting contribution to the unity of this country.

Some Hon. Senators: Hear, hear.

Senator Simard: Richard Hatfield remained victorious even in defeat on the evening of October 13, 1987, when he said:

> I want to say how much I have loved the last 17 years of serving the people of New Brunswick and that is what fills my heart tonight.

[*Translation*]

The 26th Premier of New Brunswick will be remembered by historians for having upheld the rights to equality of both French- and English-speaking people; at the provincial and national levels, for having made a significant contribution to Canadian unity; and for having worked unceasingly to patriate Canada's Constitution.

The honourable Richard Hatfield was successful in formalizing, in facts, the linguistic and cultural duality of the province.

Today still New Brunswick is the only officially bilingual province in Canada.

Democracy has always prevailed under his administration. Over the years he never did miss an opportunity to consult with his people.

Remarkable among his many achievements was the electoral system restructuration through the creation of single representation ridings, and the enactment of legislation on the financing of political activities.

Not only did Richard Hatfield succeed in democratizing his party, he also managed to break up the traditional borders of the New Brunswick Conservative Party with respect to the geographical context as well as to the realm of political ideas and trends.

[*English*]

Richard Hatfield appointed New Brunswick's first woman to a cabinet position. I am pleased to note that three women, former cabinet ministers of the Hatfield years, are sitting in this House, the Honourable Brenda Robertson, the Honourable Mabel DeWare, and the Honourable Nancy E. Teed.

[*Translation*]

For Senator Richard Hatfield, whose political career goes back to June 1961, and for the people of New Brunswick, it was a time of mutual love and respect.

New Brunswickers have always appreciated his warmth and generosity, and the time he spent getting to know them.

His patience, his tireless determination to fight prejudice of every kind, his vigorous defense of the rights of all human beings, his grace in adversity, were all invaluable adjuncts to a brilliant career.

It is because of his personal and professional qualities that people from all corners of the province, from the Madawaska to Charlotte, from the Acadian peninsula to Saint John, from Moncton to Restigouche, welcomed him into their homes and their hearts, with respect, but also with pride, as a friend and brother.

Honorable senators, it is therefore not surprising that Richard Hatfield's appointment to the Senate was applauded by the people of New Brunswick and by all Canadians.

Richard Hatfield is a great Canadian citizen.

I am proud to pay tribute to him today for his incredible contribution to the well-being and quality of life of his fellow citizens.

[*English*]

THE HONOURABLE J. MICHAEL FORRESTALL

PROPERTY QUALIFICATION FOR MEMBERSHIP IN SENATE

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I wish to add a few words to the privilege saga in which Senator Forrestall and I have been involved, in order to keep my honourable colleagues up to date and informed.

Honourable senators will recall that yesterday I said I did not have the wording of the will upon which the qualification question turns. I have since received a copy of the will. I did not obtain it from the administration; however, I am advised that it is a certified copy.

Incidentally, since Senator Forrestall is now in his seat, I wish to make something very clear in all of this. I do not say or suggest that Senator Forrestall does not believe that he is qualified. I am not suggesting that he is telling an untruth when he says that he believes that he is qualified. I am sure he believes he is.

The will states in part:

> A joint life interest to THOMAS P. FORRESTALL and ESTHER FORRESTALL to run for the life of the survivor of the two and on the death of the survivor of the two, the remainder in fee simple to the children of THOMAS and ESTHER FORRESTALL, who shall be living at the time of my death, as Joint Tenants and not as Tenants in Common.

I can understand why a quick reading of that paragraph might persuade someone that Senator Forrestall was qualified.

The difficulty, honourable senators, is that the Constitution uses very specific words. It states in section 23, "He shall be legally or equitably seised . . ."—a very important word—"as of Freehold for his own Use . . . or seised or possessed for his own Use and Benefit of Lands or Tenements . . .". The textbooks are very clear on the point; and I understand that a professor in Nova Scotia agrees that the law seems quite clear that on the will's wording, Senator Forrestall would not be "seised" in the sense that it is used in the Constitution. Obviously, we will not settle this matter now.

● (1410)

An Hon. Senator: Why not?

Senator Frith: Be patient, and you will see why. On the basis of that information—and I am prepared to table any of it if necessary, although I do not think this is the time to do so—I will be introducing a motion in due course.

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF COMMISSIONER TABLED

The Hon. the Speaker: Honourable senators, pursuant to section 67 of the Official Languages Act, I have the honour to table the special report of the Commissioner of Official Languages.

L'ASSOCIATION INTERNATIONALE DES PARLEMENTAIRES DE LANGUE FRANÇAISE

REPORT OF THE ACTIVITIES OF THE CANADIAN SECTION

Hon. Fernand-E. Leblanc (Saurel): Honourable senators, with leave of the Senate, I have the honour to table the tenth report of the Canadian section of the Association internationale des parlementaires de langue française.

The Hon. the Speaker: Is leave granted, honourable senators?

Some Hon. Senators: Agreed.

[*English*]

THE HONOURABLE J. MICHAEL FORRESTALL

PROPERTY QUALIFICATION FOR MEMBERSHIP IN —SENATE NOTICE OF MOTION

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, as I said a few moments ago, the question of Senator Forrestall's qualification affects very directly the balance of votes in this house, because the recommendation made by the Prime Minister to Her Majesty the Queen for the appointment of eight additional senators must mean eight additional qualified senators. The Constitution does not give the Prime Minister or the Queen the authority to appoint seven qualified senators, only eight or four.

Senator Simard: Another smoke screen.

Senator Frith: Therefore, the question of Senator Forrestall's qualification raises the question of the qualification of Senators Ross, Lavoie-Roux, Berntson, Grimard, Johnson, Keon and Meighen.

Senator Simard: It is amazing.

Senator Frith: That is, in all, eight potential and decisive votes in this chamber. Therefore, I give notice that tomorrow, October 26, 1990, I will move:

> That the question of Senator Forrestall's property qualification and the qualification, therefore, of Senators Ross, Lavoie-Roux, Berntson, Grimard, Johnson, Keon and Meighen be referred to the Committee appointed to consider the Orders and Customs of the Senate and Privileges of Parliament; and
>
> That, notwithstanding any other rule, provisional rule or order of the Senate, the Committee meet in this Chamber within the twenty-four hours following the adoption of this motion.

LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE

NOTICE OF MOTION TO INSTRUCT COMMITTEE TO EXAMINE BILL C-43

Hon. Stanley Haidasz: In view of the wide interest and gravity of the subject of Bill C-43, I rise to give notice that I will move:

That an obligatory instruction be given by this House to the Senate Standing Committee on Legal and Constitutional Affairs, to give particular study to the individual flaws of Bill C-43 as identified, for instance in my speech on June 26; and

That the Committee give full study and call expert witnesses to address all issues that are cognate to the Bill including the legal, constitutional, ethical, sociological, and scientific implications of this Bill, and to consider appropriate amendments to Bill C-43.

ADJOURNMENT

Hon. C. William Doody (Deputy Leader of the Government), with leave of the Senate and notwithstanding rule 45(1)(g), moved:

That when the Senate adjourns today, it do stand adjourned until Friday, October 26, 1990, at 9:30 o'clock in the forenoon.

Motion agreed to.

QUESTION PERIOD

NATIONAL FINANCE

MONETARY POLICY—EFFECT ON ECONOMY—GOVERNMENT RESPONSE

Hon. H.A. Olson: Honourable senators, can the Leader of the Government in the Senate advise this house and the Canadian people if any extraordinary action will be taken by this government in view of the findings of the Department of Consumer and Corporate Affairs that we have now reached record-breaking bankruptcies, of both corporations and individuals, in Canada?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I am not in a position to discuss the preamble to the honourable senator's question, because he has not put forward the comparative statistics. I can, however, tell him that Canada's economy has grown by 23 per cent in real terms since September, 1984. Rather than highlighting bankruptcies, which are a normal part of economic activity in the country, I would think he would be rejoicing in the unprecedented rate of economic growth that we have enjoyed for the past six years.

Senator Olson: I would like to advise my honourable friend that people, particularly those who live in the region of Canada from which I come, are intensely concerned about the possibility of going bankrupt and the prospect of more bankruptcies. Whatever else the honourable leader may wish to put forward, the fact is that the Minister of Finance has admitted that he deliberately caused a slowdown in the economy, resulting in record-breaking bankruptcies both for individuals and corporations in Canada. That is the question these people are interested in.

• (1420)

I have asked the Leader of the Government a direct and pointed question. Is the government planning any extraordinary action to reverse or remedy the problem that is causing these bankruptcies and the severe stress that goes along with them?

Senator Murray: The honourable senator says that he asked a very pointed question. He clearly wants a very pointed answer, and I will give him one. He talks about the part of the country from which he comes, which I believe is the Medicine Hat area of Alberta. That is a farming area. I have to tell the honourable senator that farm bankruptcies were down 39 per cent in 1989 from what they were in 1984, the last year that he and his friends held office.

Senator Perrault: That is because there are so few farms left.

Senator Olson: Honourable senators, my honourable friend gave that reply yesterday during Question Period. I would like him to know that it is not much comfort to the many people who will be the next group listed by Statistics Canada. He knows, as I do, that this is only the first flush of the consequences of the policy deliberately embarked upon by the government. If he chooses not to answer the question, then that is what I will have to report to those people. However, if there is not to be a change in monetary policy particularly—and government economic policy generally—in order that this distressful kind of activity will be remedied, then I will accept that answer.

Does the government plan to modify the monetary policy that has led to most of these problems, so that several thousand more Canadians will not be facing the bankruptcies that were revealed in the last few days and that are showing up every month on an escalating basis?

Senator Murray: Honourable senators, my honourable friend is making a broad and sweeping generalization which he cannot really document. The fact of the matter is that there has been an increase in the number of bankruptcies generally, although, as I have pointed out, farm bankruptcies were down 39 per cent in 1989 over what they were in 1984. Those statistics are from the same source that my honourable friend cites.

When I speak of bankruptcies as being a normal part of economic life in this country, the other side of the equation is that while some firms go out of business, new firms are created to carry on new economic activities. Last year there were 350,000 new businesses started in this country. I would think my honourable friend would take some satisfaction in hearing the other side of the story.

Senator Olson: It is interesting to note that the Leader of the Government says that it is perfectly normal that there be bankruptcies under a Tory government. Until now my genera-

tion had not learned that, but the generation preceding me had slogans such as "Tory Times are Tough Times."

One of my colleagues has handed me a note which says that during the period 1984 to date there has been an inflation rate of 24 per cent. The minister has indicated that there has been an equivalent growth of 23 per cent. In this case there is 24 per cent inflation against 23 per cent growth in the economy. So you can see where we are.

I want to know if the Minister is going to answer my question. If he does not want to answer it, or if he wants to give me an answer to a different question, that is up to him. Most of the people I talk to believe it is this monetary policy, followed by this Minister of Finance and this Governor of the Bank of Canada, that has led them into the difficulties they are having, which has a consequence of bankruptcy, both for individuals and corporations. As I said, they are now occurring in record-breaking proportions. Is the government planning to take any remedial action to ensure that the situation will not continue?

Senator Murray: Honourable senators, I pointed out to my friend the other day—I think it was Friday—that in the 1989 and 1990 budgets the government, through the Minister of Finance, made it clear that a slowdown in domestic demand was expected and necessary because the country could not sustain the unprecedented rate of economic growth that had been occurring for some years. So some slowdown in economic growth was forecast and expected in the 1989 and 1990 budgets. The fact of the matter is that we do not expect any positive economic growth in the second half of the present calendar year, which is now drawing to a close. However, we expect the economy to rebound in the calendar year 1991, and when it does it will do so with far less inflationary growth than has recently been the danger in this country.

So my friend should not expect—and I am sure he does not expect—that there will be a repeat of the horrendous economic recession we experienced in this country under his party's leadership in the early 1980s.

Senator Olson: Honourable senators, I take it, then, that I can report to the people who expect me to do so that the government is not yet satisfied, that it is going to cool the economy more and exacerbate an already difficult situation. At least, that seems to be the reply with respect to the next six months or two quarters. The government does not intend to significantly modify monetary policy, which would remedy the problem. If that is the government's answer, I am sure a lot of people in Canada would be interested in knowing about it.

Senator Murray: I spoke about the second half of the present calendar year. If I am not mistaken, this is the 25th day of October. There are a little more than 2 months left in this calendar year. As I have told the honourable senator before, we can expect interest rates to ease, as, indeed, they have been easing. The trend line has been down for many months.

Senator Olson: Down 1 per cent from 15. That is great.

Senator Murray: The honourable senator knows that the trend line has been down for many months, and interest rates will ease further as the threat of inflation eases. That is the policy. That is the reality in this country.

• (1430)

Senator Olson: I guess a lot of good, hard-working Canadians are going to have to take that, but it is not very good news.

BANKRUPTCIES—GOVERNMENT POSITION

Hon. Herbert O. Sparrow: Honourable senators, I have a supplementary question. The Leader of the Government in the Senate is suggesting that the current economic situation, with these bankruptcies, is not as bad as it was in 1981 or 1982. From that I would assume that it is perhaps not as bad as the situation in the 1930s. Perhaps if we were to go back another 50 years we might find that the situation was even worse. However, I think we expect more today. It seems to me that the question that was asked was whether anything was going to be done about these bankruptcies. Perhaps after another five or six or ten years of this process we will have no further businesses or farmers to go bankrupt. That may certainly be true in my part of the country. I read a report saying that last month bankruptcies in the province of Ontario were up 50 per cent over the previous year.

My question to the Leader of the Government is whether he or his your government cares about the situation, or are these additional 5,000 or 10,000 or 20,000 bankruptcies just figures? Does he or his government not care about the people who are affected? It does no good to compare this situation with what happened in 1981. We are worried about our people today. Will the Leader of the Government tell us whether he or his government gives a dam about what is happening?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, we care so much that we are determined to stay on course with an economic policy that has brought six years of unprecedented prosperity to this country.

Some Hon. Senators: Oh, oh!

Some Hon. Senators: Hear, hear!

Senator Murray: It has resulted in real economic growth in this country of 23 per cent since 1984.

Senator Sparrow: I was thinking about this problem last weekend when I was at home. If I get home this weekend I will be thinking about you when cleaning out my bull corrals.

PERSIAN GULF

COMMAND OF CANADIAN NAVAL FORCES—REQUEST FOR CLARIFICATION

Hon. M. Lorne Bonnell: Honourable senators, yesterday the Leader of the Government in the Senate said that our Canadian ships were floating around the Gulf "on consensus;" that in the same way that the Senate operates, they are operating on consensus. That is somewhat difficult for me to believe, but I

believe the minister because what he tells me I must believe. I cannot say anything other than that he is telling me the truth.

However, there are 555 ships over there from the American Navy, including aircraft carriers, battle groups, and six or eight nuclear submarines. There are 12 ships in the area from Britain, and 14 ships from France, including an aircraft carrier. There are eight ships in the area from Saudi Arabia, two from Turkey, two from Argentina, four from Italy, three from Canada, three from Australia, and three from Belgium. Does the minister still say they are under the control of a consensus, in the same way that the Senate operates, so that the ships are just going helter-skelter with no one coordinating their actions?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): The honourable senator should obtain a copy of *Hansard*, when it is available, to confirm what I said. I spoke of the rules of engagement provided by Canada to the armed forces serving in that area. I indicated further that while there is not a single command, there are frequent on-going consultations between Canada and other nations whose forces are serving in that area—consultations at the military level, in the course of which, by a process of consensus, the roles and activities of the various forces are decided upon. A question was raised about the French. I am told that they do not attend the meetings. Canada would not attend the meetings if we wished not to attend them. Canada does, and, by a process of consensus, we are sharing the work with the other nations that have responded.

The overall objective, as the honourable senator knows, is to deter further aggression on the part of Iraq and to support the international sanctions that have been imposed following resolutions by the United Nations Security Council.

Senator Bonnell: I have a further question, honourable senators. I have here an article from Sunday's *New York Times* of October 21, 1990, which states:

> 'We've got an entire command dedicated solely to keeping track of everyone,' said an American colonel involved in military planning here.

That, apparently, is his statement, that the Americans are completely in control. It states further:

> The overall field commander for these forces appears to be the United States General Norman Schwarzkopf. But no one is putting that in bold black and white terms.

Is this general in charge of our ships in the Persian Gulf?

Senator Murray: Honourable senators, I can only repeat what I said yesterday. Canadian ships are under Canadian command, period. I agreed yesterday to try to obtain further information on rules of engagement, if they are available, and on other matters raised by the honourable senator and the Leader of the Opposition. I shall do so at the earliest possible opportunity.

Senator Bonnell: In ascertaining that information, perhaps the government leader will also obtain information about our planes. Apparently there are 500 planes in the area from the United States, in 30 different air bases. There are 58 planes from Britain, more than 75 planes from France, 180 planes from Saudi Arabia, 8 planes from Italy, 8 planes from Canada, and 18 planes from The Netherlands. Who is coordinating the air power in cooperation with naval power and the ground troops? There are over 250,000 troops on the ground. Is there no overall commander of those forces at the present time?

Senator Murray: The principal responsibility of the Canadian air force personnel who have been sent there is to provide air cover for our Canadian ships. That would also be done in consultation with our Allies, because at times they would perhaps be providing air cover for our ships and we would for their ships. But it is not beyond the ingenuity or administrative capability of the officers of those nations' forces to come together and agree on an appropriate division of labour.

Senator Bonnell: Honourable senators, I understand that the American general states that there is need for a lot more planning, coordination and joint command control, and that from the ground it appears that much remains to be done to coordinate the many forces in the area before any battle actually begins.

• (1440)

Senator Murray: Before what?

Senator Bonnell: Before they go into battle. Should a war break out, they would require more joint operations under the United States Commander. If that does not take place, then I do not know what is likely to happen. I will wait to find out.

DEPLOYMENT OF CANADIAN FORCES—POSSIBILITY OF WAR—ARRANGEMENTS FOR COMMAND

Hon. John B. Stewart: Honourable senators, I assume that the Canadian forces were sent to the Gulf because of the possibility of serious hostilities. What arrangements have been made against such a possibility? I assume that "consensus" will not be sufficient if in the event there is a large fighting war in the Gulf. What arrangements have been made against that possibility?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the Canadian forces were sent there in the first instance to join with the forces of other countries in demonstrating a concerted multinational response to the aggression of Iraq against Kuwait and a response to the United Nations Security Council resolutions, of which there were at least two before the decision was made to send our forces.

The honourable senator's question is a fair one, though hypothetical, and I will inquire what information on that matter can properly be placed on the public record at this time.

APPLICATION OF NATIONAL DEFENCE ACT—GOVERNMENT POSITION

Hon. Jerahmiel S. Grafstein: Honourable senators, I have a related question. When we reassembled after the summer

recess I immediately asked the Leader of the Government in the Senate when he would bring forward the government's position with respect to initial involvement of Canadian forces in the Gulf pursuant to the National Defence Act.

As I believe I brought to his attention, it is incumbent upon Parliament—certainly upon this chamber—to deliberate on this matter at the earliest possible opportunity. That is an implicit assumption in the National Defence Act.

If I recall correctly, Parliament was not in session just before the First World War, but was immediately summoned. I think that within days of the Second World War, when Parliament was not in session, it was immediately summoned. Just after the Korean conflict began Parliament was summoned. I believe it took some 22 days after the start of hostilities in Korea for Parliament to be reconvened to deal with the issue of dispatching Canadian troops.

In the instance of the Gulf crisis, 44 days passed before the order was issued. I think it is now in excess of 30 days since Canadian forces were ordered to the Gulf, and yet in this chamber we have not had a debate on this issue.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): A debate on what?

Senator Grafstein: A debate on this issue. It is difficult for us to elicit information by asking questions. I think a much more appropriate procedure would be for the government to indicate what its policy and position is so that we can respond at the earliest possible opportunity.

Senator Murray: Honourable senators, it may be that because *Hansard* is not available my honourable friend has not seen the replies to some of these questions that were tabled the other day by the Deputy Leader of the Government. I would draw his attention to that document.

Secondly, as I pointed out yesterday, there were three United Nations Security Council resolutions dated August 2, August 6 and August 9 that were passed before the decision was made by Canada to send ships to join the multinational effort. Further resolutions by the Security Council were passed on August 18 and August 25.

The honourable senator knows that those ships were dispatched under an order in council signed by the Governor General, and I believe that was also tabled here. That order in council was signed by the Governor General on September 15.

I am sure the honourable senator also knows that we have provided an opportunity for debate through a Notice of Inquiry put on the order paper by Senator Macquarrie. He is quite anxious to get on with that debate at the first opportunity. I believe there will be an opportunity even though we all know that we are preoccupied, and have been for some time, with Bill C-62.

Senator Macquarrie is ready to launch that debate. He is not bound by cabinet solidarity. His speech was not written by the Department of External Affairs. We are ready to take part in that debate and deal with any questions raised by honourable senators respecting Canada's position on this matter.

Senator Grafstein: Respecting the chronology as best I recall—and I am speaking from memory—on or before August 2 the Prime Minister attended on the President of the United States, and the press reports immediately following that meeting were to the effect that Canada was going to support, by all reasonable means, American efforts in the Middle East.

That, I believe, took place prior to, and in aid of, the resolution that was subsequently promulgated largely by the United States in the Security Council.

As I understand my reading of the National Defence Act, there is an explicit obligation on behalf of the government to immediately recall Parliament, assuming that Parliament is not in session and that Canadian forces may be engaged in hostilities.

We have now passed the event. I do not think it is appropriate or consistent with good parliamentary practice for the matter to be left to a senator to provoke the issue by a Notice of Inquiry. Surely the appropriate procedure would be for the government to lay down a written statement immediately as to its position. That would allow all honourable senators to respond at the earliest possible moment.

Senator Murray: I may be mistaken, but I believe the Notice of Inquiry that Senator Macquarrie has put on the order paper is virtually in the same terms as the motion that was placed on the order paper in the other place by the Secretary of State for External Affairs.

The fact that Senator Macquarrie has put a Notice of Inquiry on the order paper does not preclude me, or anyone designated by me, from putting forward the official position of the government in this chamber. Meanwhile, of course, the honourable senator does have recourse to the *Debates of the House of Commons* and to the declarations made by the Prime Minister and other cabinet members on this matter.

Senator Grafstein: Events have overtaken us yet again. It is my understanding, from reading the debates of the other place, that parties on the other side have come to a formal agreement with respect to Canada's position dealing with the acts taken unilaterally by the government.

I would ask the Leader of the Government in the Senate to reconsider whether or not the more appropriate practice would be for the government to lay down a statement of policy in this place so that we do not have to respond to policy declarations made in the other place. If the government's position were placed on the record in this place, we could then respond in the way we choose.

DEPLOYMENT OF CANADIAN FORCES—POSSIBILITY OF WAR—COMMAND STRUCTURE

Hon. Gildas L. Molgat: Honourable senators, my question is supplementary to that asked by Senator Bonnell.

If I understand the procedure correctly, the honourable senator is saying that, at the moment, the command is through consensus. I find that a strange and dangerous way to conduct a military operation. But if that is the way it is, then that is the

situation. However, in the event of the outbreak of hostilities—and let us hope that will not happen—and the possibility of war, what would be the command structure? What has the Canadian government agreed to, because surely it must be prepared for that possibility. What has the Canadian government agreed to with respect to the command structure?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable speakers, first, I shall undertake to obtain from the military at the earliest possible date a fuller description than I have given to the Senate of the way in which the consultations take place, and the labour as divided among the various national forces present in the Gulf.

● (1450)

The second part of the honourable senator's question is, as I said to Senator Stewart a few moments ago, a fair question, if hypothetical. I will see what information on that matter can properly be placed on the public record at this time.

Hon. Stanley Haidasz: Honourable senators, will the Leader of the Government in the Senate endeavour to ascertain, and inform us at the earliest possible opportunity, from whom the units of the Canadian navy and the Canadian air force are taking their command now and in the event of a war? Is it from President Bush, President Mitterand, President Hassad of Syria or the Secretary General of the United Nations? Would the minister be more precise in giving us an answer to those questions?

Senator Murray: None of the above, honourable senators.

Some Hon. Senators: Hear, hear!

Senator Murray: They are taking their instructions from qualified Canadian military officers.

Hon. H.A. Olson: Honourable senators, I have a question to ask following upon Senator Grafstein's. Will the government not take its responsibility and obligation under the National Defence Act to lay before Parliament the order in council and to initiate a debate on that? Or is the government going to wait for some back-benchers, however qualified they may be, to take up this responsibility for the government? That is not in compliance with the National Defence Act.

Senator Murray: Honourable senators, my friend, the Deputy Leader of the Government, assures me that he tabled that order in council some considerable time ago. I can only express my regret that it has escaped the attention of Senator Olson.

Senator Olson: When does the government intend to initiate a debate on that order in council, something which is required under the National Defence Act?

Senator Murray: That was the purpose of the Notice of Inquiry put forward by Senator Macquarrie some time ago, which is, I believe, in exactly the same terms as the government's resolution in the other place. We are all anxious to get on with it. I look forward to hearing Senator Olson's views on the matter at that time.

[Senator Molgat.]

Senator Olson: I have a great deal of respect for Senator Macquarrie and his views. However, I also realize that there is a responsibility under the act which this government is now passing off to one of its supporters, nevertheless a back-bencher. Does that satisfy the government's obligation in the view of the Minister?

Senator Murray: Honourable senators, I thought it was appropriate to ask Senator Macquarrie to place that Notice of Inquiry on the record, first, because he is so interested in foreign policy; second, because he has such a particular interest in that part of the world; and, third, because he is one of our best known internationalists.

Having said all that, I have not attempted, nor could I, to bind him to cabinet solidarity. His Notice of Inquiry, put forward in the same terms as was debated in the House of Commons, is simply to provide the opportunity for Senator Olson, and perhaps for myself, to take part in the debate, which will take place inevitably.

Senator Olson: The Leader of the Government can waffle around as much as he likes, which is exactly what he is doing, but the government has an obligation under the National Defence Act to lay on the table a statement of the government's position, and then to initiate a debate. So far there has been no effort to comply with that requirement, as Senator Grafstein has pointed out so well.

Senator Murray: The honourable senator is mistaken.

Senator Olson: I do not think so.

[*Translation*]

GOODS AND SERVICES TAX

COST OF GOVERNMENT ADVERTISING

Hon. Azellus Denis: I would like to put a question to the Leader of the Government in the Senate. Before the debate ends on Bill C-62 and the GST, is there any way we could find out how many millions of dollars were or will be spent on government advertising concerning the GST?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I will make inquiries. I will do my best to get the information for Senator Denis and other honourable senators.

Honourable senators, I would like to take this opportunity to congratulate Senator Denis. I noticed that last October 14 marked the anniversary of his first election to Parliament in 1935. The senator has been a member of the Parliament of Canada for 55 years, and I wish to offer him my congratulations.

Senator Denis: I want to thank the Leader of the Government for his kind words. However, by mentioning my age he just ruined my chances with the ladies. However, just because he mentioned I was first elected in 1935 will not keep me from asking him questions. After all, he could have said I was elected under Sir John A. MacDonald!

In any case, the Leader of the Government should know approximately how much, how many millions and I am not

talking about hundreds of millions, I am talking about millions this has cost so far. You know all the trouble we had to find out how many millions were spent on free trade. We were never able to find out exactly how many million dollars were spent. There was no mention of briefs, radio advertising, tv advertising, seminars, and so forth. We never knew exactly how many dollars were spent on advertising for free trade.

We have now spent several days considering Bill C-62, and you want me to believe the government does not know today, approximately how many millions of dollars this advertising cost? Can you tell us more or less how much it cost?

Senator Murray: Honourable senators, Senator Denis certainly doesn't expect me to carry these figures around in my head. I will make inquiries. I should be glad to enlighten the senator in this respect.

However, I would like to point out that all the polls clearly indicate that the vast majority of Canadians want to be better informed about the GST. So that is the focus of the government's advertising campaign.

As for the amount involved in these campaigns, I will make inquiries. I will table a report before the House, at the appropriate time.

Senator Denis: You may skip the dollars and cents. I asked how many millions. You must know approximately how many millions it cost, without having to make inquiries in the departments and hiring additional staff. You know but you won't say it because the figures are horrendous. There might be a scandal!

Senator Murray: Honourable senators, I don't like Chamber. I would like to check all these figures with my colleagues. There are several departments involved. I have no figures to disclose today, that's all.

• (1500)

[*English*]

THE ECONOMY

CORRELATION BETWEEN NATIONAL ECONOMIC GROWTH AND NATIONAL DEBT—GOVERNMENT POSITION

Hon. Sidney L. Buckwold: Honourable senators, I have a question for the Leader of the Government in the Senate. I was rather astounded by the great pride shown by the Leader of the Government earlier in Question Period when talking about the economy. Of course, his comments were accompanied with great applause from the claque on the other side. The leader said that the country has enjoyed six years of unprecedented growth. My question is: If we have just had six years of unprecedented growth, why has the gross national debt gone from $200 million—

Senator Murray: Have I got an answer for you.

Senator Buckwold: —when you took over, to almost $400 million? Please do not answer by saying that you inherited it, because in that six years your debt has grown more than the entire debt in the history of this country—and after six years of "unprecedented growth." Would the honourable senator please try to correct that anomaly in my mind and correlate this great growth with the fantastic debt that has accumulated under his government's leadership?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, my friend knows the answer to that question as well as I do, because he has heard numerous exchanges on the matter between Senator Olson and me.

Senator Steuart: They spent too much!

Senator Murray: The interest on the debt, which we inherited from our friends opposite, more than accounts for the annual deficit, and that is a fact.

Senator Thériault: Come on!

Senator Murray: Honourable senators, the current accounts of the government show that we have turned a $13 billion deficit into a $9 billion surplus.

Senator Perrault: Tell that to the bankrupt companies!

Senator Buckwold: Honourable senators, this is what we are up against when we ask for any kind of government statistics, whether they be on the goods and services tax, free trade, predictions made by the Department of Finance or whatever. Why does the government not admit that the debt has doubled? It has, and there are figures to show that. It has doubled in the same past six years in which there is supposed to have been unprecedented growth. Why do they always confuse these questions with statistics about how this went up and that went up and how wonderful everything is?

My question now to the Leader of the Government is: Is the honourable senator prepared to utter the "R" word as Mr. Wilson has now done? Is the honourable senator prepared to say that the country is in a recession, or is he ready to admit the real truth, that we are into a serious depression and that it will take a long time for us to recover from it?

Senator Murray: Honourable senators, I have already indicated the position of the government. As honourable senators know, the technical definition of a recession is negative growth in two consecutive quarters; so I have no difficulty in uttering the "R" word and neither does my colleague, the Minister of Finance.

Senator Thériault: It took a long time!

Senator Murray: Neither he nor any other qualified person with whom I am acquainted is suggesting that the current slowdown would be anywhere near as deep, as long or as serious as the recession in the early 1980s which, as honourable senators know, was worse in Canada than it was in any of the developed nations of the world.

Senator Thériault: It was not made in Canada like this one!

Senator Murray: Perhaps not, but it was contributed to mightily by the policies of my honourable friends opposite, their anti-investment policies, their energy policies and all the others. There must be some reason why the recession was worse in Canada than in any other developed country—

Senator Robichaud: Of course, Brian Mulroney!

Senator Murray: —and why it was the worst recession in Canada since the 1930s. To come back to the present situation, my honourable friend should look at the recent report of the Economic Council of Canada. While it was critical of some government policies, and I acknowledge it as fair criticism, it also indicated that in its judgment we are heading for real economic growth, in the 3 per cent range, very soon; and further to that—

Senator Cools: Hogwash.

Senator Murray: Of course, my friend, Senator Cools, would immediately decide not to read that, because it does not conform to her prejudices.

Senator Cools: You don't have to think for me!

Senator Murray: However, I am commending the report to the relatively more open-minded Senator Buckwold—

Senator Cools: You can think for those beside you, but you don't think for me!

Senator Murray: —who is interested in these matters. He will find that while the Economic Council of Canada, in its recent report, was critical of some aspects of government policy, it also forecast that there will be an economic rebound and growth at the rate of 3 per cent. It supports our regional development policy, our labour force development strategy and, by the way, the GST.

Some Hon. Senators: Hear, hear!

Senator Buckwold: Honourable senators, it supported free trade as well—

Senator Murray: It was good for the economy.

Senator Buckwold: —with all its subsequent disasters. It is supporting the GST, in spite of the fact that most Canadians realize that it is not the right direction to take, at least at this time.

Senator Murray: You have made that speech.

Senator Buckwold: In supplying that so-called 3 per cent growth factor, again the Leader of the Government has taken economic figures out of a hat in which any number—

Senator Murray: Come on! Where do you get yours?

Senator Buckwold: Let us not fool ourselves.

Senator Murray: Where do you get yours?

Senator Buckwold: I suggest that we look at all of the other statistics that are given by other think tanks and other people who do not support what the government has to say. However, I have not received an answer that tries to correlate the six years of unprecedented growth with the same six years that have doubled the debt of Canada from $200 million to almost $400 million.

Senator Murray: Honourable senators, I do not wish to take up the time of the Senate unduly on this matter, because it is really a matter of debate, but I think I should point out, as I did without putting the figures on the record a few moments ago, that in 1984 the government incurred an operating deficit—the difference between revenue and spending—on all programs other than interest costs of $16 billion. This has been changed into an operating surplus of $13 billion. I think that speaks volumes for the competent and frugal management of the nation's finances by the government.

[Senator Murray.]

Hon. Peter Bosa: Honourable senators, the honourable gentleman cannot have it both ways. He has claimed that from the time his party took the reins of government, over the past six years, there has been an unprecedented economic boom. I would like to ask the honourable gentleman to make the following comparison: In 1981-82 we had a world-wide recession, and that is when the previous government incurred a deficit. The present recession is a home-made recession, as stated by the Conference Board of Canada and other blue chip study groups that analyze the economy from time to time. Given that the honourable senator has claimed that his government is responsible for this economic boom, what did his government do in 1984, other than to have the Prime Minister say that there would be a new civility in government and a new spirit of reconciliation? We prepared the terrain for you. Rebut that, please.

Senator Murray: Honourable senators, my friend should examine the response of the Canadian international business and investment community to the decisions taken by the Government of Canada—

Senator Thériault: We are not prepared to sell out to the Americans, and that's all!

Senator Murray: —from September 1984 on, in which we dismantled most of the anti-business, anti-investment, anti-growth policies of the previous government.

Senator Thériault: You sold out to the United States!

Senator Murray: The entire private sector in this country and internationally knows that there is a government in this country that places a high priority on economic growth and the creation of jobs and not one with the narrow-minded, excessively nationalistic policies pursued by our predecessors.

Senator Thériault: You sold out to the Americans.

• (1510)

Senator Bosa: The honourable senator must admit that those policies did not go into effect until 1985 and the boom was already under way. Please admit that you inherited the economic boom from the previous government.

FEDERAL-PROVINCIAL RELATIONS

PROTOCOL OF VISIT OF PRIME MINISTER TO BRITISH COLUMBIA

Hon. Jack Austin: Honourable senators, yesterday I brought to the attention of Senator Murray the increasingly difficult situation that exists in relations between the federal government and the province of British Columbia. I gave him some rather good political advice, and Senator Murray cast aspersions on both the facts and the advice.

First, as to the facts, I stated yesterday that there was a deplorable exercise between Premier Vander Zalm and Prime Minister Mulroney as to who should be asking whom for a meeting to discuss some of these difficult problems that exist today in the relationship. Senator Murray questioned the issue and I refer him to an article that appeared in *The Vancouver Sun* on Tuesday, October 23 on page A7, which states:

> Prime Minister Brian Mulroney's staff was scrambling Monday night to try to arrange a meeting today with Premium Bill Vander Zalm.
>
> When contacted Monday evening about Mulroney's comments that he would be happy to meet any time with Vander Zalm and just hadn't been asked, the premier said his staff had been trying to set up a meeting since August.
>
> "It is hoped that a meeting can be arranged before he concludes his public-relations tour," Vander Zalm said through his press secretary, Ian Jessop.
>
> When told by a reporter that Vander Zalm's staff has been trying to arrange a meeting with the prime minister for some time, a spokesman for the prime minister's office said he had spoken to the premier's principal secretary, Jerry Lampert, on Monday and they were attempting to set up a meeting for today.
>
> However, the spokesman said it was going to be difficult to arrange because Mulroney is "on a tight schedule."
>
> Mulroney is scheduled to leave this afternoon after officially opening the Inter Comm '90 trade show and speaking with B.C. native leaders.
>
> But that's not what Mulroney has been telling reporters. On four separate occasions, in English and in French, Mulroney has been asked whether he is going to meet with Vander Zalm.
>
> Each time, Mulroney has said no meeting is set.
>
> "If he'd like to meet with us, we'd be happy to arrange it," the prime minister told reporters late Monday afternoon. And that's what he said earlier in the day and on Sunday just after his arrival for a three-day visit.
>
> Mulroney's apparent low regard for Vander Zalm and his government was in evidence when the premier suggested last winter that rather than having one distinct society—Quebec—a new constitution should have 10 distinct societies reflecting the 10 regions of Canada.
>
> The prime minister laughed at the suggestion, but later issued a press release saying that when he laughed it was not at that question, but at something else that was said.
>
> The cool relationship between the two government leaders is reflected in the court challenges B.C. has filed against the federal government in the past year.
>
> B.C. went to court and won over Via Rail cutbacks on Vancouver Island. The province also went to court and won over the issue of cuts to federal transfer payments. And B.C. is involved in a court challenge to the appointment of eight additional members to the Senate and over the constitutionality of the goods and services tax.

Honourable senators, I also pointed out the problem with the financing of the KAON project. There are many other issues, including the settlement of native claims and the participation of the federal government and the provincial government with respect to any compensation which is ultimately agreed to.

In his capacity as Minister of State for Federal-Provincial Relations, I am saying to Senator Murray, it appears that relations between the federal government and the government of the province of British Columbia have reached an all time low. I would hate to see Senator Murray unaware of these conditions, as he seemed to be yesterday, and I would urge him again to become personally involved, as he is held in good regard in British Columbia, and to move quickly on some of those problems, perhaps beginning with the financing of the KAON project in British Columbia.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I do believe that I answered that question yesterday. There are a number of outstanding issues between the two governments that are being discussed on a ongoing basis between the responsible ministers in the federal and provincial governments.

As for Premier Vander Zalm and the Prime Minister, I have not had an opportunity to consult with the Prime Minister since he returned from British Columbia to ascertain whether he had spoken with Premier Vander Zalm. As I stated yesterday, no Prime Minister in history has been more accessible to provincial premiers than Mr. Mulroney has been. I think Premier Vander Zalm knows that it is not at all difficult to reach the Prime Minister and other ministers in the government of Canada simply by using that instrument that was invented by Alexander Graham Bell so many years ago.

THE HONOURABLE PAT CARNEY

REQUEST FOR APOLOGY FOR ALLEGED INSULT TO ITALIAN COMMUNITY—GOVERNMENT POSITION

Hon. Peter Bosa: Honourable senators, has the Leader of the Government had an opportunity to speak to Senator Carney in connection with the question I raised recently about the Italian community? I saw Senator Carney in the chamber and she did not respond and the leader said she would respond.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I have not. Subject to checking the record, I do believe what I stated was that this does not come under my ministerial responsibility. If the honourable senator has something further to say, he should say it in the presence of Senator Carney. She may or may not wish to add to the statement she has already made in the house. The fact that *Hansard* is not available makes it difficult to check the record on these matters, but I shall do so, and if I undertook to take any

further steps in this connection, I shall certainly get back to my honourable friend.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have a delayed answer to a question raised by Senator Spivak on Wednesday, October 24, 1990.

(*The answer follows:*)

THE ENVIRONMENT

RAFFERTY-ALAMEDA DAMS PROJECT—ABILITY OF GOVERNMENT TO ALTER CANADA-U.S. AGREEMENT ON FLOOD CONTROL IN SOURIS BASIN

The United States government has not formally indicated that it believes the Rafferty-Alameda dam project must proceed regardless of the outcome of the environmental review.

The Canada-U.S. Agreement obliges Canada to provide flood storage to the USA by completing both the Rafferty and the Alameda Dams. However, Canada's obligations under the agreement are subject to the laws of Canada, including laws respecting environmental impact assessment.

The Canada-U.S. Agreement is an international treaty which cannot be altered by one party without renegotiating the agreement.

If an environmental review panel finds that the Rafferty-Alameda project must be stopped to avert serious environmental consequences, Canada can stop completion of the project. This would however, entail a breach of the Canada-U.S. Agreement, and possible compensation to the United States.

I would like to point out to Honourable members that my legal advice is that a reasonable delay in the construction of the dam to allow for completion of the environmental assessment would not constitute a breach of the Canada-U.S. Agreement.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—THIRTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION FOR ADOPTION—DEBATE CONTINUED

On the Order:

[Senator Murray.]

Resuming the debate on the motion of the Honourable Senator Buckwold, seconded by the Honourable Senator Stanbury, for the adoption of the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commerce (Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act), presented in the Senate on 26th September, 1990.—(*Honourable Senator Frith*).

Hon. Douglas D. Everett: Honourable senators, in May of this year I made a speech on this bill and spoke favourably about the GST.

I have read the report of the Banking, Trade and Commerce committee. I listened with great admiration to the speech by the Honourable Senator Buckwold—

Hon. Senators: Hear, hear!

Senator Everett: —who comes close to the end of his time in this chamber. In the years that I have been here with Senator Buckwold, he has graced this chamber as well as anyone I have known while I have been here.

• (1520)

The question I have to answer is whether the report of the committee and the speech given by Senator Buckwold would cause me to change my mind in respect of the GST. I will not repeat my speech, but I would like to deal with a couple of economic aspects to which the GST applies.

First, the question is whether or not the GST will be inflationary. That will depend on the setting of monetary policy in Canada. The government estimates that there will be a one-time increase of 1.25 per cent. The Governor of the Bank of Canada says that if it were to exceed that amount, he would not accommodate it with an increase in the money supply. One should remember that the increase, whether it be 1.25 per cent or more, is a one-time increase. It is not a rate as we express it when we talk about an inflation rate.

We have to look at the effect of this one-time increase. We can find a proxy for this in the increase that we recently had in the price of oil, which has gone from $18 to $40 and perhaps back to $30-odd today. If the central bank does not accommodate that oil price increase by increasing the money supply, while that price increases and its effects permeate the economy, other prices must adjust downward because there is no more money in the economy to accommodate any overall increase in prices; and that is what happens.

When the Governor says that beyond a 1.25 per cent one-time increase he will not accommodate a greater increase with an increase in the money supply, that means that prices will go up by virtue of the GST, but they will come down by a reduction in either costs or profit margins. Indeed, over the last while there has been a reduction in corporate profit margins. That means that corporations cannot pass onto their customers their cost increases in the form of price increases. Profits in the second quarter of this year are down 29.1 per cent. That is the fifth consecutive quarter in which there has

been a decline in the profits of corporations. That indicates that what is going on is the redistribution of prices that I talked about a moment ago.

Senator Frith: And the unprecedented prosperity that the Leader of the Government was referring to.

Senator Everett: I do not know that I will talk about unprecedented prosperity today because, indeed, if we are not in a recession, we are on the threshold of one.

Senator Frith: Are you going to speak about the effect of the GST on that?

Senator Everett: Yes, I hope to speak to it on that basis. In fact, one raises the question that was raised by Senator Buckwold yesterday: Is a recession the worst time to introduce this tax? In political terms, clearly it is. The political fallout from doing it, when you are on the lip of a recession or in a recession, is clearly the worst time to introduce such a tax. However, in economic terms it is probably a better time than any other time, because through the operation of monetary policy the increase in costs can be accommodated and they can be spread to lower profit margins.

I want to deal with the effectiveness of our monetary policy, because it ties in, in the long run, with my view of the GST. As honourable senators know, monetary policy is operated by the control that the Bank of Canada has over short-term interest rates. If they raise those rates, obligations are purchased by people and money is taken out of the economy. That is a reduction in the money supply. If, on the other hand, they lower those short-term rates, then obligations are sold and money flows into the economy. That is how the bank controls the operation of its monetary policy.

If we look at those short-term interest rates, we can get an idea of how monetary policy has been operating over the last while. The best proxy to look at is the rate on three-month treasury bills. In 1988 the average rate was 9.92 per cent; in 1989 it had jumped to 12.02 per cent; in the first quarter of 1990 it was 12.68 per cent; and in the second quarter of 1990 it was 13.54 per cent. One then has to look at the effect of those rates on the growth of the monetary aggregates.

In order to determine what is happening, we tend to use M2 and M2p. They have a relatively stable relationship with spending in the economy. If we look at the growth in those aggregates over the same period of time, we find in respect of M2 that it went from 7.6 per cent in 1988 to 13.1 per cent in 1989. However, in the first quarter of 1990 M2 dropped to 3.1 per cent, and in the second quarter of 1990 it dropped further to 1 per cent. There is an almost exact correlation with M2p.

It is interesting to note that in June of 1990 the growth of M2 was below 10 per cent for the first time in two years. This indicates that the increasing interest rates have drawn money out of the economy and the aggregates have performed as expected.

There is a clear indication of the fall-off in demand in the economy. The three-month treasury bills have now dropped from a 13.54 per cent average down to 12.45 per cent. In the second quarter, domestic demand fell in all major components. Final domestic demand is down by 3.6 per cent. Consumer spending is down by 1.5 per cent. Residential investment is down by 15.1 per cent, and business fixed investment is down by 11 per cent.

• (1530)

One wonders why it took so long for the aggregates to fall and for monetary policy to work. Part of the reason is momentum. It takes a long time for businesses to realize that they cannot go on raising prices and always expect their customers to pay them. In time that truth, in the tightening economy, becomes an awareness. There is also the question of expectations. When we have inflationary growth over a number of years, people begin to believe that it will go on forever. Indeed, if we look at the hyperinflation rates of some of the South American countries, we find they are based on the strong expectation that inflation will never end in their economies. So actions are taken, not for investment or productive purposes, but to protect oneself against the certainty of ongoing inflation.

What is another reason it has taken so long? Perhaps it has something to do with foreign borrowing. That could be offsetting the effect of a restrictive monetary policy. One has to look at the size of foreign borrowings in Canada. Canada's net foreign debt is $230 billion, or 35 per cent of the gross domestic product. Non-resident holdings of marketable debt totalled 28 per cent of the debt in 1989, which is up from 18 per cent in 1985. This was caused by the high interest rates associated with a tight monetary policy, and, as a result, money has flowed into Canada, creating a high exchange rate.

Before I get to the point I would like to deal with, I would like to mention the of erosion of Canada's competitive position. Over the last ten years, if we take the trade weighted exchange rate, in the 1979 to 1981 period which was equal ten years ago to what it is today—and therefore it is a good proxy—our competitiveness in Canada has fallen 15 per cent. That is due to increases in labour and other costs. Even today unit labour costs in the second quarter were up 6.6 per cent over the same quarter in 1989. The gross domestic product deflator was up by 3.1 per cent. Exchange rates should have adjusted to that 15 per cent loss of competitiveness. They have adjusted to a certain extent to the falloff in demand in an economy that is either entering a recession or in a recession. The interest rate differential on short-term rates between the United States and Canada has dropped from 565 basis points in May to 450 basis points in September.

The U.S. exchange rate of the Canadian dollar dropped from 88.58 cents in August to 85.58 cents today. The overseas index, which takes into account all currencies other than that of the United States, has dropped from 86.74 per cent in June to 81.26 cents in September. However the rates should have accommodated the full erosion of our competitiveness and they have not.

Somehow we must reduce our reliance on foreign borrowing. The falloff in demand, which, while less than the falloff in competitiveness, gives us an opportunity to be able to reduce that reliance, because we need to borrow less to bridge the gap

between domestic demand and output. If we do that, we will have a reduction in interest rates. Clearly that would make our monetary policy more effective and improve our competitive position, because the exchange rates would reflect the true parity value of our currency, and we would stop suffering from an over-valued currency, which is having disastrous short-term and possibly long-term effects on our trading patterns.

If we are going to adopt that policy of lowering our reliance on foreign borrowing, that clearly involves a reduction in our deficit. That is the only way we can do it. The deficit is the most pernicious of taxes. The cost of servicing the debt, which is the accumulated deficit, takes so much from the revenues of the government that it reduces the government's ability to create other services for people in the economy. That is the difficulty with a heavy debt that has to be financed and is producing a deficit. If you take in so much money on taxes and you have to take a good chunk of that money off to service the interest rate on the debt, you clearly have much less to do the things you want.

In the climate in which we find ourselves today, it is interesting that this government has reversed the deficit on program spending—that is, all spending except the interest on the debt. Today the revenues taken in are producing $9 billion surplus over and above the cost of program spending. In 1990-91 that figure is estimated to increase to $12.6 billion. Also, since 1984-85 the average annual increase over the last five years in program spending has been 3.6 per cent annually, which is less than the inflation rate.

● (1540)

However, debt servicing is a different matter. The public debt now stands at something in the order of $380 billion. The interest cost on that debt is in the neighbourhood of $40 billion, so the shortfall after we take off the surplus on program spending is about $30 billion. There is no question, whether it is a household, a business or the government, that debt charges must be met or they will eat us alive. So it becomes a very central matter of policy that we must reduce those debt charges.

Now, it is true that if the policy is followed and interest rates fall, those charges can be reduced quite dramatically. A one per cent decrease in interest rates will produce a reduction in the deficit, in the first year, of $1.7 billion; in the second year, of $2.6 billion; in the third year, of $3 billion; and, in the fourth year, of $3.5 billion. So if we can put in place a policy that lowers interest rates within the context of a reasonably tight monetary policy, then we can enjoy very dramatic decreases in the cost of servicing that debt.

I would really prefer to see that reduction in the deficit achieved by a reduction in spending. It is a difficult thing to do in the political climate in which we live. I have spent most of the time that I have been in this chamber working in that particular area, because one of the mandates of the Finance committee was to see if there were means by which we could reduce expenditures in government. It can be done, but the political fallout from it is extremely dangerous.

[Senator Everett.]

To take a case in point, no one would want to do away with medicare, but it might make some sense to have user fees, and to allow extra billing if the doctor who extra billed got a lesser amount than the one who did not. We could probably have a reasonable reduction in the cost of medicare under those circumstances, but would that be politically acceptable? Obviously, so far it is not, so it is very difficult to talk about spending reduction. That does not mean that it should not happen.

In proposing the GST, it is clear that the government should lay out a clear program for the reduction of government spending including a growth in the surplus that is achieved over program spending and a continuation of the holding down of the increase in program spending below the rate of inflation. What that means, then, if we want to reduce the cost of the debt, is that we have to have some sort of a tax increase. The question is: what kind? Should it be an income tax or a consumption tax? My belief is that we should have both.

An income tax is a graduated tax, and so the ability-to-pay concept is part of that tax; and that in itself is sound, provided the rates do not get so high that they skew decisions away from sense towards nonsense based on just saving taxes. A consumption tax should be part of it in order to keep the rates of income tax under reasonable control, and there is the added fact that a consumption tax favours investment, because if you do not consume but, instead, invest, then you do not pay the consumption tax.

So I find myself, on my economic argument alone, in favour of a consumption tax.

However, I think this government has handled things very badly. For example, they said that the tax would be revenue neutral. Well, if we go back to my speech in May, I stated then that I did not think it would be revenue neutral except in the first year, that the experience throughout the world is that far more people register for the tax than had been previously thought, and that after the first year, and in subsequent years, the tax would probably bring in much more revenue than had been predicted for the first year. I have never believed that it would be revenue neutral and, indeed, I do not want it to be revenue neutral. What the government should have done—and I think it would have got a lot farther had it done that—is to say that it was going to bring in a consumption tax—a GST, a value-added tax, whatever we want to call it—that will not be revenue neutral, and that it would use that tax to reduce the deficit and reduce the cost of the public debt.

So that is where I end up, feeling that, on the one hand, the tax that is proposed here is flawed, but that, on the other hand, were we to kill it, doubting that we would ever again get the chance to bring it in. I think it is an essential policy tool, given the situation we are in, where we have a large annual deficit that arises solely out of our inability to pay the interest on the public debt. Therefore, I believe that, even as flawed as it is, we have to have it.

I would put perhaps three conditions on it: first, that over time the government will improve the GST; secondly, that it

will have a plan in order to reduce spending and, thirdly, that it use the additional revenues to reduce the deficit, that the government make it plain to people that that is what it is going to do, and that they will live up to that promise.

On that basis, I cannot find anything else that I can do but support the tax.

Hon. Peter Bosa: May I ask a question? The honourable senator has stated that he would be in favour of allowing the dollar to become lower than it is today in relation to the American dollar. He has not commented on the impact it would have, for example, on the foreign debt, nor on the fear that has been expressed by the Governor of the Bank of Canada that lowering the Canadian dollar would fuel inflation.

A second question that I have—

Senator Everett: Honourable seantor, why not let me answer the first one before I forget what you said. It seems to me that what you say about lowering the exchange rate is absolutely right: it would be inflationary. What I was explaining was that the conditions which obtain today allow us to take a policy option that we would not otherwise have been able to take. Demand has fallen off in the economy which, as a result, opens the policy option to us; but it is only available if we reduce the domestic deficit. The two things go hand in hand. There must first be a falloff in demand, and then we must be willing to reduce the domestic deficit. If we are prepared to do those two things, we can then be less dependent on foreign borrowings. If we are in that position, we can lower interest rates and lower the exchange rate.

● (1550)

Senator Bosa: My second question relates to the fact that the honourable senator kept repeating the "consumption tax." He made only a slight reference to the GST, but never said "consumption and services tax." There are two components to the tax that has been proposed here. Was he intimating that perhaps he would prefer to see the tax split in two? In other words, there would only be a consumption tax on goods and not on services?

Senator Everett: No, not at all. I was using the word "consumption" in the generic sense. It is very often used to cover the waterfront in respect of a tax that taxes consumption of both goods and services.

Hon. John B. Stewart: Would Senator Everett permit a question or two?

Senator Everett: Yes.

Senator Stewart: You defend the proposed goods and services tax largely in terms of its potential impact on the deficit. As you point out, much has been made by the government of the fact that the proposed tax will be revenue neutral. However, you say that it should not be revenue neutral and that the rate should be at a level where it has a considerable impact on the annual deficit. Could you give us some idea of what rate would be suitable to produce the effect that you want, in terms of the model that you have used throughout your speech?

I have two further questions. However, you may like to deal with that one first?

Senator Everett: Thank you; I appreciate that. If you looked at my May speech—I would not recommend it, however; it is rather soporific—I stated that the rate that is proposed is revenue neutral for the first year, but that the experience in other countries is that the incidence of tax is much greater than that predicted. Therefore, I have never thought that we were talking about a revenue neutral tax.

I believe this will be a somewhat productive tax, but obviously not in the first year. Certainly, starting in the second year, and in subsequent years, I think it will throw off more of the tax than the costs associated with it, and with the abolition of the MST.

Senator Stewart: You are stating that even at 7 per cent the tax will not be revenue neutral after the "run in" and that it will be adequate to have an appreciable effect upon the deficit.

Senator Everett: That has been the experience in other countries which have imposed that tax. I suspect it will be the experience here also.

Senator Stewart: You have put considerable emphasis on the inflationary consequences that you say would be about 1.25 per cent. Inflationary consequences will take place where there are strong bargain hunters and where there is strong demand for goods and services.

Have you taken into consideration the possibility, particularly in a period of recession verging on depression, how ever you want to call it, of the dampening economic effect on economic activity in Canada of the increase in costs and services? To give you a rather trivial example, which may be revealing, will people go somewhat longer between haircuts, for example, and things like that? There will be a dampening effect inevitably. Have you taken that into account in your thinking?

Senator Everett: Certainly over the last two or three weeks senators have been going longer without haircuts.

Senator Stewart: But not because of the tax.

Senator Buckwold: Because they do not have hair!

Senator Everett: Perhaps, for all we know, it is a result of the economic recession. Incidentally, I would not have called it a depression; at this stage I think we are in the early stages of a recession.

I would have to say that the honourable senator is correct. If the governor will not accommodate a one-time increase over 1.25 per cent by increasing the amount of money in the system, then there will be a slowdown in the rest of the economy. If you push the prices up, then something else has to suffer, because there is no more money in the economy to accommodate those increases. The result is that profit margins are lower. That could cause reductions in costs by businesses in whatever way they can do it. I have to agree with the honourable senators that this is one of the fallouts of the GST, if the Governor will not accommodate it with increases in the money suply.

It may be that the falloff in demand at this point is great enough that the Governor can accommodate a slightly higher, or even a somewhat higher, inflation blip in respect of the GST. That remains to be seen. It is a rather arcane process and the Governor will have to decide whether or not he allows the money supply to increase a little bit because already demand has fallen off to a sufficient amount, or whether he says, "No, I will keep it the same." If he does, then there will be adjustments in other parts of the economy by virtue of that, and that will tend to exacerbate the slowdown that we are presently experiencing.

Senator Stewart: I wish to shift to a different area, Senator Everett, but one to which you made reference at the beginning of your remarks.

You said that the introduction of a new tax such as this would probably have some political fallout. I was hoping that you would go on to explore the implications of that remark, but you moved off that topic. I suppose that suggests that you think the economic benefits of the tax, which you have adduced, are such as to make the political fallout relatively unimportant.

Let me put this to you, Senator Everett! The present government pushed through the Free Trade Agreement by quite a legitimate process that was politically costly. The present government then went ahead with the Meech Lake Accord. Whatever one may think of the elements of the Meech Lake Accord, it has to be agreed—particularly after the Ontario election—that that was extraordinarily costly to all those who were not out on the lines fighting against the accord. The present government brings in belatedly an attempt to deal by way of a tax increase with the deficit. I ask the Honourable Senator Everett if he has considered the possible consequences of this on the next federal election for both parties represented in the Senate.

• (1600)

Senator Everett: Yes and no is the quick answer. I am aware from the mail I have been receiving that public sentiment is running very much against the tax, and, from a political point of view, the government is taking a great risk and may be committing political suicide, for all I know.

Let me express my view of my function here, not anyone else's function. I am insulated. I am here until I am 75 years old. I am paid, I am privileged. You cannot really get at me.

If I am insulated, then it seems to me the criterion on which I make a decision is not necessarily related to what the public wants at that particular time. The criterion on which I would make a decision, without trying to impose it on anyone else, is based on what I think, to the best of my ability and knowledge, is best for the country in the long run. That is the argument I have tried to postulate today.

I have been saying—and I have been saying this in this chamber for the past four weeks—that if we are here to react to public opinion, if we are here to argue these things on the basis of partisan advantage or partisan disadvantage, then do not insulate me any longer. Make me go every five or six years to the public and ask them to decide whether or not I should continue in this place.

Senator Stewart: I think the senator did not take my question in the serious way that I put it to him. He says that what the government is determined to do may well have political consequences, but that since he is insulated from those consequences it is not his business to take that into consideration when he decides how he will vote.

I suggest to the honourable senator that it is an ostrich approach. Surely the economic factors he mentioned are of importance, but it would seem to me that a member of the Senate of Canada has to take into account the future good government of this country, and if by passing a bill which in economic terms—let us concede that for the sake of simplifying the argument—is good, but the ultimate political consequences are utterly disastrous, surely it does not require any great logical perception to reach the conclusion that a senator ought not to vote for that package.

Senator Everett: Honourable senators, first of all, I have the greatest of respect for the knowledge and intelligence of the honourable senator. I would say to him that this is a very serious matter, an extremely serious matter. I do not take the attitude that it is not my business. But if what I am doing is to determine what the future government of the country should be, who am I to decide that? Where did I get that right? I came here by way of appointment. I was not elected by the people, nor will I be removed by the people; therefore I take a different view from that which you take. My obligation is to look at the legislation on the basis of what I think is in the best interests of the country.

Some Hon. Senators: Hear, hear.

Senator Everett: The honourable senator thinks—and he may be right—that he is here to ensure that the right government, the best government or good government, is installed in the country. I just say—and I hope I have not misinterpreted the honourable senator—that that is not my obligation nor my right.

Senator Stewart: I believe the honourable senator has now got to the point of my question. Let me just say, in conclusion, that I do not think, as a Canadian citizen, whether I am a senator or not a senator, I have any right to opt out of important political decisions which will affect the long-term good government of this country.

Senator Everett: Honourable senators, I do not think that what I am doing is opting out of political decisions. I am laying my neck on the line just as everyone else is.

Hon. Sidney L. Buckwold: Honourable senators, listening to the erudite and knowledgeable presentation made by Senator Everett has left me very much perplexed, because until almost his last sentence his speech was almost a restatement of my lengthy speech of a couple of days ago.

Senator Everett was present for a good part of that speech. I apologize to him for not having it in print, but basically, in a

short time, and probably in a much more able fashion, he outlined most of the problems I discussed.

An Hon. Senator: Question!

Senator Buckwold: Did I hear someone ask for the question?

Senator Simard: Yes.

Senator Buckwold: I won't deal with that, since I am asking a question. I am concerned with the effect on the inflation rate. I am concerned with the reaction of the Governor of the Bank of Canada who has said that he will accommodate a 1.25 per cent increase in the inflation rate next year, after which interest rates will go up in order to react against the inflationary aspect of the GST, which is also a concern of the Honourable Senator Everett.

I emphasize the importance of the national debt. I spoke about the regressivity of the tax, to which the honourable senator referred. I said that both income taxes and consumption taxes are required; but one must keep in mind that we have a consumption tax, a major consumption tax.

The honourable senator carried on with his argument and led up to the assumption that the major problem of the country is the national debt and the cost—-

An Hon. Senator: Question!

Senator Buckwold: It is coming; hold your horses.

Senator Kelleher: There are others who want to participate in the debate.

Senator Buckwold: We have a long day ahead of us.

All of this comes to the reduction of the debt. The honourable senator supports his stand, after all the verbiage, that the real problem of the country is the national debt and the cost of servicing it and the impact on the economic life of the country; and we are in complete agreement. That is what I talked about for some considerable time.

Senator Simard: You said that already.

Senator Buckwold: It does not hurt to repeat it.

Senator Simard: Why did you not allow such debate to take place on September 24?

Senator Buckwold: This comes down to the whole question of what the GST will do to the national debt.

At all of the committee meetings, from Mr. Wilson, the Minister of Finance, to the members of the committee—with one exception, whom I will refer to in a moment—it was emphasized a hundred times that this was a revenue neutral tax. I believe Senator Kelly said that in his opening speech back in May.

Senator Simard: For the first year.

Senator Buckwold: Now they are into the first year.

Senator Simard: You said that already.

Senator Buckwold: I am coming to my question. The only honest man was Senator MacDonald who finally could not stand it any longer. In Whitehorse he came out and said: "Let's stop kidding ourselves." I admire him. He said that we are going to get lots of money and that it will be used to reduce the deficit. I remember saying to him privately afterwards that had this been the government's line at the beginning, we may have had a different outcome. However, it was not, and it still is not.

• (1610)

My question for Senator Everett is this. Seeing that we are both on the same side, that we both gave the same speech and used the same evidence, how has he reached a different conclusion than my own? Where did we part company? What is the difference in the conclusion that I came to and the conclusion he reached?

Senator Everett: Honourable senators, I would not presume for a moment to suggest that my speech came anywhere near the grandeur of the honourable senator's speech. I am glad to note that we are both honest men, that we look at the situation and conclude that the facts are the same. On that we do not disagree. What we disagree on is, perhaps, the conclusion.

I made the case, which I hope was convincing and sound in economic terms, that a consumption tax is a necessary corollary of an income tax and the requirement for more revenue which should be used to reduce the deficit, most especially since the component of the deficit about which we are concerned today is interest on the debt. That was the case I tried to make. I did not for a moment say that the GST was revenue neutral. If the honourable senator will recall, I referred to my May speech in which I said that it may be revenue neutral in the first year but after that it will be a productive tax. All I am saying is that it should be imposed and the revenue should be used to reduce the deficit. Along with that, there should be an undertaking by the government to keep spending under control and, if possible, to reduce program spending.

Hon. Herbert O. Sparrow: Senator Everett, you talked about the tax being revenue neutral. Yet you believe that there will be other reportings which will bring in excess money to what is being estimated at the moment, which money would then go to debt reduction. I presume that is what you are saying. If that does not happen and the figure stands as it has been estimated, and since you propose that it should reduce the debt, what figure do you see the tax going to in the next one, two or three years? Even to cover the deficit it would be necessary, instead of having a 7 per cent tax, to be faced with a 14 per cent or an 18 per cent tax in the next two to three years to make any great effect on the deficit. Are you suggesting that if the revenues are not increased, something which the government is not estimating, then in your opinion the tax should be raised to 9 per cent, 12 per cent, 14 per cent or 18 per cent in the future?

Senator Everett: My program says that it is possible to reduce reliance on the foreign holding of our debt. If we do that, we can reduce interest rates by virtue of the fact that we find ourselves in a climate of reduced demand. That reduction of interest rates will have an immediate effect on the reduction

of the cost of servicing the debt and, by virtue of that, it will reduce the deficit.

Concerning any increase of the GST tax rate, I have said, and my investigations have shown, that the experience throughout the world where this type of tax has been imposed has been that revenue far exceeds the estimates at the time the tax was implemented. With respect to New Zealand specifically, I must say that I am vague on my figures, but I believe it was thought there would be 180,000 registrants when, in fact, there were 270,000.

I am castigating the government for saying that it is revenue neutral. It is only revenue neutral, if that is the case, in the first year. After that, I think it will be revenue positive.

Taking the program that I have outlined and relating it to the reduction in interest rates which will come out of a lower reliance on foreign debt, plus the reduction of the deficit which can come out of the increased revenues from the GST, I think the reduction in the deficit will be quite dramatic. I am confident of that. You may prove me wrong, but from my studies I feel reasonably confident of that. I do not think it will be necessary to raise the rate. While there may be adjustments to the way the tax works, and there should be, I think the time will really be spent not in looking at raising the rates but in integrating the provincial sales taxes into the system.

Hon. Gildas L. Molgat: I would like to ask a question of Senator Everett, if I may. Given that one of the main and original purposes of the Senate was to provide for regional representation, I wonder what value Senator Everett puts on the impact of this tax from a regional standpoint. The fact is that in the prairie provinces the impact of the tax because of weather and distance will be substantially heavier on our region than on regions which have a better climate and are closer to the centres of production. If we consider the regions represented by Senators Lucier, Adams or Watt, we see that the situation is compounded.

Senator Everett: I do not think an answer is particularly necessary at this time. I think there are other senators who wish to get on with their speeches.

Hon. P. Michael Pitfield: I would like to congratulate Senator Everett for his remarks, particularly those concerning his role in the Senate, remarks which I think were very well stated.

We are here questioning whether or not we should reject the GST. There is no doubt that the Senate has the power to reject government legislation if it wants to do so, even a money bill. I think all the authorities are clear on that, and so too, as I shall show in a moment, is our own recent practice. Some senators do not like this. They think the Senate should be only advisory, and preferably only when the government asks them to. I have listened with care as Senator Roblin and Senator Murray have occasionally tried to make this claim. I regret to hear them do this because I respect them both. I respect them, but I think that in this case they are both quite wrong. The role that they urge for the Senate flies in the face of the role the law gives it. What they describe would be a significant change in the law.

[Senator Everett.]

If the law is to be changed, it should be done by due process. Like them, I would like to see changes made—somewhat different changes perhaps, but I agree with them that the existing situation has become and has been, for some time, difficult to say the least.

● (1620)

What the Senate has done best—improving legislation—it is increasingly unable to do. What the Senate is vitally needed for, and uniquely equipped to do—its federal-provincial role—increasingly it is far away from being able to do. Like many senators, I deplore this and fervently wish for Senate reform. That is why I came here. A change is long overdue.

However, many of the senators who say that the Senate is useless, like Senators Roblin and Murray—and the other day I heard Senator Doody saying it—are also the senators with the influence in the present government to start the ball rolling toward reform. I wish that they would do so. In the meantime, those of us who are senators today must act in accordance with the Senate as it is in the Constitution today. We must use our best judgment in the exercise of its powers. To abdicate is not to resolve the problem. It would simply be to pass the problem on to someone else. So long as we are here, we must act according to our oath of office. Our job is to fulfil the law.

We now have before us the GST. More particularly, at this stage we have a committee report, urging the rejection out of hand of the government's proposal of the GST. I have long supported the concept of a value-added tax, and I am not about to change my position now. Such a tax is an important and increasingly essential instrument of tax policy. This has been my view since I served in the early 1960s as a secretary and a research supervisor to the Royal Commission on Taxation. It is a view that I advocated in a series of speeches I made after leaving the public service in 1982. Of course, that was in the context of proposals for a reduced deficit that would have permitted lower interest rates, increased investment and lasting growth. Instead of that, we have had marked increases in taxation, higher interest rates, higher levels of expenditure, increasing public debt and growth, which, I suspect, is about to be blown away by a very serious recession. Now is a bad time to bring in a value-added tax, at least from the individual's point of view, and maybe also from an economic point of view, if the model is not perfectly competitive as Senator Everett seems to think it is.

Moreover, as our committee's report makes abundantly clear—and it is a very good report, and I congratulate Senator Buckwold on it—the value-added tax that we have been given is badly designed and poorly drafted, complex beyond understanding, plagued with administrative discretion, expensive, regressive, out of sync with other governments, provincial and municipal, and opposed by almost all of them. In short, the bill is in violation of all the rules of sound tax policy. It comes unmitigated by an informed, just and sensitive social policy. It is supposed to be revenue neutral, but it probably is not. We have been told that it will not go higher, but the imperatives of government finances almost certainly will make it that way. It has very little credibility in the country.

Like many other senators, I have been deluged with mail about this legislation. Never have I seen anything like it. This is no organized campaign; this is an outpouring of deeply-held personal feelings, a plea for understanding from the people of this country. There are deep cleavages developing all over the country. Those who disregard what is going on out there do so in peril, not only of themselves and not only of ourselves, but of the country itself.

Does all this mean that the Senate should reject the GST out of hand? We have the power to do so, but that power must be exercised with care, particularly in the case of a money bill. In recent weeks we have heard a lot of instant constitutional opinions, a lot of sweeping generalizations with regard to constitutional conventions. Many of them have been very dubious indeed. Nonetheless, I am sure that we can all agree that the defeat of a money bill has a special constitutional import. It is to defeat the government, and although that may not cause an election, it would contribute mightily to forcing one. For the unelected to do this to the elected calls for very special justification.

I spoke about this matter in this chamber some years ago during the free trade debate. I tried to set out some of the tests that have to be met to justify the Senate in rejecting a money bill. I said that it must be a matter of great importance; properly where the government had no express mandate from a previous election and preferably late in the government's term. There shouldbe no natural urgency for the government to act, as in a state of war or monetary crisis, and the enactment of the proposed legislation should, in practical terms, be virtually irreversible by a subsequent Parliament. These criteria were largely satisfied in the case of the free trade issue. That proposal was stopped in the Senate, subsequently upheld by the electorate, then quickly passed by the new Parliament. There was no great crisis about it. Indeed, the people seemed largely satisfied with the process.

So it is clear that the Senate can reject a money bill. The proposal to reject the GST, however, does not meet these criteria. That it is of great importance, there is no doubt, but in this case the government does have something of a mandate. It is still comparatively early in its term and the proposal can be changed or even repealed by a subsequent government. This suggests to me that, at the very least, the GST cannot be dismissed out of hand as our committee suggests it should. Our committee did excellent work, but it should have suggested improvements.

That there will be efforts by the Opposition to improve the GST legislation is implicit in the recently adopted provisional rules. I should perhaps point out in this connection that the provisional rules seem to be written in a world, it seems to me, where there are simply two political parties and all the world revolves around them. We have had something of a demonstration of that just from the attempts of independent senators to speak in this debate. I do not complain of this focus on partisanship. Partisanship is a necessary and central characteristic of our parliamentary institutions. As my old friend, former Senator Grattan O'Leary, used vigorously to assert, the parliamentary system is built on partisanship. Among its many merits, one of its minor utilities is the sustenance that party structure gives to the individual member in his judgments, the way in which ones comrades reinforce the courage of ones convictions and, perhaps, on occasion, soothes one's doubts. I would that I had some of that elixir now.

However, all the system is not about parties. The leaders on both sides of the chamber must also bear in mind the privileges of the independent senator. The independent senator has a role in this chamber that is technical, expert or moral, as the case may be, and that is useful. The independent senator is also the bedrock on which is built the rights and privileges of every individual senator, whatever his party, and that is essential. In this sense, the independent underwrites the party system.

• (1630)

The provisional rules are highly structured. They turn on the whips and "the Senator who occupies the Chair." But the independents have no whip; and given the response, or lack thereof, to my inquiry the other day, I take it there is no longer an independent Speaker. Hence, in the revision of the provisional rules, I trust that independents will be taken into account, or perhaps even consulted.

In the meantime, as we go forward under the provisional rules, amendments should be dealt with seriously, just as the offer of a conference on the UIC Bill should have been taken seriously. The government's refusal to conference with the Senate is unacceptable for the same reasons I mentioned with regard to the positions of Senators Roblin and Murray. The government's position in refusing to conference is essentially anti-Constitutional. For the government simply to steamroller the GST through this house of Parliament would also be anti-constitutional.

That said, the Opposition must now demonstrate the shortcomings of the bill before us in debate, and how to improve upon it.

At the end of the day, however, we must recognize that the GST is a fundamental element of the government's financial policy. The bill still may be defective, even gravely so; the tax probably still will be intended to yield more than has been admitted of it; the tax almost certainly will still be charted for the earliest possible increase; but, in the final analysis, I put it to the house, that it is almost unthinkable that the GST could be junked at this stage. Things have been managed so that the country's financial policy would be in chaos if this were to happen. Does anyone seriously envisage putting the country through such a crisis? Can any political party stand the opprobrium of initiating such a catastrophe? I do not think so.

In effect, the Senate has been deprived of the opportunity to contribute to the amelioration of a thoroughly bad bill. That is regrettable, from many points of view. However, the other side of the coin is that it is for the government to meet the judgment of the public on this issue.

Thus I conclude, on legal and on practical grounds, that this is not an issue on which the government should be defeated by the Senate.

This will be no consolation to the many people who have written to us; but we must act wisely and responsibly as well as with sensitivity. Partly what I see going on in the country comes from the tax; but partly also, I think, it comes from people being simply fed up. People are fed up with the intervention in their lives, with the complexity of public policy, with manipulation, with cynicism, and with the lack of integrity in public life.

We have heard the message of the people, we have heard it clearly, and we understand it must be demonstrated. That is vital and urgent. But it must be demonstrated in other ways than by rejecting the GST, and not simply by the Senate.

Much as I deplore those senators who are forever putting down the Senate, it is also true that the Senate must not take itself too seriously. The Senate cannot do everything. In what it can do, there is much for it to do. In addition to the examination of the government's legislation, there is a host of committee work to do. It is not glamorous, but it is useful. There is Senate reform, for surely it is unthinkable that the Senate should make no input into its own reform; and there is the job of assessing the impact of government legislation, such as free trade and, in due course, the GST.

In government great issues rarely end. The GST will be back again. I suggest that the Senate must get on with its own business.

Hon. Senators: Hear, hear!

Hon. Anne C. Cools: Honourable senators, I rise to speak on the report of the Banking, Trade and Commerce committee. Before commencing my remarks, I would like to commend and thank our Chairman, Senator Buckwold, for a magnificent job. I would also like to tell Senator Buckwold that despite the fact that he may never be Mayor of Beirut, he has certainly carried on the tradition of the chairmanship of the Senate Banking, Trade and Commerce committee that was followed by our esteemed former colleagues such as Senator Hayden and Senator Sinclair.

Senator Simard: No comparison.

Senator Cools: I will come to you in a moment, Senator Simard.

The Senate Banking, Trade and Commerce committee has been one of esteemed importance. In this particular study, and particular set of conclusions, the chairman has done all of us a great service; he has also done the committee and the position of chairmanship a great service, and I highly commend him.

The last two speakers evoked certain sentiments, thoughts and feelings. I will not attempt to respond to both of them, but will place a few comments on the record so that, as we approach the home stretch in our consideration of the report, the record might perhaps be set straight on one or two things. I will not pretend that we can correct much of what has been said, and I know that the minds of honourable senators opposite are cast in stone in many ways; however, there has been a lot of false information circulated that needs to be corrected. I believe the word currently used is "disinformation." I would like to put a few things on the record in the hope that perhaps some "disinformation" may be rectified.

[Senator Pitfield.]

The first matter on which I would like to clarify the record follows on the heels of our discussion of privilege some two weeks ago. We all expressed concern that Section 26 of the B.N.A. Act had been invoked and, in a clandestine manner, eight people had been called to the Senate and had been sworn in with secrecy.

• (1640)

When Sir Alexander Mackenzie attempted to invoke section 26, in 1877, matters were handled a little more openly and candidly. There was much more public discussion. I should like to refer to the Sessional Papers (No. 68) for the Senate, for the year 1877. It is entitled, "(No. 68.) RETURN To an ADDRESS of the HOUSE OF COMMONS, dated 1st March, 1877;—For copies of all correspondence between the Dominion and the Imperial Governments from the month of October, 1873, to the 31st December, 1874, and relating to the appointment of Senators for the Dominion."

I should like to refer to page 130 of the Senate sessional papers, and to read from the resolution that was moved by the Honourable Mr. Campbell and seconded by the Honourable Mr. Wilmot:

> To *Resolve*, 1st. That by the 26th clause of the *British North America* Act, 1867, Her Majesty the Queen is empowered at any time in her discretion, and upon the recommendation of the Governor General, to direct that three or six Members be added to this House, provided that the persons so summoned to a seat therein represent equally the three divisions of *Canada*.
>
> 2. That in the opinion of this House this power was only intended to be exercised upon the occurrence of some grave political emergency, and with a view to the removal of serious differences which should actually have arisen between the Senate and the other House of Parliament, and are not susceptible of satisfactory adjustment by any other means.

In other words, there is no possibility of conferences, discussion or debate, or of any meeting of the minds. The third point is the essence of the reason I am speaking, and I continue to quote:

> 3. That it appears by Papers laid before this House . . .

That is, before the Senate chamber,

> . . . during the present Session, that on the 23rd December, 1873, the advisers of the Crown in this Dominion moved His Excellency the Governor General to apply to Her Majesty to direct that six Members should be added to the Senate, pursuant to the above-mentioned clause of the British *North America* Act.
>
> 4. That by a despatch from Her Majesty's Secretary of State for the Colonies dated the 18th February, 1874, it appears that inasmuch as no sufficient reason had been alleged to justify such an interference with the constitution of this House, Her Majesty's Imperial advisers declined to recommend a compliance with this request.

> 5. The House desires to express its high appreciation of the conduct of Her Majesty's Government in refusing to advise an Act for which no Constitutional reason could be offered; and to record their opinion that any addition to the Senate under the provisions of the 26th clause of the *British North America* Act which is not absolutely necessary for the purpose of bringing this House into accord with the House of Commons, in the event of an actual collision of a serious and permanent character, would be an infringement of the constitutional independence of the Senate, and lead to a depreciation of its utility as a constituent part of the Legislature.

Honourable senators, I bring this resolution to your attention to indicate clearly that the way Section 26 at this point in time has been handled is not fitting nor harmonious with the tradition and practice of this country. Furthermore, I would ask honourable senators, if they have a moment, to look at the records and to read them, because what is especially important is that Her Majesty, under the advice of the Colonial Secretary, declined to make those appointments. The Colonial Secretary who advised Her Majesty to decline to make those appointments is the same Colonial Secretary who insisted that section 26 be included in the B.N.A. Act in the first place.

In addition, the honourable senators did vote on the resolution. In those days, they did not say "yea" and "nay". They said "contents" and "non-contents." Some of the honourable senators who would have been voting on this measure were the original individuals who became members of the Senate in 1867. Many of them would have been legislative Councillors from the previous governments of the uniting privinces.

Lord Carnarvon, was the Colonial Secretary. He was the very same gentleman who wanted section 26 inserted into the B.N.A. Act of 1867 for reasons of representing the Imperial government.

Honourable senators, this is an interesting and fascinating situation. I heard Senator Pitfield talk about money bills; I heard Senator Everett talk about public opinion; and I heard Senator Poitras talk about the legitimacy of the Senate. I tell you, honourable senators, that we have been led down the garden path for a very long time. On closer examination of some of these matters, it has been established that if any of these individuals were to be called upon to tell us what a money bill is, they would soon find themselves in tremendous difficulty. Dr. Eugene Forsey and Mr. Graham Eglinton have said repeatedly that the term "money bill" is not useful or helpful within the history or the constitutional practices of this particular country.

Honourable senators, in the interest of continuing in the same vein as Lord Carnarvon's insertion of section 26 into the B.N.A. Act of 1867, I should like to read into the record the dispatch that he sent to Sir John A. Macdonald and the others.

● (1650)

I would like to make sure that this dispatch is on the record. The dispatch obviously was sent after Lord Carnarvon had examined the Quebec Resolution with some seriousness. Lord Carnarvon says in the dispatch:

> The second point which Her Majesty's government desires should be reconsidered, is the consitution of the Legislative Counsel. They appreciate the considerations which have influenced the Conference in determining the moad in which this body, so important to the constitution of the legislature, should be composed. But it appears to them to require further consideration, whether, if the members be appointed for life and their number be fixed, there will be any sufficient means of restoring harmony between the Legislative Counsel and the popular assembly, if it shall ever unfortunately happen that a decided difference of opinion shall arise between them.

Those are some words from the dispatch from the Secretary of State for the Colonies.

As well, I would like to share with honourable senators more evidence of his insistence that this clause be inserted to protect against any vagaries or wanderings of the local Canadian government. I would like to read a letter into the record, which was written to Lord Carnarvon by Sir John A. Macdonald, dated January 30, 1867. It is as follows:

> My Dear Lord Carnarvon,
>
> Our propositions were:—
>
> 1. That the tenure of office for the Senate should be for life.
>
> 2. That to preserve sectional interests, each of the three sections should be equally represented.
>
> We left the case there, but Your Lordship called our attention to the chance of a deadlock. To meet Your Lordships's views, and, as we understand it, the opinion of the Cabinet, we offered this suggestion . . .

There is a lot of misinformation and confusion about, and I am hoping that at some point we will bring some clarity. I see Senator Keon looking at me diligently, and I hope he is listening.

In the House of Lords debates of February 19, 1967, in his speech on the occasion of second reading of the British North America Act, Lord Carnarvon says as follows:

> In laying before your Lordships the details of one of the largest and most important measures which for many years it has been the duty of any Colonial Minister in this country to submit to Parliament, I must unaffectedly ask for the forbearance of the House.

He continues:

> It is enough to say that, in one form or another, it has for many years been before the public mind in the British Provinces of North America. Lord Durham, when he proposed in his most able Report the legislative union of Upper and Lower Canada, distinctly contemplated the incorporation of the Maritime Provinces.

Honourable senators, as we go into this it will become clear that despite the Colonial Secretary's insistence on the insertion of section 26, the discussion and consensus at the time clearly

intended that there would be no swamping powers and that the Prime Minister and the cabinet of the Dominion would not have the capability to swamp the Senate. That is important.

I continue reading from the House of Lords debates of the day:

> Of all problems to be solved in the creation of a Colonial Constitution, none is more difficult than the composition of an Upper House.

We now begin to understand that this chamber was never intended to be a miniature House of Lords. In point of fact, it was given greater powers than the House of Lords and was given great powers in the area of financial legislation. Continuing reading from Lord Carnarvon:

> To attempt, therefore, a close and minute imitation of the English House of Lords is, I think, to court failure. There are, in my opinion, two broad principles to be kept in view in the creation of a Colonial Chamber: first, that it should be strong enough to maintain its own opinion, and to resist the sudden gusts of popular feeling; secondly, that it should not be so strong that it should be impenetrable to public sentiment, and therefore out of harmony with the other branch of the Legislature.

It was clearly intended that the Senate be attentive to the public interests. Lor Carnarvon continues:

> But as it is obvious that the principle of life nomination, combined with a fixed number of Members, might render a difference of opinion between the two Houses, a question almost insoluble under many years, and might bring about what is popularly known as a Legislative dead-lock, a power is conferred upon the Crown—a power, I need not say, that would only be exercised under exceptional and very grave circumstances . . .

He continues to describe that power, which is section 26.

● (1700)

Honourable senators, in much that has been said, in this chamber, the word "legitimacy" is often used. In noting the constant usage of the word legitimacy, I found myself searching to find out why certain words are being used in reference to this particular piece of legislation, and why they are being used in discussion on the appointment of the eight senators; which is the Prime Minister's attempt to swamp the Senate. I found myself musing and wondering about the terms "legitimacy" and "illegitimacy," and I found myself concluding that this is bastard legislation—this Bill C-62.

Honourable senators, many of us long ago would have forgotten what is a bastard. Many of us would be thinking that a bastard was simply a child born out of wedlock; but we would be wrong. It is not simply an illegitimate child. Understand that modern society has now so advanced that all children are legitimate. However, a bastard was never just an illegitimate child. A bastard was an illegitimate child conceived outside of any regard for human love, human emotion or human relationship. A bastard was the child of a rape, or the conception of untutored, primal sexual brutish impulses. Traditionally a bastard was an illegitimate child that was not even conceived in bed. Traditionally it meant that this poor creature was conceived behind a barn somewhere. I tell you, honourable senators, much pain and anguish was visited upon those poor children who were unfortunate in life to have been bastards. I tell you that this is bastard legislation, because it is, as other honourable senators have said, ill-conceived. It was conceived, and there is now an attempt to have it implemented, outside of what we in this chamber have normally considered to be tutored, informed, civilized and intelligent consideration. What progeny!

Tonight I looked up the word "bastard" and found the definition interesting. The dictionary said things like "counterfeit" and "improper" and "unauthorized." This Bill C-62 is bastard legislation.

I should like to speak to the legitimacy of the Senate. Honourable senators, we listen and at all times try to be sensitive, because despite the fact that we sit on different sides, we have some regard for the fact that all of us here have made some sort of significant contribution in life. I see my honourable friend across the way, Senator Beaudoin, one of the constitutional experts in this house. As a matter of fact, the honourable senator is known to give constitutional advice to the government. I observed during the last week of the Meech Lake debate that his name was among those on the legal opinion that was submitted to the government on the question of the "distinct society" clause.

An Hon. Senator: It was a good opinion!

Senator Cools: Well, it will never be tested now, senator. I should like to continue by citing what the Speaker of the House of Commons cites from time to time, what Senator Beaudoin cites from time to time, what Minister Harvie Andre cites from time to time, what many others cite from time to time, and what Senator Pitfield was alluding to in his discussion on money bills. I should like to place on the record sections 53 and 54 of the Constitution of Canada. Many people cite those sections as limitations on the powers of the Senate vis-a-vis money bills. Some day I will ask Senator Beaudoin to define a "money bill" for us, but I should like to draw honourable senators' attention to the fact that the term "money bill" exists nowhere in our Constitution. The words have no statutory recognition in this country, neither do they have any constitutional recognition in this country. I want to put this on the record. Section 53 says:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

I shall come back to that in a moment. Section 54 says:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

Honourable senators, we have been hearing a lot of poppycock about these sections. If we were to examine Bill C-62 we would find that it comes with no royal recommendation. Furthermore, section 54 is not a limitation on the powers of the Senate. Section 54 is a limitation on the members of the House of Commons, because the intention of section 54 was to ensure that all those ordinary, members of the House of Commons could not introduce bills that would cause expenditure. And senators opposite, talk about democracy! The intention of section 54 is to limit the powers of the members of the House of Commons. It is to limit the powers of the Commons, the backbenchers, and to enhance the powers of the Ministry, the cabinet. It is no limitation on the powers of the Senate. Look as we may, we will not find a Royal Recommendation on Bill C-62. Section 54 deals with the House of Commons. It does not say anything about the Senate. What we have been hearing from time to time is a lot of piffle and rubbish.

Section 53, on the other hand, is a limitation. I should like to share with honourable senators the fact that in the discussions leading to the writing and the passing of the BNA Act, it was the only limitation that the Fathers of Confederation accepted. That is very fascinating, honourable senators, because Sir John A. Macdonald was a very clever fellow. He was so terribly clever that he anticipated the actions of many Tories in the future. He understood how Tories think, and he crafted a lot of this with the express intention of protecting us in the future from the mentality of those who want to grab and accumulate more power, because he knew that that was the nature of humanity, the nature of the House of Commons and the nature of the cabinet. Section 53 is the only limitation. Section 53, honourable senators, has its origins in a resolution of the English House of Commons of 1661.

● (1710)

I would also like to share with you Sections 91, 17 and 18 of the Constitution Act. Perhaps there is not enough time today, but we can return to this later in debate at third reading.

Section 91 is something that I wish to put on the record, because it is the reason why I am prepared to accept the report of the Standing Senate Committee on Banking, Trade and Commerce, and it is the very reason why I am prepared to accept the advice of the Banking committee of the Senate. Section 91, which is under Part VI entitled "DISTRIBUTION OF LEGISLATIVE POWERS", says something quite different from what Senator Everett and many others have been saying. Section 91, under *Powers of the Parliament,* states:

> It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada . . .

I ask you, honourable senators, is Bill C-62 for the peace, order and good government of Canada?

An Hon. Senator: Yes!

Senator Cools: Peace, honourable senators? Canadians are different from Americans. When Americans wrote their constitution they used a lot of poetry. When they wrote their documents, they contained a lot that was poetic. It meant nothing, but they loved it. For example, "We hold these truths to be self-evident, that all men are created equal." Well it was not self-evident then and it is not self-evident today. But not so in Canada. Not so for Sir John A. Macdonald; not so for George Brown. They were not interested in poetry. They were interested in the constitutional bottom line. They said that "it shall be lawful to make laws for the peace, order and good government of Canada." Well, honourable senators, Bill C-62 is not about peace, order, and good government. That is why I will vote in the way that I have decided. That is the reason that I shall vote in support of the report of the Banking, Trade and Commerce committee.

For those who insist that the Senate does not have the powers that it has, and for those who insist that Sections 53 and 54 were intended to bridle, fetter and encumber the Senate in some form or fashion, I should like to put Section 18 on the record. This is important, because Section 18 shows clearly that when the Fathers of Confederation were trying to determine the maximum of power for the Senate, they chose the comparison to the House of Commons and not the House of Lords. I repeat not the House of Lords, but the Commons. I shall read Section 18, which is under Part IV entitled "LEGISLATIVE POWER". It states:

> The privileges, immunities, and powers to be held, enjoyed and exercised by the Senate and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the Members thereof.

I should like to close by quoting George Brown. I hope somehow that perhaps I have made some contribution to dispelling the mythology that the House of Commons and the Prime Minister of Canada has the right to drag the Senate under them. I shall read from the Confederation debates and I am quoting George Brown, who says—and it was the opinion of many, that:

> The desire was to render the Upper House a thoroughly independent body—one that would be in the best position to canvass dispassionately the measures of this House, and stand up for the public interests in opposition to hasty or partisan legislation.

George Brown continued:

> . . . can it be anticipated that our Upper Chamber would set itself rashly against the popular will? If any fear is to be entertained in the matter, is it not rather that the Councillors will be found too thoroughly in harmony with the popular feeling of the day?

Honourable senators, the time is passing and I will be quite happy to defer to others who must speak, but there are many more things that I wanted to say. There shall be ample opportunity to say them, but I would like us in this chamber to begin to dispel some of this mythology that the Senate is not a legitimate body and that it does not have the proper powers and the proper authority to do what it is doing. I want to see if we cannot dispel some of the misinformation and bring clarity to these questions. Thank you, honourable senators.

Hon. Hartland de M. Molson: Honourable senators, I rise somewhat reluctantly and certainly sadly in this chamber, which has just made history—unfortunately, history of the wrong sort. The events of the last couple of weeks have dismayed me and, I am sure, disgusted a great many people in this country.

● (1720)

After the extraordinary performances witnessed here, we have finally come to the item of business which has been waiting, namely, the report of the Banking, Trade and Commerce committee on the goods and services tax, Bill C-62.

I should like to congratulate Senator Buckwold for his excellent speech in support of the motion to accept his report. It was a real tour de force. I would like to say that I benefited greatly from it, and I hope that he will still be my friend after this evening.

I am sorry if I am repetitious, but the last time I spoke was three weeks ago at 3 o'clock in the morning, and in the course of that effort I was interrupted some 36 times. Please forgive me if I bore you.

This report distressed me because, in my humble opinion, the Senate did not do its duty. As I mentioned on October 4, the practice of "prestudy" which we call the "Hayden Formula" gave this chamber enough time to study legislation and deal with it in a more thorough way than was ever possible before. Those of us who have been here for a length of time can remember how often we would receive legislation just before an adjournment or a parliamentary recess with the request or instruction to pass the legislation within a matter of days, or sometimes even hours. By introducing study of the subject matter of legislation in one of our committees as soon as it was introduced in the House of Commons usually gave us the time we needed to deal competently with any complex matter.

To return to the matter of the committee's report, Bill C-62 was introduced in the other place on January 24, 1990, but was not dealt with in the Senate until mid-April. Then about three months were spent on travelling. There can be no denying that hearing the views of the people across the country is a splendid thing, and it would be nice if all legislation could similarly be dealt with in a reasonable time. In this case, the Senate having discontinued the practice of prestudy there was not enough time left to deal with this complex bill.

However, had the practice of prestudy been continued, there would have been adequate time—some eight months—for the Senate to hear and study enough evidence to have carried out its traditional responsibility of improving the legislation and making the task of governing the country by Parliament more viable. It was just too obvious in this case—a very unpopular tax bill and such a great political weapon—that the decision was taken early to block it and consequently win more points against the government, which had already slipped enormously in the polls.

The decision not to try to improve legislation by amending it, but rather simply to defeat it, can only be justified under the most extraordinary circumstances.

I know that it will be argued that the bill is so bad that defeating it is the way to protect the public. But I also know that this form of taxation, if properly planned and adequately explained—and in use in so many countries—is one which could lead to an improved taxation system and be the means of beginning to cope with our tremendously overwhelming debt.

Honourable senators, this country, living the way we do, is heading for bankruptcy. We have to find a way to pay our bills. I know how much the deficit has increased under the present government. I also know how great was the accumulated deficit built up under previous governments. Converted at constant dollars, that figure would look pretty onerous today.

A great deal of the past performance has been responsible for the high interest rates of today, and I would suggest that trying to lay the blame on one another is an exercise in futility. We have for years spent beyond our means and, like anyone else, sooner or later we have to pay our bills.

This brings me to my view of the report under consideration. My view is that the committee should have recommended valid amendments to the bill, no matter how many, and not simply recommended its defeat. Amendments to protect those who can least afford to pay and to load more on those who can afford to pay would have been appropriate. There are obviously many ways in which amendments should have been put forward. The present plan to propose amendments at this late date is completely unworkable. For its part, the government should have given far greater assurances, some certainty, of reducing expenditures on a substantial scale, and the public should have been assured of plans to bring that about.

I am not happy with the GST bill as it now stands, and I would like to see it properly amended. I have had dozens of letters and telephone calls condemning the bill. I quite understand and sympathize with the public who object to the government legislation. We are heavily taxed and there is the impression that the GST is simply adding further to the load.

I cannot accept the report of the committee, which was so obviously planned to win the war between our main traditional political parties.

It looks probable that the present situation will lead us along the road to a splintered Parliament with several parties. Having seen the problems in European, South American and other countries created by parliamentary minorities, coalitions and efforts to govern, it will be a sad day if the result of our Senate impasse is that depressing outlook.

As honourable senators know, I have been, and acted, as an independent for 35 years, since being appointed at the same time as Senator Croll by the Right Honourable Louis St-Laurent. Now, for the first time, the partisan battle in the Senate gives an undue weight to the vote of independents. Under normal clear-cut situations this might be acceptable, but when the issue is between unpopular tax legislation and a committee report which has not attempted to make the bill workable and more equitable, I simply cannot accept the role of helping to decide whether the government or Senator MacEachen should direct this country's fiscal policy.

Some Hon. Senators: Hear, hear.

Hon. Michael Kirby: Honourable senators, in rising to close the debate on the committee's report on Bill C-62, I had intended, had more time been available, to comment on and to give, particularly for members opposite who were not involved in the committee hearings, some illustrative examples of the kind of testimony which the committee received as it travelled across the country—because, as we went from St. John's, Newfoundland across each of the ten provinces and up into the northern territories, we heard witness after witness, from all walks of life, and representing all types of organizations, comment on what they thought was the inherent unfairness of the bill.

Hon. C. William Doody (Deputy Leader of the Government): Did the honourable senator speak earlier in this debate?

Senator Kirby: No, I have not spoken on the report stage.

Senator Doody: Thank you.

Senator Kirby: You asked that because there were a number of speeches I was involved in at an earlier stage.

Senator Doody: There were indeed.

Senator Kirby: Honourable senators, rather than detail some of the comments received by the committee as it travelled across the country, I thought it appropriate, in light of the remarks which Senator Pitfield made earlier, that I make some comments at least in reply, because I think, as many honourable senators know, Senator Pitfield and I have had the privilege of working together for many years. In normal times I respect the nature of his argument, yet I was frankly very surprised by the argument he put forward today. I thought that it required at least one or two comments in reply.

In his opening comments, Senator Pitfield observed that the Senate in fact had a legal right to defeat any piece of government legislation. He went on to say that he wished that were not the case. He also observed that he hoped that Senate reform would occur, which would, in fact, limit the ability of this chamber to actually defeat a bill. Nevertheless he recognized the right, and the legal and constitutional authority, of this chamber to do that.

• (1730)

He then went on to say that there were three criteria which had to be met if the Senate were to exercise its power. The first criterion was that the issue had to be important. With respect to the GST, he made the observation that there is little doubt that the GST is an issue of major importance to Canadians. In his remarks he conceded that, in terms of meeting his criteria of importance, that criterion was definitely met by the GST.

His second criterion was that before the Senate should decide to defeat a bill, it needed to be a bill which, once implemented, would, in effect, not be repealable, or unable to be changed, once it was in place. The example which Senator Pitfield gave of a bill which met that test was the free trade bill. He pointed out that he favoured the delay of the free trade bill, which took place in this chamber in 1988, because he believed that once the free trade bill was in place it could not be repealed.

When he attempted to apply that criteria to the GST, Senator Pitfield said two things which, in my view, are inherently inconsistent. The first point he made was that as a tax measure the GST could, in fact, be repealed and changed eventually. He made the argument that therefore the GST did not meet his test of being a bill that once in place could not be changed. Later on in his remarks, Senator Pitfield stressed that one of the reasons he was going to support the GST was the fact that this chamber had no option but to pass the bill because of the financial situation of the government and because of the fact that the private sector had invested money in preparation of the bill being passed.

It seems to me to be an extremely inconsistent position to argue, on the one hand, that we must go ahead and pass the bill because of the cost to the private sector, and, indeed, to the government, in failing to pass it, when the government's own spokespersons tell us that many people and companies have not yet registered, while, on the other hand, they take the position that this is the kind of bill which, in fact, can subsequently be repealed. That clearly is an inconsistent position. If it is okay to repeal a bill two or three years after it is in place, then it is clearly much less costly to the Canadian economy, to the government, and indeed to the private sector, to repeal the bill before it is ever put in place. That part of Senator Pitfield's argument, to be kind about it, seems to me to be fairly weak.

The third observation which Senator Pitfield made repeatedly was that Bill C-62 is a piece of legislation which clearly is in need of very significant amendment. I point out that he did not tell us what those amendments should be. I can only presume, of course, that in the course of third reading debate he will propose a number of amendments to clear up the flaws, whatever they are, which he clearly indicated exist in the bill.

He went on to add, that with respect to amendments, that he thought it was important that they be taken seriously. I can assure him that members on this side of the house will be very happy to take seriously, and indeed to debate seriously, whatever amendments he decides to introduce.

He also observed, quite correctly, that the provisional orders concerning the process by which Bill C-62 will be handled do not take into account the presence of independent senators in

the chamber. I share his view that there is very good reason why the role of independent senators should be taken into account. It has been clear, from public comments made by members on this side of the house as well as by government senators, that we understand there is an important role in this chamber for independent senators, that they will have an opportunity to introduce amendments as we get into debate on third reading, and that those amendments will be taken seriously and will be debated and voted on by members of this chamber.

POINT OF ORDER

Senator Frith: Honourable senators, I wonder if Senator Kirby would yield to a point of order which I wish to raise?

The house order with respect to Bill C-62 provides:

> . . . at not later than 5.45 o'clock p.m., on Thursday, October 25, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and shall proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of the report stage of the said Bill;

Before those questions are put and that interruption takes place, I have two points that I should like to have clarified for the record with regard to voting, because it is expected that a vote will follow the putting of those questions.

The first point deals with the question of the Speaker's voting. Because, on the basis of the research I have done, the Speaker has not voted for some time, it is worthwhile to draw the attention of the Senate to the procedure that is followed. It has always been followed, but I think that often we have not noticed what that procedure is.

It is put forward in *Bourinot's* on page 379:

> In the Senate the speaker says—"The contents will now rise." Then the clerk or clerk-assistant, standing at the table, proceeds to call the names—first looking at Mr. Speaker, who remains seated, and indicates by an indication of his head his desire to vote, or his intention not to vote by the absence of any movement on his part. In all cases the speaker's voice should be first recorded on the side on which he wishes to vote.

The research I have done says that the last time that a Speaker so indicated was in 1933. As far as I know, the senator presently in the Chair has never voted. The Speaker at that time was a Senator Blondin. As reported at page 167 of the *Debates* for that day it shows that he voted. Speaker Blondin voted again on March 14, 1933 and again on June 30, 1935, a Saturday. May 29, 1935, as far as I can see, is the last time that a Speaker voted. Of course, there is no question that under the rules the Speaker is entitled to vote. However, he might want to apply Senator Kelly's rule for the exercise of constitutional rights which is, "if you don't use it, you lose it." He applies that rule when it comes to the Senate defeating a piece of legislation, but he does not apply it to the use of section 26, and I do not know whether the Speaker intends to use it with reference to this vote.

[Senator Kirby.]

● (1740)

Senator Barootes: Are you trying to intimidate the Speaker?

Senator Frith: My second point also relates to the question of the vote, and is with regard to the vote of the eight senators appointed pursuant to section 26. I ask them to refrain from voting—

Senator Murray: Harrumph!

Senator Frith: —while their constitutional right to do so is under serious question and while the Senate is being asked to investigate their qualifications pursuant to section 23 of the Constitution Act, 1867 as enacted by the Constitution Act, 1982.

Senator Simard: Good try.

Senator Olson: You don't want to vote under a cloud.

Senator Simard: Strike three, Royce.

THIRTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION FOR ADOPTION—DEBATE CONCLUDED

Hon Michael Kirby: Honourable senators, if I may, I should like to finish off the point I was trying to make with regard to Senator Pitfield's comments. Senator Pitfield had commented about how bad the bill is and about its clear need for significant amendment; but he did not indicate what those amendments should be. It seems to me that it is only reasonable to make two assumptions with respect to his comments. First, during the course of third reading debate presumably he will be introducing amendments that will bring the bill into line with his concerns about its being such a poor piece of legislation. I would be very surprised if someone of Senator Pitfield's intellectual ability did not at some point in time indicate how the bill could be made better.

My second observation, on the very strong comments made by Senator Pitfield with respect to what a poor piece of legislation this bill is, is that if the amendments he proposes are not passed, or if we do not end up with a bill with those major areas of concern removed, it seems only logical that he will not vote in support of the bill. I raise those two points because I think they are important. No matter how much individual senators may think that the bill could be made acceptable with certain changes, in the end, despite the incredible intransigence shown by government members, both when the bill was before the committee in the other place and while under debate in the other place, and by government members on the Banking, Trade and commerce which travelled across the country this summer, senators opposite will have to judge in their own minds whether they are prepared to support a bill that is weak, or whether they are prepared to conclude, as members on this side of the house have concluded—and, indeed, as members in the committee concluded—that in the absence of significant change the bill should be defeated. I

realize that there will be plenty of time to discuss what those specific changes ought to be in the weeks and months ahead.

I will make one final comment as we approach 5:45. I make this comment on behalf of those who served on the committee this summer, keeping in mind all of the comments and criticisms we received on the bill. The reason the committee reached the conclusion it did is because it ultimately came to the conclusion that the bill would require so many amendments, such massive rewriting and such total restructuring, that it was better for Canadians, and indeed for the government, simply to abandon it in its current form rather than to try to rewrite it or tinker with it. It is on that basis, after listening to witnesses all summer long, that we came to that conclusion. It is not possible to tinker with this bill, to deal with its unfairness and regressivity by amending it to make it palatable, and that is why I, along with my colleagues on this side of the house, will be voting in support of the Banking, Trade and Commerce committee and the motion to adopt this report and kill the GST.

Some Hon. Senators: Hear, hear.

THIRTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION FOR ADOPTION NEGATIVED

The Hon. the Speaker: Honourable senators, due to special order of this house, I shall now put the question.

It was moved by the Honourable Senator Buckwold, seconded by the Honourable Senator Stanbury, that this report be adopted.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "Yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion please say "Nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "Nays" have it.

And two honourable senators having risen:

The Hon. the Speaker: Please call in the senators.

The Hon. the Speaker: Let the doors of the chamber be locked.

Honourable Senators, it is moved by the Honourable Senator Buckwold, seconded by the Honourable Senator Stanbury:

> That the Thirteenth Report of the Standing Senate Committee on Banking, Trade and Commerce (Bill C-62 an Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act), be now adopted.

Motion of Senator Buckwold negatived on the following division:

YEAS

THE HONOURABLE SENATORS

Adams
Austin
Bonnell
Bosa
Buckwold
Cools
Corbin
Davey
De Bané
Denis
Fairbairn
Frith
Gigantès
Grafstein
Graham
Haidasz
Hastings
Hays
Hébert
Kenny
Kirby
Lang
Lawson
LeBlanc (*Beauséjour*)
Leblanc (*Saurel*)
Lefebvre
Lewis
Lucier
MacEachen
Marchand
Marsden
Molgat
Neiman
Olson
Perrault
Petten
Riel
Rizzuto
Robichaud
Sparrow
Stanbury
Steuart (*Prince Albert-Duck Lake*)
Stewart (*Antigonish-Guysborough*)
Stollery
Thériault
Thompson
Turner
van Roggen
Waters
Watt
Wood—51.

NAYS

THE HONOURABLE SENATORS

Atkins
Balfour
Barootes
Beaudoin
Beaulieu
Bélisle
Berntson
Bolduc
Buchanan
Carney
Castonguay
Chaput-Rolland
Charbonneau
Cochrane
Cogger
Comeau
David
DeWare
Di Nino
Doody
Doyle
Everett
Eyton
Forrestall
Grimard
Hatfield
Johnson
Kelleher

NAYS

THE HONOURABLE SENATORS

Kelly	Oliver
Keon	Ottenheimer
Kinsella	Phillips
Lavoie-Roux	Pitfield
Lynch-Staunton	Poitras
Macdonald	Robertson
(*Cape Breton*)	Roblin
MacDonald	Ross
(*Halifax*)	Rossiter
Macquarrie	Simard
Marshall	Spivak
Meighen	Sylvain
Molson	Teed
Muir	Tremblay
Murray	Twinn—57.
Nurgitz	

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. The Speaker: I declare the motion lost. Let the doors be opened.

The Hon. the Speaker: When shall this bill be read the third time?

Senator Kelly: At the next sitting of the Senate.

On Motion of Senator Kelly, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, on the continuing point of order, I want to be sure that it is clear on the record that Senators Forrestall, Ross, Grimard, Lavoie-Roux, Keon, Meighen, Berntson and Johnson, all appointed under Section 26, voted in spite of the point that was raised as to their constitutional right to do so. If they had refrained from voting, the motion would have carried 51 to 49.

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I move that all remaining orders, motions and inquiries stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 9.30 a.m.

THE SENATE

Friday, October 26, 1990

The Senate met at 9.30 a.m., the Speaker in the Chair.

Prayers.

[*Translation*]

THE HONOURABLE THÉRÈSE LAVOIE-ROUX

TRIBUTES ON RECEIPT OF DOCTORATE—*HONORIS CAUSA*

Hon. Mario Beaulieu: Honourable senators, last October 23 the University of Montreal Faculty of Social Sciences honoured Senator Thérèse Lavoie-Roux by awarding her a doctorate *honoris causa* in social sciences for her outstanding contribution during her political career.

As you know, Senator Lavoie-Roux was President of the Montreal School Board, one of the largest in Canada. She was the first woman ever appointed Minister of Social Affairs in Quebec, and she always played a leading role in the development of social sciences in the province.

I congratulate her and I am sure this chamber will want to pay tribute to her.

THE HONOURABLE CLAUDE CASTONGUAY

TRIBUTES ON RECEIPT OF HONORARY DOCTORATE

Hon. Mario Beaulieu: Honourable senators, I want to take this opportunity to point out that another one of our colleagues, Senator Claude Castonguay, well-known businessman and minister in Quebec, received two doctorates recently. On September 13, the Royal Military College of Saint-Jean awarded him a doctorate in business administration. He received the second doctorate the day before yesterday, but was unable to attend the ceremony.

[*English*]

Western University has honoured Senator Castonguay by awarding him an honourary doctorate in business administration.

[*Translation*]

I want to congratulate Mrs. Lavoie-Roux and Senator Castonguay for their achievements.

[*English*]

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

THIRTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION FOR ADOPTION NEGATIVED ON DIVISION—POINT OF ORDER

Senator Frith: Honourable senators, I wish to make a correction to remarks I made yesterday regarding the voting of His Honour the Speaker. I was incorrect. The last time that a Speaker had voted was not in 1935, as I had stated. I am obliged to my colleague, Senator Austin, for telling me there was an incident in 1946, which can be found at page 540 of the *Debates of The Senate, Second Session, Twentieth Parliament, 10 George VI*, when a speaker, Senator King, voted with the "noncontents" on that date.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTIETH REPORT OF COMMITTEE PRESENTED

Hon. Roméo LeBlanc, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Friday, October 26, 1990

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

SEVENTIETH REPORT

Your Committee recommends that a supplementary estimate of $2,527,000 for the fiscal year 1990-1991 be requested from Treasury Board at the next opportunity.

The estimates are needed for the payment of operating expenses resulting from the appointment of new Senators and to authorize, and implement during the current and subsequent fiscal years, the Forty-first Report of the Standing Senate Committee on Internal Economy, Budgets and Administration, Second Session, 34th Parliament, adopted by the Senate on June 5, 1990.

Respectfully submitted,

ROMÉO LEBLANC
CHAIRMAN

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator LeBlanc, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

COSTS OF EXTENDED SITTING—DOCUMENT TABLED

Hon. Roméo LeBlanc: Honourable senators, responding to an item that has been raised, I wish to table a letter from the Clerk of the Senate regarding the question of incremental costs for the extended sitting hours of the Senate. The letter has explanatory notes. It also includes a table spelling out those incremental costs.

I am sorry that Senator Simard, who raised the issue, is not in his seat. However, I did inform him yesterday that I hoped to table this letter this morning.

Senator Molgat: Could the honourable senator tell us what the amount is?

Senator LeBlanc: There are costs which have not yet been included, such as those of other agencies of the government which provide services. I refer to the costs incurred by the Secretary of State which department provides translation services. Apparently, the average per day was $13,500, which, if I can be partisan for a moment, appears to be a rather modest sum considering the estimated cost of collecting the GST, which is roughly $1 million per day.

Senator Molgat: Thus it is nowhere near Senator Simard's estimate of $150,000 per day; is that correct?

Senator LeBlanc: I do not want to give a final judgment, because there are a few extra costs which I cannot yet indicate. However, let me put it this way: It is less than 10 per cent of the figure stated in the house in a rather feverish climate.

Document tabled.

ENERGY AND NATURAL RESOURCES

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Dan Hays: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(a), I move:

> That the Standing Senate Committee on Energy and Natural Resources have power to sit while the Senate is sitting today, and that Rule 76(4) be suspended in relation thereto.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Hays: Honourable senators, by way of explanation, we anticipate Bill C-44 being refered to the committee sometime later this morning. In anticipation of that, we propose to meet with the Minister of Energy, Mines and Resources who will be available at 11 a.m. If the Senate proceeds as I anticipate, we would like to be sitting in committee at 11 a.m., and accordingly, I make this request.

Senator Roblin: Could my honourable friend tell me in what room the committee will meet?

Senator Hays: The proposed meeting will take place in Room 257 of the East Block.

Motion agreed to.

QUESTION PERIOD

DE HAVILLAND AIRCRAFT

PROPOSED SALE BY BOEING—EFFECT ON EMPLOYMENT AS GOVERNMENT POLICY

Hon. Jack Austin: Honourable senators, I have a question for the Leader of the Government in the Senate in connection with the proposed sale by Boeing of the de Havilland Division.

As the Minister will be aware, there have been news reports to the effect that Aerospatiale, which is a European company controlled by the Governments of France and Italy, has been reviewing the assets and business of de Havilland. Boeing has said publicly that it wishes to dispose of those assets if a favourable price is received. Today de Havilland is a division of Boeing, at one time it was a stand alone company owned by the federal government. The de Havilland company employs 5,000 people directly, with a multiplier of perhaps another 7,000 people across the country, including 400 people in British Columbia who make parts for de Havilland products.

• (0940)

My question is this: Has the government decided, as a matter of policy, to accept the possibility of foreign government ownership of de Havilland? Further, is the government taking any steps to ensure that de Havilland retains its technological and marketing capacities for Canada in the manufacture of airframes, so that Canada will continue to have the opportunity to negotiate for offsets as it acquires a commercial airfleet over the years? That has been our habit and the way in which we have preserved Canadian employment.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I shall obtain as full a report as I can on this matter and table it in the Senate very shortly.

THE ENVIRONMENT

RAFFERTY-ALAMEDA DAMS PROJECT—REIMBURSEMENT OF GOVERNMENT FUNDS—GOVERNMENT POSITION

Hon. Gildas L. Molgat: Honourable senators, my question is to the Leader of the Government in his capacity as Minister of State for Federal-Provincial Relations, and it refers to the Rafferty-Alameda Dams project.

On May 17 and May 23 I asked questions regarding that project. On June 6 the Deputy Leader of the Government, in replying to my questions, stated:

> Canada has made four payments of $1 million each to compensate Saskatchewan for the financial costs of construction delays for the project during the Panel investigations.

If I remember correctly, the government had agreed to pay Saskatchewan up to $10 million on this basis.

Can the minister inform us how much, indeed, has been paid to Saskatchewan at this point? In view of the fact that Saskatchewan has decided to proceed with construction, against the agreement that had been made, will the federal government be requesting whatever has been paid out to Saskatchewan to be returned?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, as my friend knows, the matter is now before the courts. I shall obtain a report from my colleague, the Minister of the Environment, on the honourable senator's specific questions.

EXTERNAL AFFAIRS

APPOINTMENT OF AMBASSADOR TO IRAN—GOVERNMENT POSITION

Hon. Eymard G. Corbin: Honourable senators, I should like to ask a question of the Leader of the Government. The government announced some days ago that it was closing its embassy in Kuwait. Not long afterwards it announced that it was posting an ambassador to Tehran, Iran, following many years of non-diplomatic Canadian presence in that country, although it said it had never closed the embassy there.

In recent days Iraq and Iran have rejoined forces against outsiders to the Gulf incident. I should like to remind honourable senators that Iraq engaged in one of the bloodiest and dirtiest wars in the Middle East. It is now rejoining one of the most repressive states in the Gulf.

Canada is engaging in what is tantamount to open warfare with Iraq, following the declaration yesterday by the Secretary of State for External Affairs. Can the Leader of the Government explain to me the logic, if there is any, in the move to reinstate an ambassador in Tehran in the present circumstances?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I do not follow the logic of my honourable friend's question.

Senator Corbin: I am asking about your logic, never mind mine.

Senator Murray: I also do not see the connection between the two decisions. First of all, let me say, with respect, that the honourable senator should choose his words more carefully when he talks of Canada waging "open warfare" on Iraq. He might be interested in reading a copy of the statement made yesterday, October 25 to the House of Commons Committee on External Affairs and International Trade by the Right Honourable Secretary of State for External Affairs. I would be glad to table that statement.

With regard to our diplomatic representation in Iran, I can only say that it has never been Canada's position, under any government of which I am aware, that we play a useful role in the world by withdrawing diplomatic representatives from a country or by cutting off diplomatic recognition of a country. We have found that we can play a more useful role in the world by maintaining our representation around the world.

Senator Corbin: If that is the case, why has Canada not maintained its embassy in Kuwait, as other nations have done?

Senator Murray: Honourable senators, we have conceded no principle whatsoever in withdrawing our people from the embassy in Kuwait. We have withdrawn Canadian diplomats from there because the practical situation of living there has become quite intolerable. I repeat, we have conceded no principle whatever. We continue to believe, together with just about all the rest of the world, that the annexation of Kuwait by Iraq was and is illegal. The problem is that our diplomats could not continue to live in Kuwait in any—I was going to say "comfort", but that is not the word. It simply became impossible for them to live there, given the situation with regard to food and fuel and the most basic amenities of life. Again, I repeat, we have conceded no principle in withdrawing those individuals.

Honourable senators, may I be permitted to table Mr. Clark's statement to the House of Commons Committee on External Affairs and International Trade?

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Corbin: Honourable senators, the Leader of the Government said that I used unfortunate words when I referred to the Secretary of State for External Affairs as "waging war." War can be waged in many ways.

Senator Frith: Against the GST for example.

• (0950)

Senator Corbin: After hearing, through the news media, what the Secretary of State had to say yesterday, and paying good notice to the many commentaries that were made following that declaration, I have come to the conclusion that you can wage war by shooting with your mouth, which is what the Secretary of State did yesterday.

Senator Murray: Honourable senators, I invite the Honourable Senator Corbin to read attentively the declaration that was made by Mr. Clark at the House of Commons committee meeting yesterday, to examine also the questions and answers in that committee, and finally to read *Hansard* of the House of Commons for yesterday when Mr. Clark elaborated upon and amplified his statements before the committee. Taken as a whole, my honourable friend will see that there is no change in

the essential policy of the Canadian Government on this matter.

We want to see a diplomatic solution to the problem. Meanwhile, we quite understand that strength may be the only language that Saddam Hussein understands, and we have been in the forefront, from the very beginning, in emphasizing the need for a multinational response to the problem and a multinational presence in that area in order to discourage further aggression on the part of Iraq and to support the sanctions that have been mandated by the United Nations Security Council.

Senator Corbin: Not necessarily accepting the honourable leader's responses to my questions, I will leave that for this week and come back to it next week, because I know that senators are anxious to get on with the Hibernia bill.

PERSIAN GULF

COMMITMENT OF CANADIAN LAND FORCES—GOVERNMENT POSITION

Hon. Stanley Haidasz: Honourable senators, would the Leader of the Government in the Senate state clearly this morning whether Canada has committed itself, or promised any power, including the U.S., or any other government, or the United Nations, to send land forces to the Persian Gulf area to take part in an offensive attack against Iraq? I am talking about land forces.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the answer to that question is in the negative.

Hon. Joan Neiman: On that question, honourable senators, I would like one more reassurance from the government leader that our position remains unchanged, that we are there in a defensive capacity and that our forces, and those with whom we are allied, will not, as it were, fire the first shot.

Senator Murray: Honourable senators, I hesitate to venture out into that territory, as the honourable senator wishes me to do. The other day I had a discussion in this house with the Leader of the Opposition concerning the rules of engagement which have been given to the Canadian military. I undertook to ascertain how much information can properly be placed on the public record at this time, and I shall do so; but the honourable senator is getting into a rather sensitive area.

I again confirm that our forces are there, first of all as part of an unprecedented international effort to discourage further aggression, and also in support of sanctions.

In support of the sanctions, it is necessary for our ships to intercept those of other countries, and in some cases to board them. It has not been necessary to fire any shots, but we have intercepted quite a few vessels of other countries, and, in some cases, have boarded them.

Other than that, I will do what I said I would do the other day, which is to ascertain what instructions we have given our forces in that area and determine what I can properly place on the record at this time.

[Senator Murray.]

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF COMMISSIONER—REQUEST FOR TABLING OF REGULATIONS

Hon. L. Norbert Thériault: Honourable senators, I have a question for the Leader of the Government in the Senate. It is about another war which I find very disturbing, a war that, although undeclared, seems to be getting steadily worse. I am referring to the dispute between Francophones and Anglophones, and because I am so cocerned about the situation, I would like to put the following question to the Leader of the Government.

In 1988, the government passed or rather amended the Official Languages Act, with a great deal of hoopla. Nearly two years later, in April or May, if I remember correctly, the Commissioner of Official Languages was so . . . words cannot describe what he felt, but in any case, he even threatened to resign. Yesterday or the day before, another report by the Commissioner of Offical Language was tabled in the House. This time he did not threaten to resign but, like all Francophones, in this country, expressed his concern about the fact that two years later, the regulations to implement the legislation had not been tabled.

Hon. Lowell Murray (Leader of the Government in the Senate and Minister of State (Federal-Provincial Relations)): Honourable senators, like Senator Thériault, I regret the delay in tabling the regulations rising from the new Official Languages Act. This is a very complex area, as the senator well knows, the federal government remains firmly committed to tabling these regulations in order to provide equitable services to Anglophones and Francophones across Canada. I expect the regulations will be tabled very shortly. However, I may remind the hon. member that bilingual services are available at more than 1,600 locations across the Country.

If the senator is willing to be patient for a very short while, I am confident that the regulations will be available and that they will be laid on the Table of this Chamber.

Senator Thériault: Honourable senators, I am willing to wait but I can assure the government leader in the Senate that a lot of French-speaking Canadian, especially outside Quebec, are worried as they remember with bitterness the 1988 election campaign when the Prime Minister himself said, on several occasions, that the 1988 law would apply to Francophones outside Quebec. These people wonder if there is a problem with tabling the regulations related to the protection of Anglophones in Quebec.

Senator Murray: Honourable senators, in all honesty, I must remind the hon. senator that the Official Languages Act was passed by Parliament in 1969.

Between 1969 and 1988, successive Commissioners of Official Languages, as well as the Joint Committee of the Senate and the House of Commons, insisted that the Trudeau government make amendments to his Act, but it never did.

Then, in 1988, the Mulroney government asked the House of Commons and the Senate to approve very substantial

amendments to this legislation. The new law was welcomed by every minority group in the country.

All that remains to be done is table regulations under this law. I want to assure the hon. senator and all those interested that the government's commitment in this regard is as strong as before.

Senator Thériault: Honourable senators, I, for one, would like to see the government leader in the Senate get rid of his obsession with Pierre Trudeau. As far as I know, the Official Languages Act was passed in 1969 but we did not wait two years for the regulations to be tabled.

Since 1988 we have had an Official Languages Act which is an improvement on the old one but which does not accomplish anything. I am willing to be patient but I can tell you, honourable senators, that a lot of Francophones outside Quebec are tired of waiting.

Senator Murray: Honourable senators, I do not want to be unfair to the previous government, the Trudeau government. I praise him for putting through the Official Languages Act in 1969. However, as joint chairman of the Joint Committee on Official Languages for four years, I have received and kept on file letters in which Prime Minister Trudeau told me not only that the government, his government, did not believe the Act needed to be amended, but that the Charter of Rights and Freedoms would be enough in that regard.

That goes to prove the differing views of the previous government and this government on this issue. I can however assure the honorable senator that the Mulroney government remains committed to setting out Official Languages Regulations. All I ask from my hon. friend is to bear with us; these regulations will be tabled in the House in a short while.

Senator Thériault: Honourable senators, could the government leader in the Senate tell me what he means by "a short while"?

Senator Murray: I mean, certainly not today, honourable senators. The decision is not only mine; this is a very complex jurisdiction. We consulted with linguistic minorities, the Public Service and other interested parties across the country. Quite frankly, I expect the regulations to be tabled shortly.

• (1000)

[*English*]

THE ENVIRONMENT

OIL SPILLS IN CANADIAN WATERS—UPGRADING OF TRAFFIC MANAGEMENT EQUIPMENT AND CAPACITY TO DEAL WITH OIL SPILLS—GOVERNMENT ACTION

Hon. Colin Kenny: Honourable senators, I have a question for the Leader of the Government in the Senate. A year ago September the Interim Report of the Public Review Panel on Tanker Safety and Marine Spills Response Capability was issued. The report, as senators will recall, was very critical of Canada's capability to prevent and clean up spills, and there were problems with outdated vessel tracking technology. There was an un-updated and incomplete inventory of Canada's equipment to clean up spills.

Since the Senate will be discussing Hibernia today, in the chamber, could the Leader of the Government advise us when the final report, which it was announced was due last December, will be forthcoming? Could he explain also why there has been such a long delay in the issuance of that final report.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I must confess that, preoccupied as I have been with other matters, I have had an opportunity only to read the media reports concerning the question raised by the honourable senator. I do not seem to have a note on the matter. I shall have to inform myself and get back to the honourable senator.

STORAGE AND DESTRUCTION OF TOXIC RUBBLE—REQUEST FOR INFORMATION

Hon. Colin Kenny: Honourable senators, I have another question for the Leader of the Government. It has been over three years since the PCB fire at St-Basile-Le-Grand. The toxic rubble from that fire is still stored in containers in the town centre. There has been no movement on the part of the government towards cleaning it up although we were assured at the time that this would be done expeditiously.

We have been waiting for the promised transportable incinerator. In April I asked the government leader when the incinerator would be operational, and I have not yet received an answer. I will ask the question again: When can we expect the incinerator to be operational? When will the toxic rubble at St-Basile-Le-Grand finally be cleaned up?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): There again, honourable senators, my briefing notes are incomplete. I shall inform myself and advise the honourable senator in due course.

HIBERNIA DEVELOPMENT PROJECT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Gerald R. Ottenheimer moved the second reading of Bill C-44, respecting the Hibernia Development Project and to amend certain Acts in relation thereto.

[*Translation*]

He said: Honourable senators, I welcome this opportunity to rise in the Senate today, to speak on second reading of Bill C-44, which concerns the Hibernia Development Project. The situation has changed a great deal during the past ten months, since the initial tabling of the bill last November. The document escrow and closing agreements were signed on September 14. This event has locked in the business deal and is only subject to final approval by Parliament.

The Hibernia development project will contibute to the ongoing diversification of Canada's energy supply sources. The effects of this development will also be long lasting, not only for the people of Newfoundland, but for Canadi-

ans across the nation. We believe that Hibernia is only the first step in building the new skills, the expertise, and technology required to meet the challenges of frontier development.

Although the binding agreements have been finalized, they are being held in escrow by an independent third party until one remaining hurdle is cleared, the passage of Bill C-44. There has been much debate over the matter of federal participation in the Hibernia project. It has been clear for some time that the Hibernia project is simply too costly and massive an undertaking to proceed without public support.

In recognition of this, in 1988 the Government of Canada joined the Government of Newfoundland and five private sector firms in signing a statement of principles to develop Hibernia.

Bill C-44 will authorize the government to enter into legally binding agreements to fulfil its commitments made in the statement of principles.

More than $5 billion Canadian will be spent bringing Hibernia into production. Approximately $3 billion will be spent in Canada, including $1.6 billion in Newfoundland.

In addition to the $5.2 billion in capital spending needed to bring Hibernia to production there will be a further $3.5 billion expenditure over the life of the project. This project, while extremely important for Newfoundland, is obviously a project that has national importance.

● (1010)

[*English*]

Honourable senators, as was outlined in the statement of principle, the Government of Canada will provide the consortium with a cash contribution of 25 per cent of eligible preproduction capital costs up to a maximum of $1.04 billion dollars Canadian. It will also guarantee loans for 40 per cent of those costs to a maximum of $1.66 billion dollars.

There has been some confusion in the press as to the true cost of the federal loan guarantees. I should like to emphasize that the guarantees are a backstop to be drawn down only if the project revenue is insufficient to repay the debt. I can assure honourable senators that the government would not agree to provide those guarantees if there were any concern about the ability of the project to repay the loans.

Benefits emanating from the development of Hibernia for all Canadians will be great. Hibernia will play an important role in enhancing Canada's oil supply. The project establishes a new frontier for Canada. It will diversify Canada's oil supply and offset the expected decline in conventional light oil production for western Canada.

With production of 110,000 barrels per day, Hibernia will account for approximately 12 per cent of Canada's light oil production by the year 2000. The development of other offshore resources will further assure the diversity of Canadian domestic supply.

[Senator Ottenheimer]

The project will dramatically bolster Newfoundland's economy. Every dollar invested in this project will yield several dollars in primary and secondary benefits. It is estimated that approximately 10,000 person years of work will be created in Newfoundland during the construction phase. Perhaps even more important over the long term, new technical skills will be developed in the province's workforce skills that will position the province to take advantage of future offshore development in other areas of Canada and elsewhere. These newly-acquired skills will also be valuable assets in developing and diversifying other sectors of the Newfoundland economy.

In early 1989 the Hibernia consortium undertook to redesign the topsides facilities of the project. The main support frame was eliminated and the number of modules was reduced from 20 smaller units to five super modules. As a result of this redesign, the industrial benefits provisions outlined in the statement of principles were renegotiated in a way that would provide significant benefits for all of Canada. The agreement goes beyond the statement of principles as a result of the consortium's agreement to undertake an additional two million person hours of metal fabrication work in Canada. These new commitments are approximately the equivalent of two super modules.

From the outset the governments of Canada, Newfoundland and Labrador have pursued a regional objective package for the province. As a consequence, the Hibernia consortium has agreed to fabricate one of the super modules in Newfoundland and will use its best efforts to build a second super module in Canada.

Honourable senators, clearly the impact of Hibernia on the province will be enormous. It is accepted that the total Canadian participation in the Hibernia project will equal 55 per cent to 60 per cent of project costs. In every region of our country plants and industries are poised to meet the engineering and construction demands that will flow from the project.

The Government of Canada is acutely aware of the environmental impact of energy production, transportation and use, and it is committed to ensuring that environmental considerations are integrated into the government's energy policy process. Environmental assessments are a crucial component of the government's overall evaluation of any energy project. All such projects are subject to detailed environmental scrutiny and review designed to minimize potential adverse consequences. The government has made it clear that projects will not proceed if they are not acceptable in environmental terms.

[*Translation*]

I should like to emphasize that the Hibernia project provides Canada and Canadians with an unprecedented opportunity to acquire additional expertise in the development of offshore resources. The design and construction of Hibernia facilities will offer a whole array of new commercial undertakings to companies from coast to coast.

This project is a challenge to the skills of Canadians and its realization will push the leading edge of progress further still. The firms that meet the exacting standards which a venture

such as Hibernia commands will be in a position to play an even more important role in future projects to be carried out in Canadian offshore waters and elsewhere throughout the world. Thanks to this initiative on the part of the two governments and the private sector, we are on the verge of reaping the huge economic benefits which will flow from Hibernia.

[*English*]

As a senator from Newfoundland, I should like to point out a few of the employment and economic data of Newfoundland to attempt to show honourable senators the importance of this project within the Newfoundland context. In so doing, I repeat that this is a project of national importance-that is, Canada-wide importance. There will be benefits for Newfoundland and Labrador, and there will be benefits for the other Atlantic provinces, as there should be. There will benefits also for Quebec, Ontario and the western provinces.

I wish to make that last point very clear. As Newfoundlanders, we wish to have benefits for all Canadians. The money going into the project is money from the Canadian treasury. It is a Canadian project located in off-shore Newfoundland. There will be considerable Newfoundland benefits; but there will also considerable benefits throughout the country.

From the Newfoundland perspective, I should point out that according to Statistics Canada the adjusted rate of unemployment in Newfoundland for the month of September—the latest month available—was 16.9 per cent. The Canadian average was 8.4 per cent. The province next in the least enviable position from the point of view on unemployment is PEI, with 13.5 per cent. It is significant that last month's rate of unemployment in Newfoundland was 16.9 per cent—just slightly double the Canadian average of 8.4 per cent.

• (1020)

I wish to refer to another statistic which emphasizes the importance of this project. The number of persons employed in Newfoundland last August was 14,000 less than in the preceding August. To illustrate the sensitivity of the economy, there was a decrease in the Newfoundland labour force of 17,000 during the past 12 months.

One other factor which I would like to emphasize concerns of youth unemployment. The figure I am about to give refers to people aged 15 to 24 years of age who are in the labour force—that is, those not attending educational institutions. The unadjusted youth unemployment figure at this time is 26.1 per cent.

I draw the attention of honourable senators to these statistics to indicate how extremely important this project is for Newfoundland in terms of its future and its ability one day to cease being a recipient but, rather, a contributor in the equalization process.

I would like to conclude my remarks by reminding honourable senators—those who may not be aware of it—of the motto of Memorial University in Newfoundland. I am sure that senators from Newfoundland are aware of it. The motto is *proveluto in ahum* which means "launch forth into the deep." This is certainly an occasion for Newfoundland and all of Canada to launch forth, in a very real sense, into the deep, in terms of challenge, geography, imagination, technology and forward thrust.

Some Hon. Senators: Hear, hear!

Hon. William J. Petten: Honourable senators, first, I would like to congratulate my colleague from Newfoundland, Senator Ottenheimer, on his excellent explanation of the bill. His is a hard act to follow. However, in this case, after the way things have been in this chamber in recent days, he and I have no problem today. I hope that the rest of the senators feel the same way.

Some Hon. Senators: Hear, hear!

Senator Petten: When we vote on Bill C-44, we will vote to give final parliamentary approval to a project that has gripped the imagination of the people of my province of Newfoundland for the past quarter of a century. When we vote on Bill C-44, we will give final parliamentary approval to a project that will provide economic nourishment to my province for the next quarter century.

I can recall, some 25 years ago, when Prime Minister Pearson granted the first permit for exploration of oil off the coast of Newfoundland and Labrador. It was a great time for Premier Smallwood who some months earlier had a plaque placed on the floor of the Grand Banks claiming its resources for the benefit of the people of Newfoundland. A life-long friend, Professor H.D. Lily, of Memorial University at St. John's, Newfoundland, was the one who physically placed the plaque on the floor of the Grand Banks. Unfortunately he died some two years later in a tragic automobile accident.

The hopes of Newfoundlanders have ebbed and flowed many times in the last 25 years. Throughout the first 13 years of exploration we prayed that each discovery well drilled would be the big one. Then, in 1979, the sixtieth well was drilled—Hibernia, P-15. Spirits rose tremendously throughout the province. Perhaps they rose too quickly. Perhaps we were a bit ahead of ourselves; but we knew that Hibernia would help Newfoundlanders achieve the great economic success of other Canadians.

It took five more years of surveys and appraisals to determine the extent of the Hibernia field. It has taken several more years to iron out the extraordinary complex legal and financial arrangements necessary to allow our country's first major offshore project to proceed.

Many people have worked tirelessly to bring the Hibernia project to reality. There has been enormous goodwill from people in numerous walks of life, from all levels of government. I hope my honourable colleagues will forgive me for singling out my premier, Clyde Wells, who finalized the deal, who brought us to a point where legislation to enable Hibernia construction to begin is finally before us. I am proud of Premier Wells and all others who are bringing Premier Joey Smallwood's dream to reality.

As exciting and, at times, as turbulent as the last quarter century has been for the Hibernia project, the next quarter century promises to be equally so. The undertaking is enor-

mous. As Senator Ottenheimer has said, it is the largest conventional oil project in the history of our country. The Hibernia field holds at least 525 million barrels of recoverable oil. Over $5 billion will be spent to build a functioning oil and gas producing fixed structure in some 270 feet of water 180 miles off the coast of Newfoundland. Over $3 billion in additional capital expenditures will be made after production of oil begins.

The Hibernia production platform will include facilities for drilling, oil and gas processing, and accommodation, all atop a giant concrete base. This type of platform is called a gravity base structure, which will be built in Great Mosquito Cove in Bull Arm, Trinity Bay, Newfoundland.

I know that despite my enthusiasm, and the enthusiasm of all other Newfoundlanders, for this project, it will cost the Government of Canada a great deal of money. This has been explained very well by my colleague. The legislation we are discussing commits the government to spend up to $1,040 million in construction costs, and further commits the government to loan guarantees of up to one and two-thirds billion dollars. The taxpayers of Canada have a right to know what they will get in return for that kind of investment.

There are three powerful reasons why this legislation deserves your support and the support of all Canadians. Quite simply, the first one is jobs. Some 13,000 person years of employment for Canadians will be created during the next six years of pre-production development. The majority of those jobs will be in my province of Newfoundland and Labrador, but there will be real opportunities for shipyard workers, cement producers, equipment suppliers and a score of other occupations throughout Canada. Once Hibernia is up and running, it will provide another 1,100 full time jobs for Canadians.

Senator Ottenheimer has gone very thoroughly into our unemployment problem in Newfoundland. I come from a province where, at last count, 42,000 people were unemployed. Our unemployment rate is the highest in the country. Hibernia offers a real chance to thousands of these unemployed Newfoundlanders. It offers a real chance to keep our young people in the province. It offers a real chance finally to link our province and our businesses with businesses in other parts of Canada.

● (1030)

Sixty per cent of the pre-production jobs for Hibernia will go to Canadians, and an equal percentage of the vast supplies and equipment required will be provided by Canadian businesses. That compares favourably with the first oil and gas projects in the North Sea, where local businesses in Great Britain and Norway supplied only 25 to 40 per cent of the goods required.

The second powerful reason for supporting this legislation is energy security. At this time of crisis in the Persian Gulf, every Canadian knows the risks involved and the price we pay by overdependence on Mid-East oil. By the year 2000, Hibernia will be producing 110,000 barrels per day or 12 per cent of Canada's light oil production. Hibernia will diversify Canada's oil supply and offset the expected decline in conventional light oil production. Hibernia is our country's new energy frontier.

The final vital reason for supporting Hibernia comes from the technology that the project will provide our country and the training it will provide our people. I do not need to outline for honourable senators the tremendous need for Canada to catch up with the rest of the industrialized world in adapting and developing new technologies. Hibernia will provide us with a major chance to do just that. Through technological transfer agreements, through on-the-job experience, through testing and production of an array of new equipment, we can help Canada grasp the future. We can make our country the world's leader in offshore technology. We can make Canadians the people to whom other countries turn when they want help for their megaprojects.

As a Newfoundlander, I am very pleased with the work already done by the Cabot Institute to prepare our province for the technological opportunities Hibernia will bring. I am also very pleased with the offshore transfer agreement announced by Premier Wells and the commitment that the world-class construction facility at Bull Arm will be turned over to the province for use on subsequent offshore projects once the development stage of Hibernia is complete.

My colleagues will appreciate that after so many years of dreaming, and then planning, for Hibernia, Newfoundlanders can advance far more than three reasons, for this legislation to pass. However, I will advance three strong reasons because they speak to the future wellbeing of Canada.

There are some other aspects of this project which merit consideration. Hibernia has been subjected to a most vigorous environmental examination. An environmental impact statement and environmental studies have been reviewed publicly by a joint federal-provincial panel. In 1985 the panel concluded that Hibernia should proceed. That report was again scrutinized recently by the Federal Environmental Assessment Review Office.

In addition, the Canada-Newfoundland Offshore Petroleum Board has twice thoroughly reviewed the environmental aspects of the development plan. I outline this detailed information with some pride, because, as Newfoundlanders, we live by the ocean, we live off the ocean, and we have always cherished it. We are pleased to have a megaproject which respects the environment.

Senators will be pleased to learn of the strict safety rules that apply to Hibernia. The safety of workers is of paramount concern. The rules are as stringent as any in the world, and that is as it should be.

Senator Ottenheimer has covered some of these points, and I shall leave for other senators more learned in these matters the issues of completion assurances, income and sales tax considerations, and detailed examination of contractual royalties. However, I will say this: The Hibernia deal is a fair deal which

stands to benefit all parties. There should be no losers in this project, only winners.

There are risks involved with Hibernia. Nobody can say for certain what the next 25 years will bring. Yes, there are big risks, but there are bigger opportunities. There are big risks, but we are fulfilling a bigger dream.

Hibernia is not the cure-all for Newfoundland and Labrador. As Premier Wells has said, we must be ever vigilant to seek out new and exciting means of expanding the base of the province's economy; but Hibernia is a tremendous step forward. It bodes well for the future of my province and for the future of our country. I urge all senators to vote with enthusiasm for this legislation. I urge all senators to vote with enthusiasm for the future prosperity of Newfoundland and Labrador, and the future prosperity of Canada.

Hon. Daniel Hays: Honourable senators, I should like to say a few words on Bill C-44. My first words are congratulatory to our colleagues from Newfoundland on their fine speeches, which have explained the good things about Hibernia. I agree with them and believe that Bill C-44 is one should be possed by this house.

However, there are different perspectives on Hibernia. As this legislation proceeds through our parliamentary process we should ask questions about how well the government has designed the program, and about whether or not changes can be brought to the Hibernia project in the future that will improve it even further.

Confusion arose over the original announcement of Hibernia in 1988 as a potential project that would increase Canada's security of supply. The exact words from the 1988 papers are:

> Canada's increased requirements for foreign crude supplies could be significantly reduced by new supplies of light and medium crude from Hibernia and from further development of the potential Newfoundland offshore.

There was a dramatic change between that time and September 1990 when an information kit from Energy, Mines and Resources dropped that reference and characterized the project as a new energy frontier for Canada. There has been much controversy on the project as something that will help Canada increase its security of supply of oil, particularly in a region of Canada that is, has been, and will remain, totally dependent on imported oil to meet its needs.

We will have an opportunity to talk to the minister about this when the committee later today. Other questions also arise. There are questions as to its efficacy as a regional development project, having regard for the large amount of money being dedicated to Hibernia, and how effective that expenditure will be in achieving the regional development that we all laud and want to see in Newfoundland.

There are other questions that we will want to explore as this legislation passes through the Senate; for example, the extent to which it will improve and diversify our energy resources through further development on the east coast, as well as the unique nature of the gravity-based system for producing Hibernia oil, when most oil in that region will probably be produced through some floating production platform. We will want to look into the government's general policy with respect to energy.

• (1040)

Initially Hibernia was a security and supply driven project. It became a regional development project during the 1988 election when the Government of Canada announced it would invest $2 billion in direct support of four projects: the Vancouver Island pipeline, the Lloydminster heavy oil upgrader, the OSLO oil sands project and, of course, Hibernia. The OSLO assistance took up most of the $2 billion, but it was cancelled, as announced in the last budget of the Minister of Finance.

The advancement of this $2 billion for oil development confirmed that this government was interventionist and that it was prepared to spend more money in the oil sector. To that point, it had been strictly market-based and regulation-based in its approach. The question then becomes: Is the government intervening in a logical and understandable way? While Hibernia will receive my support, I think we must explore these questions. We will have an opportunity to raise them during our meeting with the minister in committee later today and to comment on them in more detail when we debate the committee report, which will arise, I assume, from our single meeting with the minister. With those brief comments, I will say that I am persuaded that Bill C-44 should pass, subject to our receiving appropriate answers to questions we will raise in the interest of future development.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read third time?

On motion of Senator Ottenheimer, bill referred to the Standing Senate Committee on Energy and Natural Resources.

MEECH LAKE ACCORD

DEBATE AND PROCESS—ORDER STANDS

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Olson, P.C., calling the attention of the Senate to the debate and process concerning the Meech Lake Accord.—(*Honourable Senator Frith*).

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, this inquiry calls the attention of the Senate to the debate in process on the Meech Lake Accord. As far as I am concerned, that order is dépassé. Perhaps whoever introduced it will consider what he wishes to do with it, or will determine whether other senators wish to speak to it. In the meantime, the order should stand.

Orders stands.

THIRD LATIN-AMERICAN AND CARIBBEAN MEETING OF PARLIAMENTARIANS ON ENERGY AND PETROLEUM FOURTEENTH WORLD ENERGY CONGRESS

PARTICIPATION BY STANDING SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES—ORDER WITHDRAWN

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Hays calling the attention of the Senate to the participation by the Standing Senate Committee on Energy and Natural Resources at the Third Latin-American and Caribbean Meeting of Parliamentarians on Energy and Petroleum held in Caracas, Venezuela, and at the 14th World Energy Congress held in Montreal.—(*Honourable Senator Hastings*).

Hon. Earl A. Hastings: Honourable senators, this order has been on the order paper for almost a year. I have reviewed the matter, and it has been adequately dealt with by my colleagues, Senator Hays and Senator Balfour. I believe it can be withdrawn.

The Hon. the Acting Speaker: Is it agreed honourable senators?

Hon. Senators: Agreed.

Order withdrawn.

CORRECTIONS

MOTION TO AUTHORIZE LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE TO STUDY REPORTS OF CORRECTIONAL INVESTIGATOR WITHDRAWN

Hon. Earl A. Hastings, pursuant to notice of Tuesday, April 18, 1989, moved:

> That the Standing Senate Committee on Legal and Constitutional Affairs be authorized to examine and report upon the Fourteenth Annual Report of the Correctional Investigator for the period June 1, 1986 to May 31, 1987, and other investigation reports by the Correctional Investigator; and
>
> That the Committee present its Report no later than December 31, 1989.

He said: Honourable senators, as the subject matter of this motion has been adequately dealt with by the Legal and Constitutional Affairs Committee, and will be covered by a private bill in this chamber, I ask that the motion be withdrawn.

The Hon. the Acting Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Motion withdrawn.

[Senator Frith.]

THE HONOURABLE J. MICHAEL FORRESTALL

PROPERTY QUALIFICATIONS FOR MEMBERSHIP IN SENATE—MOTION FOR REVIEW

Hon. Royce Frith (Deputy Leader of the Opposition), pursuant to notice of Thursday, October 25, 1990, moved:

> That the question of Senator Forrestall's property qualification and the qualification, therefore, of Senators Ross, Lavoie-Roux, Bernston, Grimard, Johnson, Keon and Meighen be referred to the Committee appointed to consider the Orders and Customs of the Senate and Privileges of Parliament; and That, notwithstanding any other rule, provisional rule or order of the Senate, the Committee meet in this Chamber within the twenty-four hours following the adoption of this motion.

● (1050)

He said: Honourable senators, let me repeat something I have said, although I will say it in slightly different words. The purpose or motivation for this motion is not personal. It is purely political; and it is because of the balance of votes in this chamber and the position that the Opposition has taken throughout with reference to the status of the eight senators appointed under section 26.

Let me deal first with section 26 and to remind honourable senators of its provisions. Section 26 of the Constitution Act, 1867, as enacted in 1982, provides as follows:

> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight Members be added to the Senate, the Governor General may by Summons to Four or Eight qualified Persons (as the Case may be), representing equally the Four Divisions of Canada, add to the Senate accordingly.

There has been a good deal of attention paid to the question of whether the conditions necessary for the exercise of the power conferred by section 26 existed at the time the power was exercised. I do not mean to dwell on that aspect. That aspect is, at the present time, still before the courts, and more than one court. What I simply wish to underline is the following, in section 26, where it clearly says:

> If . . . the Queen thinks fit to direct that Four or Eight Members be added to the Senate—

And I underline the words "Four or Eight":

> —the Governor General may by Summons to Four or Eight qualified Persons (as the Case may be)

Those words are important from two points of view. It clearly says "qualified Persons" and it says "Four or Eight . . . (as the Case may be)", and we know in this case that the decision was made to recommend eight.

In general, in support of this motion, at this stage it is only necessary, in my respectful submission, to raise a question under section 33 of the Constitution, which says:

> If any Question arises respecting the Qualification of a Senator or a Vacancy in the Senate the same shall be heard and determined by the Senate.

Turning then to the question of qualification, we find in section 23 a listing of the qualifications for a senator, keeping in mind that the section that was the basis for the appointment of the eight additional senators, section 26, did use the word "qualified". That necessarily turns our attention to section 23, which begins with these words:

> The Qualification of a Senator shall be as follows:
>
> (1) He shall be of the full age of Thirty Years:

Subsection (2) mentions being a natural-born subject. Subsection (3) is the important one, and reads as follows:

> (3) He shall be legally or equitably seised as of Freehold for his own Use and Benefit of Lands or Tenements held in Free and Common Socage, or seised or possessed for his own Use and Benefit of Lands or Tenements held in Franc-alleu or in Roture, within the Province for which he is appointed, of the Value of Four thousand Dollars, over and above all Rents, Dues, Debts, Charges, Mortgages, and Incumbrances due or payable out of or charged on or affecting the same:

Now, honourable senators, the question of amount is not in issue here. The question turns on the word "seised." As I have mentioned, the question of property under section 23(3), which I have just read, is the one that commands our attention when we are thinking of the motion that is before us. As I pointed out, section 23(3) of the Constitution requires that a senator—and I am now selecting the important words:

> . . . be legally or equitably seised as of Freehold for his own Use and Benefit of Lands . . . within the Province . . . of the Value of Four thousand Dollars.

Again, the question of value is not in issue. Now, as I mentioned earlier, the question that is raised as to qualification under section 33 arose originally from a story in the news media—one I believe to be true as to the facts—that the home was willed in Nova Scotia by a relative to the parents of Senator Forrestall for the term of their lives, with a provision that it be passed on to the senator and his two siblings in joint tenancy after the parents have passed away.

The words actually found in the will are found in the third part of the will of Katherine Cecilia Ells of Middleton in the County of Annapolis in the Province of Nova Scotia, and provides in the first part, under subheading (b), as follows:

> To convey my property situate in Lower Middleton, Annapolis County, Nova Scotia (and known as the Forrestall Homestead) as follows:
>
> A joint life interest to THOMAS P. FORRESTALL and ESTHER FORRESTALL to run for the life of the survivor of the two and on the death of the survivor of the two, the remainder in fee simple to the children of THOMAS and ESTHER FORRESTALL, who shall be living at the time of my death, as Joint Tenants and not as Tenants in Common.

I understand also that the following facts will be established by the committee: that both of the parents are still alive and live in the house and therefore have possession and a life interest in the estate; and that the siblings are the remaindermen who have a vested remainder interest in the property.

At an earlier time, I raised the question as to whether the property was vested, and I said that that would be the principal issue. I have found that it is vested, in that sense, but that that does decide the issue—the issue being whether such vested remainder interest in the property satisfies the requirements of the Constitution.

Although the senator actually has an interest in the property, it is one which may only be enjoyed in the future, and the Constitution requires that the person actually be seised of the land. So the question is then: Does a future interest constitute seisen? "Seisen" is an old, medieval term. It is not commonly used in modern matters relating to property law. However, legal dictionaries and authoritative texts suggest the following: first that "seisen" means possession; and, second, in a situation where a person has possession of a property pursuant to a life estate, and where the remaindermen, of which Senator Forrestall is one, will only inherit the property after the life interest has expired, seisen rests with the person in actual possession. It seems, therefore, difficult to avoid the conclusion that Senator Forrestall's vested remainder interest, which will allow him to enjoy seisen—using the words found in the Constitution—in the future, does not actually entitle him to seisen at the present time.

● (1100)

Following this strict interpretation of the constitution and the meaning of seisin, one may only conclude that Senator Forrestall is unqualified to sit as a Senator.

Should the interpretation of seisin be made in a liberal manner—that is small "l" liberal, or capital "L", according to one's wish—to suggest that seisin is split between those with a life interest and the remaindermen who will enjoy the fee simple after the death of those in possession, the Constitution would still not be satisfied. Section 23(3) states that he must be seised for ". . . his own use and benefit . . ." Clearly, at the present time, he may neither use it nor benefit from it. The authorities suggest, anyway, that seisin must always be full and cannot be divided.

By way of a buttress for these conclusions I refer to authorities, first *Black's Law Dictionary* at pages 1218-1219, says:

> Seisin means possession and the right to immediate possession.

The authorities cited are mostly United States authorities.

The next authority is *Canadian Law of Real Property* by Anger and Hansberger, at page 553, which states:

> Seisin is synonymous with possession.

The third authority is *Property Law, Cases, Texts and Materials* by Mendes Da Costa and Balfour, a 1982 publication, and a leading Canadian authority.

The research notes that I have state:

> At page 739 they describe a fact situation which corresponds to the one Senator Forrestall is in. The person who

> holds the life estate and has possession of the property is clearly the one who holds seisin.

Remember that "seisin" is the word used in the Constitution.

Continuing:

> The vested remainder interest does not entitle the remaindermen to seisin since he is not entitled to possession.
>
> At pages 745-746 the concept is further illustrated with a diagram. Those with life interests have seisin. In *The Law of Real Property*, by Megarry and Wade, leading United Kingdom authorities, from which we derive a good deal of our property law, as I am sure many honourable senators know, it is at pages 48-49 that the requirements for seisin are listed, and they include possession.

In *Cheshire's Modern Law of Real Property*, another United Kingdom authority, states:

> At page 296 it states seisin means possession and it must always be full (i.e. it is not possible to have partial seisin).

The notes further state:

> Apparently Senator Forrestall has stated that he made sure his interest satisfies the property requirement.

I believe him. I also believe that the Clerk acted properly when he accepted Senator Forrestall's sincere belief that his interest satisfied the property requirement of the Constitution. But belief is not the test so these authorities raise serious questions about it. In fact, I am prepared to say that they negate that assertion.

I am told the Atlantic Television System obtained a legal opinion that concluded Mr. Forrestall did not meet the minimum requirement, and I agree with it.

For all of the above material on seisin I am indebted to Senator Stanbury, and also his research assistance, Mr. Andrew Kavchak, who did the research on that subject.

The question now is, who decides? The Constitution, as I have mentioned, is quite clear about this question of qualification when it says:

> If any question arises respecting the qualification of a senator or a vacancy in the Senate the same shall be heard and determined by the Senate.

The next question is: How does the Senate do that?

The best authority that I was able to find on the subject is an article in the 1975 edition of *The Parliamentarian* by W. F. Dawson, Professor, Faculty of Social Science, University of Western Ontario. The title of the article is: "Resignation and Removal of Canadian Senators." I will read a few excerpts and then turn to the question of property qualification. It states:

> The British North America Act . . .

That is what it was then called. It is now called the Constitution Act, 1982:

> —devotes considerable attention to the related questions of the qualifications of Senators and their tenure in office. A Senator is summoned to office by the Governor-General by instrument under the Great Seal of Canada. In order to qualify the person must be a British subject, a resident of the province from which he or she is appointed, and be possessed of specified property.

It then goes on to speak of the original provisions of the Constitution entitling a senator to hold office for life, and then states that there is compulsory retirement at age 75. The article also mentions the disqualifications. It states:

> Removal was made mandatory if a Senator became a foreign citizen, was adjudged bankrupt or insolvent, was attainted of treason or convicted of felony or any infamous crime, lost his property or residence qualification, or failed to attend the Senate for two consecutive sessions. A further section provides that the Senate shall hear and determine questions relating to a Senator's qualifications or removal.

The article then goes on, for the most part, to deal with the question of absence, because that was the most common reason for resignations or removal. There is a long piece under the heading "Resignations," and it cites the many cases in which senators have resigned. Then, at page 14, it deals with the removal of senators. It states:

> While the resignation of a Senator is a deliberate act performed solely by the Senator concerned and is thus a fairly simple process, the removal of a Senator, necessitating as it does some action by the Senate itself and possibly an interpretation of the British North American Act, raises greater complications. On the surface, the provisions of the Act and the procedure to be followed are reasonably clear. The Act specifies the various offences which will constitute obligatory grounds for vacating a Senator's seat. As previously noted, the Senate is obliged under the Act to hear and judge each case as it arises.

• (1110)

I underline that as a basis for the motion that the Senate is obliged under the Constitution to hear and judge each case as it arises; and, of course, here such a case has arisen. It also says that the case shall be decided "with all convenient speed," according to Professor Dawson. We are still on the question of the removal of senators due to absences. Professor Dawson says:

> The first, and most basic question faced by the Senate was an obvious one—how does the Senate first discover that a Senator has been absent?

Of course, that is not relevant to what we are talking about today. I mention it only because most of the article deals with absences; therefore, we have to cull the jurisprudence and research from that subject for the matter we are concerned with, which is property qualification. As I have said, absence occupies most of the article from page 12, where it deals with resignations, through page 13 and page 14 with respect to the removal of senators. I mention these pages only to acknowledge that most of the article deals with resignation and removal because of absence. It continues through page 15.

On page 16 there is a heading "Possible complications," which says:

> The Senate may consider itself fortunate that it has had few, if any, problems in the application of the British North America Act to the removal of Senators. The Senate has never addressed itself seriously to the question of the possibilities inherent in the Act and the procedures that it has developed to deal with this awkward question.

Then, on page 16, there is a heading "Senate procedures", which says:

> The general outlines of procedure adopted by the Senate to deal with the question of removal have been satisfactory so far.

We are still talking about absences.

> The Clerk makes a factual report based on his examination of the Senate *Minutes*. The report is referred to the Committee on Privileges. There seems no general agreement on the exact powers of this Committee. On some occasions the Committee has communicated with the Senator involved to ascertain if there are any reasons why action should not be taken. On other occasions, the Committee has decided that it does not have the power to do more than to report to the Senate as a whole that in its opinion the facts alleged by the Clerk are accurate and that an address should be sent to the Governor-General advising him that the seat has been judged to be vacant. When the Senate receives the report it is normally accepted and a resolution is passed to send an address to the Governor-General, and a further resolution of regret at the loss of a valued colleague. From that time on presumably the Government may proceed to fill the vacancy.
>
> Even this simple procedure, however, may give rise to problems. There seems to be a considerable lack of clarity in the terms of the British North America Act and the exact function of the Senate in the process. As early as 1884, Senator Power raised the obvious question about the evidence needed to vacate a seat.

We are still talking about absences, honourable senators.

> The record of the *Minutes* is clear. By deciding to look further into the question the Senate is tacitly establishing the right to challenge the formal records of Parliament, a right which even the courts would be hesitant to claim.

We are still talking about absences.

Then there is more information on the question of procedures. As I have said, there seems to be ample flexibility because there have been various ways in Senate history of dealing with this question that places an obligation on the Senate to deal with it under the Constitution. Then there is a long section defining the whole question of absences.

But on page 18 there is a piece on property qualification, which says:

> The fact that the Senate has never declared a seat vacant for any other reason than absence should not make it blind to the other problems that might arise. The question of the property qualification, for instance, has created apprehension on occasion and, as noted above, has caused two Senators to resign with a promise of reappointment to clear their dubious position. The Act is once again both explicit and lax in its requirements. A Senator must make a property declaration before he may take his seat, but for the remainder of his tenure his finances may fluctuate as they will without any constitutional check. In 1880 the Senate itself took steps to tighten control. Under a rule passed in that year, every Senator must renew his declaration of qualification each Parliament. Within the first twenty days of the opening of the first session of a Parliament, each Senator must file with the Clerk of the House a declaration in the form prescribed by the Act. At the end of the twenty days the Clerk lays on the Table a list of those who have complied with the rule. The rule has been obeyed with only intermittent regularity. Some Senators do not even appear in Ottawa until after the stated period, and it is usual for the Senate, by motion, to accept a late filing. It is also possible for a Senator to swear his declaration at home and send it to the Clerk. Acceptance of this form also requires the assent of the Senate.
>
> The usefulness of this rule—

that is, the rule of renewing

> —is open to question.

I am still quoting Professor Dawson.

> The British North America Act requires a Senator to have a property qualification and there is no doubt that it is a qualification that can be lost. It is doubtful, however, if any imprecise check by the Senate every few years is sufficient if the Senate is truly interested in obeying the law. The real problem, of course, is the Act itself which implies at least that the property qualification be continuous. This is a rigid rule, and, as one Senator pointed out in 1880, he could lose his seat overnight if some of his property happened to burn. As a whole, the Senate agreed in 1880 that the enforcement of the property qualification was difficult and could result in hardship. It was, however, in no position to amend the Act and the provision in it remains to this day along with the Senate rule which requires periodic confirmation of a Senator's right to sit. It is fortunate that the Senate has never been faced with the problem of deciding just what the net worth of one of its Members is, although it is probably reasonable to assume that the Senate would be generous in its interpretation of the facts.

I read the entire portion into the record—some of which is not directly relevant to the subject matter of my motion—so that honourable senators would have all of the information that is contained in this research on the subject of property qualification.

The article then goes on to deal with the other question of qualification with respect to conviction of infamous crime, which is not relevant here. Rhetorically I would be tempted to

say that something infamous was done, but by the prime minister, not by Senator Forrestall.

That then brings us to the motion, based on the provision of the Constitution I have referred to, and the research by Professor Dawson, raising the "Question," to use the words of section 33, respecting the qualification of a senator or a vacancy.

Now, about the question of the relevance of this motion to the qualification of the other seven, I again turn to section 26 as their sole constitutional right to sit, because it is under it that those eight senators were appointed.

I remind honourable senators that it states:

> If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Four or Eight members be added to the Senate, the Governor General may by Summons to Four or Eight qualified Persons (as the Case may be) . . .

● (1120)

It is very clear that that power can only be exercised to appoint four or eight senators. In this case, we know that the Prime Minister recommended, as his option, eight. If one of the eight is not qualified, then the result is the appointment of seven additional senators. The Constitution does not provide for the appointment of seven additional senators. The result would be that all of the eight would be disqualified, not because their property qualifications were under question, but because they can only be appointed in fours or eights. Once the number of senators falls below 104, of course, any one of them could be appointed. However, since they claim their constitutional right to sit in this chamber on the exercising of a power claimed under section 26, they must come in the number of eight or four, not seven or six or five or three or two or one.

For that reason, the qualification of all eight senators is raised by section 33, which states: "If any Question arises respecting the Qualification of a Senator . . ." and so on. Therefore, honourable senators, in support of the motion, it is clear that a question has arisen under section 33. It is clear from the provisions of the Constitution and the research to which I have referred that the matter is for the Committee on Privileges.

It is understandable that it would be referred to the Committee on Privileges because in a very direct way the privileges of every senator are affected with regard to the exercising of the right to vote by those eight senators. The wording of the motion makes direct reference to that committee, which is appointed every year as a Committee of the Whole to consider the orders and customs of the Senate and the privileges of Parliament.

Honourable senators, I submit that the case for the adoption of this motion is clearly made out. Not only has a question arisen, but there is substantial evidence of an absence of qualifications in one senator, a senator appointed under section 26 of the Constitution. If the question is as sound as I believe it is, the seven other senators who were so appointed would be disqualified. That, of course, would have a great effect on the privileges of all senators because of the effect of the result of votes on measures and matters before the Senate.

That leaves only one important question, as an epilogue, which is: Can these eight senators vote in the meantime? Can they vote, for example, on the motion itself? Is there not a clear conflict of interest in their doing so? Voting even on the question of whether their qualifications should be examined by the appropriate committee would seem to me to involve a conflict of interest. It would be exactly analogous to the conflict of interest of a party to a lawsuit stepping into the jurors' box and voting in the jury room on his side of the case, whether it be civil or criminal.

These eight senators are in no way accused of any criminal action here, but the principle of conflict of interest, as well as that of fair play and natural justice, is equally engaged. Would they consider themselves as having the right under such circumstances to step into the jury box or up onto the judge's bench and, in effect, to vote on whether or not they are guilty? It seems to me that their voting on this motion, or in the committee would clearly be irresponsible and against any conceivable principle of decency or natural justice.

The question then arises, as it did yesterday, of whether they should vote on any matter in between times. I think the question is applicable, as are the principles. Certainly, while the motion is still before the Senate, and the matter is before the committee, they should not vote. They might try to draw a distinction between their right to vote on the motion dealing with their qualifications, or in Committee of the Whole, and their voting on legislation in the meantime. But, is there a distinction? If they do, I suggest it is not a distinction clear enough to establish the right to vote at all until this question is determined.

That is why, honourable senators, the second part of the motion requires that the Senate deal with the matter quickly or, to quote Mr. Dawson, "with all convenient speed." I believe that the matter should be settled so that these eight senators—and, of equal importance, all other senators—will know whether they are qualified to vote on legislation. In the meantime, I think it is clear that they should not vote on this motion or in committee, or on the committee's report, until this matter is settled.

On motion of Senator Doody, debate adjourned.

The Senate adjourned until Monday, October 29, 1990, at 2 p.m.

THE SENATE

Monday, October 29, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

INTERNATIONAL ASSEMBLY OF FRANCOPHONE PARLIAMENTARIANS

EIGHTH REPORT OF CANADIAN SECTION TABLED

Hon. Paul David: Honourable senators, I have the honour to present, with leave, the eighth report on the activities of the Canadian Section at the International Assembly of Francophone Parliamentarians which was held in Paris, France, on July 2 and 3, 1990.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

[*English*]

HIBERNIA DEVELOPMENT PROJECT ACT

BILL TO AMEND—TENTH REPORT OF ENERGY AND NATURAL RESOURCES COMMITTEE PRESENTED

Hon. Dan Hays, Chairman of the Standing Senate Committee on Energy and Natural Resources, presented the following report:

Monday, October 29, 1990

The Standing Senate Committee on Energy and Natural Resources has the honour to present its

TENTH REPORT

Your Committee, to which was referred the Bill C-44, An Act respecting the Hibernia Development Project and to amend certain Acts in relation thereto, has, in obedience to the Order of Reference of Friday, October 26, 1990, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

DANIEL HAYS
Chairman

Senator Hays: Honourable senators, I should like to request leave of the Senate to say a few words, which I can do now or later this day.

The Hon. the Speaker: When shall this bill be read the third time?

On motion of Senator Hays, bill placed on the Orders of the Day for consideration later this day.

QUESTION PERIOD

PERSIAN GULF

PRESENCE OF CANADIANS IN KUWAIT AND IRAQ—PROTECTION AND REPATRIATION—GOVERNMENT POLICY

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable Senators, I should like to ask the Leader of the Government in the Senate whether he can give us any information on the number of Canadians who are presently in Kuwait and Iraq, and whether any representations have been made by the government through the now closed post in Kuwait, or through Baghdad, to have them leave these countries. The Minister is aware that at present exit from these countries is denied to citizens of certain countries, including Canada. What is the situation with respect to Canadians?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I can only read the notes that I have been given on this matter, which are to the effect that Iraqi authorities continue to refuse to allow diplomats who are based in Kuwait to leave Iraq. This refusal affects both those who travelled to Baghdad before August 24 and those who made the trip on October 19.

The Iraqi Ministry of Foreign Affairs has also refused to recognize these individuals as members of the diplomatic staff of our embassy in Baghdad. These Canadian diplomats are being treated like other Canadian citizens in Iraq. They are free to move about Baghdad at will, but do not at present have permission to leave.

We continue to insist with Iraqi officials both here and in Baghdad that the welfare of all Canadians in Iraq and Kuwait be respected and all those wishing to leave be permitted to do so.

Senator MacEachen: Honourable senators, the minister will be aware that other countries have taken with some success special steps to have their nationals released from Kuwait. I conclude from what the minister has said that representations have been made to the authorities of Iraq, who have refused to pay attention to what Canada has said.

Is it now contemplated by the government to send any special representatives to Iraq, with a view to obtaining the release of those Canadians? I know that the answer dealt with

diplomats as well as Canadian citizens, but I understand there are quite a number of Canadians who are 70 years or older.

Senator Murray: Yes, honourable senators, there are. However, I have seen, as I am sure has the honourable senator, statements attributed to the Prime Minister to the effect that we had not been invited to send—and, in any case, would not be sending—a special diplomatic representative to Iraq for the purpose indicated. That statement was made after the former British Prime Minister, Mr. Heath, went to Iraq and was instrumental in releasing some old and/or ill British citizens detained in that country.

I shall obtain the official position from the Prime Minister's Office and the Department of External Affairs on this matter and will advise the honourable senator.

Senator MacEachen: In obtaining the information, would the minister find out why Canada has taken the view that it will not make any special effort or send a special representative to see whether something can be done, particularly in light of the fact that the Minister of State for External Affairs has recently been talking about the prospect of armed conflict. That brings to mind what Canada would be able to do to protect Canadian citizens if hostilities broke out. Would it not be prudent at this stage to make every effort to get them out before Mr. Clark sends his forces to the Persian Gulf?

Senator Murray: Honourable senators, my friend has raised two questions. As far as Mr. Clark's statements are concerned, he was only being realistic in pointing out that, while we continue to prefer and pursue all diplomatic means to effect the withdrawal of the aggressor, if those means fail there may be armed conflict in that area, an armed conflict in which our allies and our own military forces might well be implicated.

I shall obtain an official statement from the Minister of State for External Affairs on the reason why we do not at this point believe it will be fruitful to send special representatives to the Government of Iraq to attempt to effect the release of those Canadians who are still in the country but unable to leave it. I believe my honourable friend will find that the position we are taking is consistent with the position taken by most, if not all, of our allies.

NATIONAL FINANCE

MONETARY POLICY—EFFECT ON ECONOMY—RELATION TO INFLATION—GOVERNMENT POSITION

Hon. H.A. Olson: Honourable senators, I should like to get an answer to the question I asked a few days ago about the government's monetary policy and its relationship to inflation. The bank rate did not change at all last Thursday; it remained thecent for same at 12.66 per cent. The week before it was slightly lower, but it moved up somewhere between six and eight points. In any event, according to the same statistical information the rate of inflation is now 4.2 per cent. I should like to ask the Minister, does the 4.2 per cent rate of inflation influence monetary policy and the level of interest rates which today are at 13.75 per cent prime and between 14 and 14.5 per cent for most people who borrow? What I am asking is very simple. Does the rate of inflation of 4.2 per cent mean interest rates of 14 to 15 per cent or a rate that is well over 10 per cent real interest for Canadians?

[Senator MacEachen.]

● (1410)

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable Senators, my honourable friend has been around long enough to know that there is no arithmetic calculation of ratio fixed by the Bank of Canada or by the government as between the rate of inflation and the bank rate at any given time. The bank rate is at its current level in response to the current and expected rate of inflation. As I told my honourable friend the other day, the bank rate over a period of 13 or 14 weeks or more has been following a downward trend, as has inflation over the same period. While there will be blips in the inflation rate as a result of various factors, whether they be oil prices, the introduction of the GST or whatever, the overall rate is following a downward trend, and we expected that as it goes down the bank rate will go down with it.

Senator Olson: Honourable Senators, I heard those comments last week, and I understood what the Minister said. However, what he does not say is that the bank rate has stopped going down. It stopped at 12.58 I believe, then it moved back up to 12.66, and last week it remained exactly the same at 12.66. I should like to remind my honourable friend that the Minister of Finance and, indeed, the Governor of the Bank of Canada have said, in almost every one of their public statements, announcements or declarations on policy, that the interest rate, as a consequence of their monetary policy, is based on the rate of inflation and that the rate will remain up there—they have called it "high"—as long as inflation remains high. If honourable senators can recall the trend, there was a brief decline in the rate of inflation for a few weeks. I believe the minister referred to thirteen weeks. That may be right. However, the inflation rate stopped going down and remained at 4.2 percent. That is exactly the same point at which the Minister of Finance and the Bank of Canada stopped lowering the bank rate. Many people are intensely, if not desperately, interested in understanding the policy of this government, because to them it is real money that they must pay out on their debt service charges. Now that inflation has flattened out at 4.2 percent, does that mean that people will pay 14 percent interest for the money they borrow? That is the question. I do not see why the honourable senator cannot answer the question. People want to know because they have to make choices—not very many, by the way, when you are heading into bankruptcy. You have a choice. If it is the government's policy that interest rates are to stay at around 14 per cent or so when inflation is running slightly over 4 per cent, then people have a right to know that so they can make business decisions based on that factor. Is it the government's intention to continue to give whimsical answers to the effect that one is not related to the other, while the Minister of Finance tells us that they are? What we want to know now is

whether 4 per cent or 4.2 per cent means 14 per cent interest rates to most people.

Senator Murray: The honourable senator gave some precise ratio between the bank rate and the rate of inflation and he knows as well as I do that it is a far more complex matter than that.

I will send him a copy—if he has not got it already—of a speech made on October 24 by the Governor of the Bank of Canada, in Moncton, New Brunswick—and a very good speech it was. Without quoting from it extensively, I would quote two short paragraphs that illustrate something of the complexity of this matter. The Governor of the Bank of Canada said:

> As the demand pressures on inflation became less intense scope emerged for easier monetary conditions. Short term interest rates have declined in recent months by about one and one-half percentage points. Given the change in economic conditions, this change in interest rates is of course consistent with a monetary policy framework oriented in the direction of price stability. The lower inflation generated by an easing of inflation pressures is, after all, a basic condition for lower interest rates.
>
> Many would like to have seen much larger reductions in interest rates than have occurred. However, the present turbulent situation, with so many cross currents and uncertainties, calls for particular caution in monetary policy actions.

He then goes on to talk about some of the factors at work, including the persistence for so long of inflationary pressures in Canada, developments in the Middle East, oil prices, longer term interest rates in Canada and abroad, and so on and so forth. This is a speech to which I would invite the attention of Senator Olson, because he is so clearly unconvinced by my explanations, however cogent and valid they may be.

Senator Olson: That may be, but those people who are facing bankruptcies want to know what is the policy of the government. Surely the minister does not have to play these funny little games by outlining all these complicated matters which most people do not understand and do not care whether they understand. What they want to know is what interest rate they are going to be stuck with as a result of government policy. They can read. The Minister of Finance and the Governor of the Bank of Canada have both gone around the country making speeches. The Governor of the Bank of Canada has made speeches in Moncton, Winnipeg, Toronto and other places and in every instance he has advanced the rate of inflation as reason for the monetary policy with the consequent high interest rates.

We all know that inflation backed off and came down to 4.2 per cent.

POINT OF ORDER

Hon. William M. Kelly: Honourable senators, may I rise on a point of order?

I do not like to single out Senator Olson, because we are good friends, but once again I have to point out that this is Question Period. Senator Olson seems to follow a pattern of making very extended speeches, asking his questions and then wanting to debate the answers; and that is not what this is all about. This is Question Period. The answer may not satisfy the honourable senator but, surely to goodness, asking questions and getting answers is what Question Period is all about. If he wants to introduce a debate on a particular issue, then he can do so at the proper time.

Some Hon. Senators: Hear, hear!

• (1420)

RELATIONSHIP BETWEEN INFLATION AND INTEREST RATES

Hon. H.A. Olson: For the benefit of Senator Kelly, I do not think he has a valid point of order. He is a good friend of mine, but I have to say that, if he were to be objective, he would realize that I have not yet received an answer and that it is necessary for members of the Opposition sometimes to come at a question from ten different angles when the government is reluctant to answer. So far, I have not received an answer. I put the question very simply: What is the relationship between the level of inflation and the monetary policy, and then consequently the interest rates that people have to pay?

The argument the government has made over and over again is that inflation is causing high interest rates. Inflation has backed off to 4. 2 per cent; it flattened out at 4.2 per cent; The bank rates backed off to 12.58 or 12.66 per cent, and there it stopped. Is there a relationship between one and the other? The minister got up and gave me an answer—

An Hon. Senator: Time!

Senator Olson: I am doing this for Senator Kelly's benefit. The minister gave me a lot of fluff, saying there are a whole lot of other factors involved.

An Hon. Senator: Put the question!

Senator Olson: I want to know if it is government policy that 4.2 per cent inflation means 14 per cent interest rates, or something over ten per cent real interest. Is that the policy that this government is going to be following?

Senator Kelly should know that today there are thousands of Canadians who are on the brink of not being able to manage these debt service charges and who may have to do as 35,000 people did last month and declare bankruptcy. Some of the problems they are facing have come straight from government policy. They have not done anything to contribute to inflation, but they were caught in the government's monetary policy, which is crippling them financially.

Instead of giving me all this fluff, the minister should tell us what the government's policy is with respect to the relationship between inflation and monetary policy, and thus high interest rates.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the short answer to the question is that the govern-

ment supports the monetary authorities in their efforts to bring inflation under control. Not only do we support them, but our own fiscal policy is designed to that end. I hope the honourable senator appreciates that. The alternative that the honourable senator would produce is a premature easing on the monetary side which would again lead to the kind of 21 per cent interest rates that we had in the early 1980s, with the accompanying high inflation and high unemployment. Either that, or he is reverting to form as a Social Crediter and wants us simply to print money and throw it around the way Major Douglas suggested.

Senator Olson: Honourable senators, despite the funny little remarks the minister likes to make about me and my Social Credit leanings—

An Hon. Senator: "Funny money"!

Senator Olson: —some day I will make a speech in this chamber on Social Credit—

Some Hon. Senators: Hear, hear!

Senator Simard: Why not this week?

Senator Olson: —that will teach a lot of you a number of things about monetary policy that you probably ought to learn, because we had some great experience in Alberta years ago about what could be done within the jurisdiction of the province. In case you have never heard—or, if you did, you have forgotten-after the Social Credit government came into office in 1935, for the next 36 years it did not borrow one cent.

Senator Simard: Why did you leave it?

Senator Olson: Anyway, I still want an answer to the question I asked. All of this appears in *Hansard* and is sent out to people, and I can tell you that you are not enhancing your position very much by this funny little habit you have of trying to depreciate and throw fun at the problem I am raising, which is of desperate concern to probably 40,000 or 50,000 more people who are on the brink of bankruptcy for November. You may think this is a comical show, but you had better get down in the street with the real people and find out what is happening, because I know of hundreds, indeed thousands, of people who are facing that situation right now, and they do not like it when I am answered with points of order from Senator Kelly and with these fluffy little answers from the minister that do not mean anything.

POINT OF ORDER

Hon. William M. Kelly: I should like to raise one more point of order, and I promise it will be my last one this afternoon.

I am totally in sympathy with the points the Honourable Senator Olson is raising. I think they should be explored even more than they have been this afternoon, if that is possible. However, I believe we should put these points on the record under Notices of Inquiries. We could then debate this whole question of monetary policy. That is the place in the proceedings for such a debate. My concern is that we are getting mixed up as to what point we are at in the proceedings. This is Question Period.

It is also my belief that if I raise a question and I do not like the answer, that is it, that is the answer, and that is the way it has to be, otherwise we enter into a debate.

I hope I have not prompted the Honourable Senator Olson once again to embark on a long speech.

Hon. H.A. Olson: The Honourable Senator Kelly can pursue whatever action he thinks is appropriate to achieve the results he is looking for. I have tried to raise this matter under Notices of Inquiries and in other ways, but I received no answers from the government. At least if I raise the subject during Question Period the leader gets up and says something. Often he does not answer the question, or talks about something completely different from what the question is asking. He may do that, if he wishes, but the people who read that nonsense in *Hansard* do not like it, and that is all it is.

The people of this country want straight answers. That is what I have been trying to get, but the government keeps fluffing the answers with all kinds of other excuses.

People have been following this situation. They are suffering from desperate service charges. Those charges are killing them financially. If the leader chooses not to answer, that is fine, but I have made a commitment to those people to find out what is the government's policy, and I will keep doing that.

If the Honourable Senator Kelly does not agree with my tactics, that is his problem. I will continue doing this on behalf of the people I represent, anyway.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I will give the honourable senator a straight answer. The straight answer is that it is hypocritical and irresponsible of him to suggest a turning on of the monetary taps, because that will only result in driving interest rates, inflation rates and unemployment rates right through the roof, which is what my friends opposite did so notoriously and so successfully in 1981-82.

Senator Olson: The leader has just said something that is absolutely false. I have never suggested that. If he can find one indication in *Hansard* of today's date, or of any other date, in which I advocated what the leader has just said I advocated, I will eat the book. I have never said that.

What I have asked for is this government's policy.

Senator Murray: I have told you what that is.

Senator Olson: No, the leader has not. He told us that there is a relationship between inflation and the level of interest rates, and then he threw in a lot of other gobbledegook regarding what factors are at play. He left things at that. If that is the way he wants to leave it then that is fine, but do not say that there was no opportunity to give straight simple answers most people can understand.

The Minister of Finance and the Governor of the Bank of Canada have consistently said that that is the relationship. Arithmetically, it is very simple: you came down to a 4.2 per

cent inflation rate and stopped lowering the bank rate. Does 4.2 per cent inflation mean 14 to 15 per cent debt service charges to the people of Canada? That is the question. Answer it!

• (1430)

Senator Murray: Honourable senators, it has taken me several years to confess it, but I must do it now. I do regret having tormented the honourable senator so much when I was in opposition and he was a minister.

Senator Olson: I want the honourable Minister to know that he did not torment me at all. I loved it. That is one of the reasons I am asking these questions, because Senator Murray has demonstrated a long, deep and abiding interest in monetary policy and its consequences; therefore, I am sure he is informed all the time. As a matter of fact, I believe he knows the answer to the request I made, but I do not believe he is levelling with us. There are lots of people across this country who want to know if that arithmetic relationship that I pointed out—and I do not want to repeat it because I might annoy Senator Kelly—is what they can expect. Frankly, I believe the people of Canada have a right to know, so why don't you tell us?

PERSIAN GULF

CANADIAN RESIDENTS VOLUNTEER FOR IRAQ ARMY—GOVERNMENT POSITION

Hon. Gildas L. Molgat: Honourable senators, my question is further to the situation in Iraq. I am referring to a press story in the *Toronto Sun* of some time ago, August 17. The heading is "Metro recruits for Iraq army", "1,500 in Canada volunteer: Embassy". The article says:

> OTTAWA—External affairs says it won't try to stop hundreds of Canadian residents volunteering for the Iraq army—even though it may be illegal.
>
> The Iraq Embassy in Ottawa said 1,500 people have offered to enlist. In Metro, an Iraqi community spokesman said hundreds of his countrymen are prepared to defend their homeland.

Further in the story it says:

> A spokesman at the Iraq Embassy in Ottawa—who called himself "minister counsellor Hussein"—said 1,500 people have volunteered, mostly Iraqi, Irani and Pakistani landed immigrants.

My question to the Minister is: Is this indeed going on, and what is the situation of an individual who is a landed immigrant in Canada who decides he wants to volunteer for the army in Iraq when we, in turn, have Canadian forces in that region which may be involved in a war with these people at any moment? Is the government going to do anything about that situation?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I do not have any information on that matter, but I shall obtain whatever is available and advise the honourable senator in due course.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I have three delayed answers to questions.

TRANSPORT

NORTHUMBERLAND STRAIT—REQUEST FOR TABLING OF ENVIRONMENTAL IMPACT STUDIES OF PROPOSED FIXED CROSSING

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, the first delayed answer I have is in response to a question raised in the Senate on October 24, 1990, by Senator Bonnell and Senator Stewart, regarding Transport—Northumberland Strait—Request for Tabling of Environmental Impact Studies of Proposed Fixed Crossing.

(*The answer follows:*)

> The Environmental Assessment Review Panel (E.A.R.P.) report on the fixed link was presented to the Honourable Elmer MacKay, Minister of Public Works and the Honourable Robert de Cotret, Minister of Environment, August 15, 1990.
>
> Officials of Public Works Canada, Environment Canada, and Fisheries & Oceans are still reviewing the report and exploring all options available.
>
> As soon as a decision has been reached by the Minister of Public Works, this information will be made public. For the time being, I wish to now table that report and its' attached news release with this response.

PERSIAN GULF

POLITICAL AND MILITARY SITUATION—IMPACT ON CANADIAN ECONOMY—REQUEST FOR GOVERNMENT STATEMENT

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, the second delayed answer I have is in response to a question raised in the Senate on October 19, 1990, by the Honourable John B. Stewart, regarding the Persian Gulf—Political and Military Situation—Impact on Canadian Economy—Request for Government Statement.

(*The answer follows:*)

> All Canadians know that the unprovoked Iraqi invasion of Kuwait on August 2nd was a clear violation of international law and of the United Nations Charter, and a brutal attack on a smaller, virtually defenceless neighbour.
>
> On August 24th, three Canadian ships—the destroyers ATHABASKAN and TERRA NOVA, and the supply ship PROTECTEUR—with their combined crews of more than 900 Canadian men and women, were dispatched to the Persian Gulf to assist in deterring further

Iraqi aggression, and to contribute to international efforts to ensure strict implementation of the United Nations economic sanctions against Iraq. All ships received modifications and improvements in order to make them effective platforms for operations in the Persian Gulf.

On September 14th, the Government announced a further contribution to the international enforcement effort by deploying a squadron of CF-18 aircraft from our base at Baden-Soellingen in the Federal Republic of Germany. Now based in Qatar at "Canada Dry One" and "Canada Dry Two", more than 500 Canadian Forces personnel support our CF-18 operations. These versatile aircraft from 409 Squadron are contributing in a significant way to the air defence of friendly naval forces operating in the region, of which our three ships form a part.

Canada's response is fully consistent with the provisions of Article 51 of the United Nations Charter. More than twenty-five countries have similarly committed military personnel and equipment as a part of the multi-national effort.

Canada is maintaining independent national command and control of our ships and aircraft as they patrol their assigned area of responsibility in the Persian Gulf. To ensure maximum coordination of the efforts of the Canadian vessels and aircraft in the region, Canada is also establishing a centralized joint-headquarters which will be located in Bahrain. As a member of a multi-national effort, Canada is conducting its operations in close communication and cooperation with its allies in the region.

The Chief of Defence Staff, in consultation with the Minister of National Defence, has authorized the Commander of the Task Group to take such action as may be necessary to accomplish his assigned mission. Specific national Rules of Engagement and Levels of Force have been approved to guide the actions of the commanders deployed to the Gulf Area. These are detailed rules and instructions regarding the degree of autonomy that the Task Group Commander, commanding officers and aircraft commanders have in responding to a developing situation. To date, Canadian Forces have intercepted more than 400 ships in the area of operations in the Persian Gulf. These have been completely non-violent operations conducted in the spirit of cooperation.

As the search for a resolution of this crisis intensifies, Canadian ships and aircraft will continue to make a meaningful contribution to the multi-national enforcement of United Nations sanctions against Iraq. In so doing, they will at all times remain under Canadian command and control. The men and women of the Canadian Forces have and will continue to demonstrate operational flexibility, dedication, and determination to achieve the aims established by the Canadian Government.

IMPACT ON CANADIAN ECONOMY

[Senator Doody.]

It is difficult to measure the potential impact on the Canadian economy of the current crisis in the Gulf. Uncertainty surrounding the outcome has led to extreme volatility in oil prices and no one can be sure as to the duration of the crisis. However, in the absence of an escalation of tensions, we can make some conclusions about the impact on Canada.

Higher oil prices resulting from the Gulf crisis are not expected to have a substantial effect on the Canadian economy. Output will not be greatly affected although some upward pressure is expected on prices. This view has been substantiated by a number of private sector forecasters and international organizations such as the IMF.

The small impact relative to previous oil shocks is largely due to a substantial reduction in the importance of oil relative to total energy consumption since the early 1970s. On average, oil consumption per unit of output has declined by nearly 40 per cent in OECD countries since 1973.

Further, Canada is a small net exporter of oil. Consequently, higher oil prices represent an improvement to our terms of trade and a net income gain to Canada.

Over the longer term, we would also expect higher levels of energy investment. However, additional investment will only be undertaken if higher oil prices are perceived to be permanent. At present, the industry does not consider current price levels to be sustainable beyond the short term and they have therefore been conservative with respect to future investment plans.

However, higher oil prices have resulted in increased revenues. It is unclear, though, how much of the increase will find its way into future investment.

Increases in net exports and the possibility of higher investment will help to offset some of the negative impact from other sectors; most notably, as the economies of our major trading partners slow, Canadian non-oil exports will be negatively affected.

The U.S. economy will likely be slightly more detrimentally affected by the price shock than Canada given its position as a net oil importer. This will provide a risk to our export performance.

So far, there has been no visible impact on the prices of other fuels. Increases in gasoline prices have only begun showing at the pump in the last month or so.

Domestic natural gas prices are established under contracts that are not indexed to the price of oil. These contracts are only renegotiated every one to three years. Little response is therefore expected in the near term.

The price of electricity is regulated by provincial regulatory boards. Overall, only about 2 per cent of electricity generation in Canada is oil-fired. Most of Canadian electricity is generated through nuclear, coal, and hydro-electric generation. Higher oil prices should not, therefore, have a significant impact on electricity prices.

ENERGY

PRICE OF GASOLINE IN LONDON, ONTARIO, AND ENVIRONS

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, the third delayed answer I have is in response to a question raised in the Senate on October 24, 1990, by the Honourable Charles Turner, regarding Energy—Price of Gasoline in London, Ontario, and Environs.

(*The answer follows:*)

In the short term local market forces, i.e. competition and the supply and demand for gasoline, are the most important factor in determine gasoline prices. London and Woodstock are markets where gasoline prices are volatile, partially due to the prominence of independent gasoline marketers, who purchase gasoline from Canadian and American refiners. Independent gasoline marketers import gasoline from wholesalers in Buffalo and Port Huron when the price to import the gasoline is lower than the price they would pay to Canadian refiners.

Independents can often "shop around" for the best prices, and thus are able to offer gasoline to the consumer at prices a bit below their competitors. The competitors will have to lower their prices in order to preserve their share of the market.

Gasoline prices in London have been fluctuating during the past 2 months. During September, regular unleaded gasoline prices ranged between 54.1 cents/litre and 59.7 cents/litre. In October prices have increased and ranged between 59.5 cents/litre and 62.1 cents/litre.

When the prices are lower the consumer is benefitting at the expense of the refiner and retailer. While the current market forces have resulted in lower gasoline prices in Woodstock than in London, there is little guarantee this situation will persist.

HIBERNIA DEVELOPMENT PROJECT ACT

BILL TO AMEND—THIRD READING—DEBATE SUSPENDED

On the Order:

Third Reading of Bill C-44, an Act respecting the Hibernia Development Project and to amend certain Acts in relation thereto.—(*Honourable Senator Ottenheimer*).

Hon. Dan Hays: Honourable senators—

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Our colleague, Senator Ottenheimer, should move third reading, should he not?

Senator Hays: I gather, from prompting on this side, that we could either speak to the bill at third reading, or I could speak now to the report.

Hon. C. William Doody (Deputy Leader of the Government): I think it is simply a matter of Senator Ottenheimer's moving third reading, at which time everyone can speak.

Hon. Gerald R. Ottenheimer: If honourable senators agree, then I move third reading of this bill.

Senator Hays: Honourable senators, speaking to third reading rather than to the report of the committee, I am pleased to rise to make a few comments on this legislation.

There are many factors which commend Bill C-44 and Hibernia to us and many factors which raise serious questions about whether or not it should proceed as negotiated or at all, in the light of the extraordinary assistance that will be required by the Government of Canada. On balance, the committee takes the view, as I do, that this project should proceed.

I accept that view principally because Hibernia will provide levels of economic activity in Newfoundland that would not otherwise occur. It will probably act as a catalyst to further activity that has the potential to serve Canada's needs and, in particular, to stimulate economic activity in Atlantic Canada, particularly in Newfoundland.

Having drawn that conclusion, we should not fail, however, to have a full and frank discussion about the project, its origins, its long suits and its shortcomings. I will make some comments generally and I understand that at least one senator, Senator Kenny, will be speaking more particularly, his plan being to talk about the environmental issues raised by Hibernia. I will not dwell at any length on those.

I should first say that this legislation and what it represents ended the strictly deregulated market-based policy of the sitting government, in that this government decided during the period prior to the 1988 election to make a market intervention. The decision involved a commitment of $2 billion to Hibernia, a heavy oil upgrader at Lloydminster, an oilsands project near Fort McMurray called OSLO and the construction of a gas pipeline to Vancouver Island.

As we all know, since the last budget of Mr. Wilson the commitment to OSLO has been withdrawn. It may be revived, I do not know. In any event, I think it is worth making the point that the non-interventionist policy changed at that stage.

Specifically with respect to Hibernia, as we well know, there will be a direct investment of $1.04 billion toward infrastructure costs. In addition, $1.66 million in loan guarantees will be made available. The reality is that that direct payment and those loan guarantees will enhance the value of an asset owned by a number of large companies; Mobil Oil Canada, the lead company, to the extent of 28.125 per cent; Petro-Canada, 25 per cent; Gulf Canada Resources Limited, 25 per cent; and Chevron Canada Resources, 21.875 per cent. When this bill is passed, those companies will be the owners of an asset worth considerably more than it was before its passage. The question really is: is it a good intervention?

I would like to make a few general comments about Hibernia to put it in perspective. As we all know, it is located 315 kilometres east of St. John's in about 80 metres of water. It is estimated by Mobil Oil to contain at least 525 million barrels of recoverable oil, and, by the Canadian Oil and Gas Lands

Administration, a government agency, to contain between 625-650 million barrels.

It represents the culmination of activity that had its origins in an exploration permit granted to Mobil Oil in 1965 for exploration off the east coast. Between 1972 and 1976 six exploration wells were drilled by the original Hibernia sponsors. In 1978 special renewal permits were issued to Mobil, Gulf and Petro-Canada. The following year, Chevron and Columbia Gas joined the Hibernia group. The Hibernia discovery well was drilled in 1979, and nine delineation and appraisal wells were drilled in 1980 to 1984 at an expenditure of $465 million.

The Atlantic Accord was signed in February, 1985 and Mobil Oil as the operator, submitted socio-economic and environmental impact statements in May, 1985 and a development plan that September. The Canada-Newfoundland Offshore Petroleum Board gave conditional approval to the development plan in June, 1986. Since then the project sponsors have submitted three fiscal proposals, and the terms of a final offer were agreed upon in July, 1988, following which the sponsors—Chevron, Columbia, Gulf, Mobil and Petro-Canada, and the governments of Canada and Newfoundland and Labrador—signed the Statement of Principles on July 18, 1988.

The development of the field is expected to result in the production of 110,000 barrels a day; peak production would be 150,000.

Natural gas, of which there may be more than one trillion cubic feet producible from Hibernia, will be reinjected for reservoir repressuring. At the end of Hibernia's producing life, some of the natural gas may be produced in a reservoir blowdown, if prices warrant its extraction. Hibernia's economics have been calculated without any credit for the potential gas production.

Operating costs over the life of the project are estimated to total $10 billion. Thus the total Hibernia project cost is set at approximately $19 billion in as-spent dollars, when one adds the estimated $5.2 billion to be spent over the six years to bring it into production and the additional $3.3 million which will be spent in capital costs over the operating lifetime of the field.

The field will be produced through use of a gravity base structure. This structure is unique. I am not aware of any similar structures from evidence brought before the committee or from the briefings we have had.

The principal construction site for the Hibernia platform will be at Great Mosquito Cove in Bull Arm, Trinity Bay, about 150 kilometres west of St. John's. This location will see the construction of the GBS, or gravity based structure, fabrication of one of the supermodules, assembly of the platform topsides and, in effect, the bringing together of all of these components. This will provide an industrial infrastructure to support further development of offshore petroleum resources and should contribute to the economic viability of projects following on from Hibernia.

[Senator Hays.]

One point that should be made is that the gravity base structure will probably be unique. Accordingly, the technology for that structure will not have direct applicability to the other technical needs to produce oil from Terra Nova, White Rose, Ben Nevis or some of the other fields in that area, but will indirectly contribute to the technological capability to bring those fields into production.

The project has gone through redesigns, mostly from the vantage point of greater industrial benefits for Newfoundland as well as other parts of Canada. In particular, we are all aware of the desire that certain shipyards in Quebec benefit from the activity that will result from the high expenditure of direct tax dollars as well as the direct expenditure on the loan guarantees. Before concluding my speech I will talk about the specifics of what we might expect in terms of dollars spent.

● (1440)

The consortium has undertaken to use its best efforts to cause the fabrication and assembly and outfitting services of the modules, including the supermodule, within Canada. I will have a specific figure later—I do not have it here right now—which shows that around half of the capital expenditures are expected to be spent in Canada.

A number of controversial issues relate to the location where the oil produced from this field will be refined. I should like to turn to that issue now. It is one of the incomplete things in this intervention. We have been through a period where the Minister of Energy, Mr. Epp, as well as the President of Petro-Canada, when appearing before the energy committee, indicated that virtually all of the production from Hibernia would be exported. The briefings also confirm that the export will take place either to western Europe or to the United States.

Through some good investigative work, we have had reports in the media that the reason given for all that oil being exported—namely, that it has a high paraffin content—would not prevent it from being refined in Canada and that those refineries that are importing oil to meet our needs in atlantic Canada and Quebec could and would refine the oil. Since that statement, and since more and more questions have been asked, there has been a modification. Mr. Hopper, in his last appearance before the committee, estimated that roughly one-third of the oil would now be refined in Canada. Mr. Epp did not disagree with that. That is the best I can say about the testimony we heard from him.

Specifically, I should like to put on the record, in a way that I did not when I spoke to this on second reading, how the position of the government changed with respect to the security and supply issue.

The Hibernia background papers of 1988 states:

> Canada's increased requirements for foreign crude supplies could be significantly reduced by new supplies of light/medium crude oil from Hibernia, and from the further development of the potential of the Newfoundland offshore.

That is found on page 14 of the report. The fact sheet on the role of Hibernia in enhancing Canada's oil supplies contained

in the September 14, 1990, Energy, Mines and Resources information kit drops any mention of Hibernia oil used in Canada. It refers to the Hibernia project establishing a "new energy frontier for Canada and diversifying Canada's oil supply." The issue of Canadian oil security is not addressed.

Although this is not available in final form, I should like to quote from the evidence the committee heard, in particular from Mr. Hopper, on this issue. I am not sure whether I should refer specifically to the blues by page number, but I will. The quote that I am about to read is from A-37 of the unrevised transcript of evidence given by Mr. Hopper before the committee on Tuesday, October 23, 1990.

I will quote from a statement Mr. Hopper made in response to a question that I asked. It is found at page A-37:

> You say that Chevron and Mobil look upon security of supply in a North American context. I don't know how Mobil and Chevron look at it. It would be a surprise to me if they looked at it that way. I think their view is security of supply is something the governments look after and they look upon their own security of supply. They might express concern from time to time about U.S. security of supply but fundamentally they are driven by the market and the bottom line and really feel that security of supply is something that the U.S. government ought to take care of rather than themselves. And that's not saying anything harsh about them. The world has always been that way.
>
> I am not sure that Petro-Canada long term will feel much differently about that except that we are a company that is largely in Canada.
>
> We are investing in Canada and we have large resources in Canada and in the long run it is going to be good for this company to develop those resources in Canada which will in turn will be good for Canada's security of supply.

I then intervened and said:

> I agree that security of supply is a concern of the government of the nation. Along those lines, and I don't know, maybe you can't share this with us, maybe you can, was there ever any attempt in the negotiation on Hibernia to see that oil come into the Canadian market?
>
> **Mr. Hopper:** No I don't think so, not seriously. You must remember that Chevron and Mobil don't refine on the east coast at all.

He goes on to explain their refining capability in the U.S. Quite naturally, those U.S. companies would like, as Mr. Hopper said, to complete their loop and refine their oil in their own refineries.

● (1450)

I am spending all this time to confirm one thing. The companies will not look after Canadian security of supply. That is the responsibility of the Government of Canada. The evidence on the record so far—and Mr. Epp did not really comment in a way that I can quote reasonably on this issue—is that the Government of Canada did not pursue that. Accordingly, the point I am making is that that the government is an incomplete intervention.

I would like to put on the record a few more facts which are well illustrated in the report on Petro-Canada that the committee tabled in June. We are currently a net exporter of oil, both in terms of volume and dollars. I was surprised to see the figures with respect to that, although I have not had a chance to examine them. The reason I am a little surprised is because we export a large volume of heavy oil, which sells at a price of about $10 per barrel lower than does the light oil which we import. In any event, our volumes of exports are apparently sufficient to make up for that differential. The fact is that our light oil production is in decline, something which is well documented. I would refer honourable senators to the report which the committee tabled on Petro-Canada. Thus, we must be concerned about this matter.

I say that because approximately two-thirds of our requirement is supplied by our own production, while approximately one-third of it is supplied by imports. That is a potentially serious problem for us since our IEA commitments treat our obligations to the rest of the world—which would be principally the United States because of its proximity—as if we not only produce but actually supply all the oil that we consume. We have to be careful to keep that in mind to ensure that we do everything possible to reduce our exposure to a short supply situation. That would leave us with IEA commitments based on our total supply, the IEA overriding the FTA in this circumstance, as well as our commitment pursuant to the FTA, in particular Article 904(c) of the FTA which states that we could not change the 36-month history of exports without invoking proportionality. There are some exceptions to that which I will not go into. However, I will answer questions on it later if honourable senators wish to pose them.

On the IEA and the FTA commitments, we have a vested interest in seeing that we supply our own needs to the greatest possible degree. It seems to me that we can do that by completing the intervention. I believe that in the end, either through this government or another, we will address that issue. The 110,000 barrels, which represents an estimated 12 per cent of our production in the year 2000, will be directed into the Canadian market. It will displace imports and address our balance of payments problem. That should be the way that we should go. Hopefully, we would then displace additional imports with production from other fields on the east cost and the offshore.

I would now like to refer to a letter I received which was critical of me for taking the position I have on the Canadian security of supply problem. I think it puts very well the other view, which is that it is not Canadian security supply about which we should worry, but North American security of supply. We all recall the degree to which this was an issue during the last election. There was a lot of rhetoric at that time to the effect that we were buying into a continental energy policy and that this had potential risks for Canada. I believe it does.

Furthermore, it was the view that we would be paying heavy subsidies out of Canadian tax dollars to bring production in Canada on line not to meet our needs but to meet U.S. needs.

One of the ways to say that is not happening would be to address the issue that I am making so much of right now. That is to say, do not spend a billion dollars plus and that large amount in guarantees and then export all the oil to the U.S. We should not do that because that puts truth in criticisms which were directed at the FTA. It seems to me that the government has a big interest in seeing that that does not happen.

The point I want to deal with is in terms of those who say, "Don't worry about Canada. It is a North American issue, a Canada-U.S. issue." The letter to which I referred states that "Despite past legislative attempts to formulate energy security in a Canadian context, the reality is, that Canada's energy security must be defined in a North American context. In light of this reality, Canada's energy security position was greatly strengthened by the Canada-U.S. free trade pact. By contributing to North American energy security we are contributing to Canadian energy security."

That is true. We are also contributing to world energy security. However, when all the potential problems we would have in a short supply situation are factored in and the difficulty in dealing with those because of our IEA and our FTA commitments are taken into account, it seems to me that that is not a good answer.

I would like to try to bring that point home. We talk a lot about global competitiveness. All too often we talk about it as if it is a solution and a good answer without really understanding that what is happening in the world presents great risks to Canada.

I would like to quote at length from an article which appeared in the *New York Review of Books* written by Peter Peterson, a former U.S. Secretary of Commerce who is chairman of both the Council of Foreign Relations and the Institute for International Economics. This article deals with the issue very well, as does our report on Petro-Canada. The article states:

> One of the most depressing aspects of the recent Persian Gulf upheaval is that the United States has once again been caught virtually unprepared to deal with the threat to its supply of imported petroleum. This should not have come as a surprise. Indeed, as the 1980s unfolded, the increasing vulnerability of the U.S. energy supply to foreign manipulation would surely have been clear to Persian Gulf adventurers in the yearly reports of our national energy and economic accounts. That Americans ignored it until this August is yet another troubling indication of the national somnolence of the 1980s.
>
> It is true that when OPEC overplayed its hand in 1979 and sharply raised prices, the U.S. temporarily decreased its oil consumption and domestic oil production rose. But the decrease in consumption was over by 1983—ironically just as many Americans were convinced that they were entering a period of painless national prosperity.

• (1500)

> US oil consumption has since risen by 12 percent. And the good news about energy production was over by 1985. Between 1985 and 1989 US production declined by 12 percent, and it is expected to decline another 4 or 5 percent this year. From net crude oil imports of about four million barrels a day in the mid-1980s, our oil deficit has lately been increasing—to six million barrels a day in 1988, and, according to recent projections, it will exceed seven million barrels a day this year.
>
> A downward trend in world energy prices between 1980 and 1988—partly caused by energy conservation in other industrial countries—temporarily reversed the impact of our growing oil deficit (measured in barrels) on our trade balance (measured in dollars). Indeed, from 1980 to 1986 our annual net oil trade deficit fell by over $45 billion. But again the good news is over. Nearly all experts agree that our net oil trade deficit, after reaching a low of $29.9 billion in 1986, is bound to rise from now on. When the figures for 1989 become available, they will show that the oil deficit will exceed $40 billion.

I should like to quote further:

> How could a new energy crisis come about? It may, to be sure, resemble what happened in 1973 or 1979, when a sudden contraction in supply was followed by public rationing and political hysteria. But I doubt such a replay of events. If there is one lesson the Gulf states have learned over the last decade and a half, it is that very sharp increases in price unleash market forces that both limit demand and encourage competing supplies to be produced; and both these work against their own long-term interests. Equally important, they may have observed that while Americans often react decisively in the face of an obvious crisis, they appear likely to tolerate trends, such as chronic trade or budget deficits, that are insidious and gradual. The most astute OPEC strategy would be to let both oil production and prices rise steadily as long as the cartel leaders can keep them under control. (Interestingly, periodic relapses in oil prices such as those that occurred just before Iraq invaded Kuwait also tend to undermine new investments in energy supplies outside of OPEC, but they have only minor adverse financial consequences for the Saudis and most of the other chief OPEC exporters.)

The final paragraph I should like to quote says:

> If we persist in our frivolous and willful habits and continue to succumb to energy gluttony throughout the 1990s, we may no longer enjoy the luxury of saying that it's "just another problem" that one day will go away, like the S&L debacle. By the middle of the decade we will likely be forced to recognize America's use of energy as part of a much deeper problem: a national tendency to avoid hard choices, which results in excessive consumption at the expense of our future combined with a foolish dependence on foreign capital. The economist Herbert Stein once observed, "If something is unsustainable, it

tends to stop." The only question is whether we will decide to choose when and how it stops, and at what cost to ourselves and to our children.

This article is from the September 27, 1990 issue of *The New York Review of Book*. It makes very well the point I wish to make: Unless you are vigilant you can get into a lot of trouble. The United States is in a lot of trouble with 50 per cent dependence and on their way to 60 per cent.

Looking at North America as the unit for which we want to create a secure supply, and taking into consideration, when we exclude oil sands and heavy oil, that we have 1 per cent of the world's light crude reserves, we are not a solution to the American problem. We had better look out for ourselves, because our failure to do so will leave us in the same situation. We will have problems similar to theirs, when we do not need to have them, with or without the FTA. We need to ensure that we serve the complete Canadian interest, not only regional development but, as importantly, the security of supply issue.

The Department of Energy in the United States, under the auspices of the Secretary of Energy, Admiral Watkins, held a series of hearings, leading to a national energy strategy. That strategy is to be announced some time before the end of this year. The U.S. recognizes the problem and does want to do something about it. Its current budget package includes an increase in the motor fuel tax. In its consumer society it has been impossible to address the security of supply issue. We in Canada are blessed with an abundance of energy. We do not have a major security of supply issue, and we do not need to have one. However, we will have one if we are complacent and not vigilant in our policy development.

I should like to put some facts on the record that arose out of briefings the committee had with respect to Hibernia. The expected distribution of Hibernia pre-production expenditures is: Newfoundland $1.6 billion, the rest of Canada $1.4 billion, and offshore $2 billion. The remaining $160 million could fall into any one of these categories. That will be the subject of competition. Hopefully the successful competitors will be Canadians. This is where the issue of industrial benefits to the Province of Quebec arises. Members of the Energy and Natural Resources Committee heard representations from members of the National Assembly expressing concern about the heavy subsidies to Hibernia and the extent to which they would be at a disadvantage in competing for further work offshore or in the Beaufort. I am not as concerned as are some of the members of the National Assembly, but they do make a good point. When we spend these kinds of dollars in the interventionist way that the government has chosen, we should ensure optimum benefits for the country.

The Hibernia consortium is required to spend $1 billion on the project within three years. There is, however, an escape clause for the consortium members. If the project pre-production capital cost rises above $5.6 billion, a company has the option of withdrawing from the project and the $1 billion consortium spending commitment terminates. Therefore, if the projected costs exceed $5.6 billion within the initial three-year period, a consortium member can withdraw without having spent its full share of the $1 billion. If the projected costs exceed $5.6 billion after the three years, a consortium member can still withdraw. This is something that they negotiated. It is not expected that it will happen but, as a matter of record, there is some risk of that kind of problem occurring.

When the minister was pressed to answer questions regarding the cost and the return, he did make some good points. Over time, through reduced exposure or reduced obligations with respect to transfer payments, UI payments and so on, it is seen as something that is beneficial to Canada as a whole, not just Newfoundland. That has been commented on by economists in Newfoundland in the context that it really does not do much for us because many of the benefits simply go to Canada in terms of reducing their obligations to assist us. Hopefully it will go beyond that with the other projects and Newfoundland will have its day in the energy sun.

In any event, Hibernia is not considered to be a crown investment as such, but as an initiative which returns indirect benefits to the federal treasury, such as reduced equalization payments to Newfoundland, reduced UI payments because of job creation and increased income tax revenues. I have already commented on the gas. I have not commented on the gravity base structure and the problems it will present. The agreement entered into by the two levels of government with the developers does not provide for what will happen to the gravity base structure when the field is depleted. In fact, it is estimated that a further $1 billion would have to be spent to take the gas out of the field. It may present a potential environmental hazard. I simply want to ensure that honourable senators are aware of this potential problem and that it is on the record as we discuss the bill and prepare to vote on it at a third reading.

● (1510)

For the government to receive a return on its investment of the nature I have described, the price of a barrel of crude through the production period would have to be $25, and that is calculated in 1989 dollars. Using a 5 per cent discount rate, the federal return on the project would be about $39 million which, for my purposes, is flat given the type of investment we are talking about here. I shall not dwell at length on the regional benefits because they have been covered sufficiently by Senator Ottenheimer and Senator Petten. They are potentially great, although somewhat controversial. However, using rule-of-thumb numbers, 1,100 permanent jobs, costing $1 million per job, will be created. An additional 2,500 jobs will be indirectly created, which brings the price of a permanent job to somewhere around $300,000. As well, there are 13,000 person years of work during the construction phase.

So it is a controversial project. I shall not comment on the environmental aspects because Senator Kenny intends to discuss that issue. In the end, the environment may be the most controversial aspect of the project, because it is located in probably the richest fishery in the world, the Grands Banks. I support the recommendation of the committee, that we pass Bill C-44 without amendment.

Hon. John B. Stewart: Would Senator Hays permit a question?

Senator Hays: Yes.

Senator Stewart: This bill, respecting the Hibernia Development project, was given first reading in the Senate on Friday, October 26. It was then sent to the Standing Senate Committee on Energy and Natural Resources. This is Monday, October 29 and we do not have access, as Senator Hays had said, to the record of the committee hearing. Hibernia is located in very rough waters. It is adjacent to very valuable fishing grounds. Did the committee ascertain what guarantees are required of the participants in the project to ensure that any environmental damage that specifically affects the fishery will be adequately, indeed, fully compensated? I notice that he dealt with this project almost entirely from the viewpoint of oil and gas, the money to be paid and the jobs to flow therefrom. What about this other aspect of the project?

Senator Hays: In the final analysis if we were unlucky, the question raised by the honourable senator would be, by far, the most important and profound question, both economically and environmentally. The honourable senator is correct in that the committee proceedings of the hearing with the minister and his officials are not available, although the blues were out at mid-morning. I believe the record will show that Senator Kenny who intends to speak on the environment issue and Senator Spivak and Senator Marshall were at the meeting and asked these questions about the environmental impact of the project. I do not believe that I could do justice to the honourable senator's very serious question by trying to summarize those answers at this time. I wonder if I may defer dealing with the question until after we have heard from senator Kenny. While he is speaking, I will review the blues, and if Senator Kenny does not address the concern raised by senator Stewart perhaps I can rise after Senator Kenny and try to deal with the question.

Hon. Finlay MacDonald: Senator Hays quoted a letter which he described as being mildly critical of his views with regard to Canadian sufficiency. Would the honourable senator identify the author of that letter?

Senator Hays: The author is a man by the name of Trevor Mills, who wrote on his own behalf. He is from Calgary. I chose to quote the letter because I thought that it put the view of the U.S. participants in perspective. As you know, because Hibernia is in the frontier Canada Lands, it is required to be 50 per cent Canadian owned. The 50 per cent Canadian owners are Petro Canada and Gulf, and the 50 per cent U.S. owners are Mobil and Chevron. I felt that Mr. Mills put the Mobil-Chevron position very well. He indicated that security of supply was not a Canadian issue but rather a North American issue.

Hon. Colin Kenny: Honourable senators, I would like to make a few remarks about bill C-44. In examining this piece of legislation, I found myself to be at odds with some members of my caucus. I feel that both the legislation and the project itself fall short of what we should expect. In particular, I believe it falls short of what Newfoundland should expect, and I am very concerned that the federal government is not providing Newfoundland and the people of that province with all the benefits they deserve.

When you look at Hibernia, you have to ask yourself why is it important to Canada and why is it important to Newfoundland? Successive federal and provincial governments of both parties have looked at this pool of oil—it is estimated to be 890 million barrels of light and medium crude—and have decided that it has the potential to cut Atlantic Canada's need for 200,000 barrels of oil per day just about in half. Currently, all of that oil is imported.

• (1520)

They have also decided that it would provide, in an economical manner, good, stable, long-term employment for Newfoundland which currently has an unemployment rate of 17 per cent, or 44,000 workers, the highest in Canada. They also believe that all of this could be accomplished without significant risk to the environment and to the province's traditional fish-based economy.

Honourable senators, Bill C-44, as an energy bill, will cost the Government of Canada $1.04 billion in preproduction capital expenditures, and $1.66 billion in loan guarantees. If all the financing provisions are fully exercised, the total cost to the federal government could go as high as $3.175 billion. In addition to this, Petro-Canada, the state oil company, will invest another $1 billion over the next five years. However, I believe that if you have a good project, the marketplace will demonstrate that you do not need to put subsidies of this sort into the project.

The oil that is to be produced will be too expensive. Production costs in U.S. dollars range from $17 to $38 a barrel. At the moment, 75 per cent of the oil that is lifted in the world is produced for less than $4 a barrel and 90 per cent of the oil lifted in the world is produced at a cost of less than $10 a barrel. We are looking at a range here of something between $17 and $38 a barrel.

Industry analysts tell us that $30 (U.S.) a barrel is the minimum price for the project to be viable for its commercial partners. Currently, prices are above $30 (U.S.), but anyone who follows oil pricing will know that it is just as likely to be above as below today or tomorrow.

If we look at Hibernia from the point of view of being a regional development bill—that is, assuming it is not a good energy bill—the jobs will simply cost too much. We heard Senator Hays say earlier that for 1,100 permanent jobs, the federal government will be paying $945,000 per job. That is remarkably high.

Too much of the sourcing related to this job will be going offshore. We hear estimates ranging from 40 per cent to 60 per cent and, I might add, the project sponsors think that is a major accomplishment. I do not understand why sourcing of this magnitude should go offshore when Canada has been active in the offshore; when Canada has a fully mature oil and gas industry; and when we have capable shipyards and capable

workers. Why does this amount of our project have to go offshore?

Honourable senators, too few permanent jobs will be created. If this were a regional development bill and the federal government were committing itself to $1.4 billion in regional development, I would suggest that there are better ways to spend that money in Newfoundland than to spend it on Hibernia. They could come up with more and better jobs than the sort of work that will go ahead in Hibernia.

The agreement I have seen is full of references to "best efforts." I would suggest, honourable senators, that "best efforts" really does not mean very much. They are warm words that may give politicians some comfort from time to time, but the phrase does not mean a damn thing to the oil companies.

If Newfoundland and Canada were prepared to go ahead with a project like this, I do not understand why they would be prepared to settle for "best efforts." I would certainly concede that in the oil and gas business workers are mobile; they move around a lot. It is an international business and there are Canadians working offshore in different parts of the world. We, in turn, expect a lot of people from different countries to come and work here. However, it seems reasonable to me that over a period of time, particularly if the government is going to put in this sort of money, the agreement could have insisted on increasing the proportion of Canadian employees to work on this facility.

I think that the type of work, particularly the construction work, that is going into this project is of the lowest quality. The type of equipment to be built will be a gravity-based system which involves putting together great chunks of cement, floating the whole thing out and sinking it to the ocean floor. It will provide work and income for the workers while it is being built, but once the job is complete then that is the end of it. There will be no more demand for this type of structure. In fact, the next structure coming on will be a floating system. It will not be built the same way, it will not look the same, and it will have none of the same characteristics. Therefore, the work done by employees will be of a temporary nature.

Honourable senators, I also looked at the legislation from the perspective of oil self-sufficiency. Right now, Atlantic Canada gets all of its oil offshore at the rate of 200,000 barrels per day. Hibernia will be able to produce almost half of that, in fact, 110,000 barrels per day. That would amount to 12 per cent of Canada's light crude production. However, the plans are for all of the oil to be sold offshore.

We heard Senator Hays refer to Mr. Hopper's comments before the committee. Mr. Hopper said that, as far as he knows, all of the oil will be going offshore, but he allowed that perhaps 30 per cent could be refined in Canada. However, he went on to point out, as we all know, that it is waxy crude which cannot be refined in Canada because we do not have the capacity to do it. Some of the members of the committee questioned him on this and asked why this was the case; and he replied that it would cost Petro-Canada $50 million to convert its refinery in Montreal. Senator Waters pressed the matter and asked about Come By Chance and told us he did not know what the exact situation would be but that it would probably cost the people in Come By Chance $50 million—the same as it would cost in Montreal—if they wanted to convert their refinery to deal with waxy crude. He told us that it did not make much sense for us to do it on our own when we could export our oil and run these refineries without spending $50 million.

The long and the short of it is that the deal will not do much for Canadian self-sufficiency. We will be producing it at great expense and we will be shipping it down the gulf coast or down the east coast to the United States. This will become a "Normal Channel of Supply" under Article 904(C) of the FTA. We may find ourselves having to continue exporting the same amount, as our own needs grow, with the result that there will be no domestic refining capability and no domestic oil supply for Atlantic Canada. What we may end up doing is using regional development funds to supply oil to consumers in the southern United States.

• (1530)

I should like next to deal with the argument that this is kick-starting energy development on the east coast. Premier Wells used this argument. Mr. Epp used this argument. However, I just do not believe you can kick-start this sort of development. I have some experience in seeing the kick-starting of energy projects. We all know what happened in Tuktoyaktuk; we have Senator Adams who can tell us about it. A government—a different government but a government—decided that it was going to kick-start activity in the Beaufort Sea and spent hundreds of million of dollars up there. Suppliers got geared up; many natives started their own businesses, began joint ventures and got trained in handling supply boats. The long and the short of it is that the price is not sufficient to support oil development in the Beaufort Sea. No amount of kick-starting on the part of the federal government, or any other government, can make an energy project go for one minute longer than the subsidies last. The logic, if you need logic, is to count the rigs that are active off the east coast. Five years ago there were 15 exploration rigs active, but in the past two years only one rig has been active and only one well has been drilled. There is a message there, a message for all of us: The timing is not right; the price of oil is not right. We are pushing a stone up hill.

Projects proceed when they are economic, and the very fact that these sorts of subsidies are going into Hibernia tells us that Hibernia is not economic.

I should comment in passing on Terra Nova. Mr. Hopper raised it before the committee. Perhaps I should first remind honourable senators that if all of the financing provisions for Hibernia are fully exercised the federal government will be putting $3.175 billion into Hibernia. Terra Nova, about half the size of Hibernia and about 40 kilometres south of Hibernia, is going to go forward without any government involvement—not a nickel. It is going to be built with a more efficient floating structure, built off-shore, and I might add, with no cost to the government. Mr. Hopper thinks it will come into production in 1996 or 1997, about the same time as Hibernia. The question we have to ask ourselves is: If Terra Nova can proceed without government assistance, why not let it, and spend the millions and millions of government money that we plan to spend on Hibernia in other ways to improve training and employment in Newfoundland?

I think that the people of Newfoundland are being shortchanged by this project. I think they are getting the money in the wrong way. They are not getting it in the way that will provide them with the jobs and the future they deserve. It will cost the province of Newfoundland $1.6 billion in preproduction costs. Newfoundland will also forego millions of dollars in retail sales tax and in provincial corporate income tax, and then it will earn $2.3 billion in royalties if the price stays above $25 U.S. a barrel. However, for every dollar it receives in royalties from the oil companies, the federal government will reduce its equalization payments by 97 or 98 cents. I really do not understand where the province will be coming out on this.

Professor Wade Loche, from Memorial University, has done a study showing that the province will take from Hibernia a total of $100 million, or an average of about $4 million per year over the life of the project from Hibernia. It seems like a very expensive project.

I now turn to the environmental risks that are associated with Hibernia. The well is to be located in an area that is commonly referred to as "Iceberg Alley". The risks are from blow-outs, from spills in handling the oil, and from damage to tankers transporting the oil. We have seen all three of those occur in North America in the past few years. It may be fair to say that hundreds of holes have been drilled in the North Atlantic so far without any serious blow-outs, but it takes one.

The November 1989 joint report of the Independent Petroleum Association of Canada and the Canadian Petroleum Association—which are the two principal associations of oil companies in Canada—entitled "Oil Spill Preparedness in the Upstream Petroleum Industry" made some points which I should like to repeat here in the chamber. Honourable senators should again remember that this is oil producers talking about the dangers of oil spills in Hibernia.

The CPA report stated that oil flow from a blow-out would likely be at least 10,000 barrels per day. Mobil Oil, which is the lead member of the consortium, gave a worst-case example of 30,000 barrels per day in their environmental impact statement. Just to put that in context, the *Exxon Valdez* lost 240,000 barrels in total. So, in Mobil Oil's worst-case scenario, it would only take one week to spill as much oil in a blow-out as the *Exxon Valdez* spilled in Alaska. A relief well takes between four and eight weeks to drill, so you can multiply the *Exxon Valdez* four to eight times if you have a serious blow-out or a worst-case blow-out in Hibernia.

In terms of Canada's ability to clean up a spill, there are many factors involved and it is difficult for anyone to be precise about how a clean-up will go. The variables that exist include issues like the time of year, the waves that are occurring at the time, and the wind. So people are quite imprecise, but just so that honourable senators can get a feel for some of the possibilities, in a sub-sea or above-sea blow-out in summer with a sea state of three, which is about a one metre wave, it is estimated that 11 to 24 per cent could be cleaned up using the best available technology. This is equipment that we do not have in Canada. In fact, we have very little equipment available to clean up in Canada, but if we had world-class technology, with a sea state of about one metre, then 11 to 24 per cent might be possible to clean up.

In winter time, with either a sub-sea or above-sea blow-out, with a sea state of five, or three metres, which is likely in winter time, the likelihood of cleaning up anything more than two per cent is very low. In fact, most people suggest that if you had a blow-out in the winter time you would not even bother cleaning it up.

In fact, when we discussed the problems of a blow-out with Mr. Hopper in committee, he just suggested that it would not be a totally unmanageable problem. The high-sea state would cause the oil to emulsify and the drift would tend towards the northeast, so that by the time it passed Iceland there would not be much of a problem, and there was certainly no risk of any of it hitting Ireland. I am paraphrasing, and perhaps being a little bit mischievous in the way I am doing it, but that was the thrust of Mr. Hopper's comments.

The problems with the sort of oil that would spill are that it is thick, waxy and difficult to recover. It gets submerged in the water column.

● (1540)

The report states:

—high waves, winds, open seas make recovery more difficult

—difficult to predict direction and spread of oil slick (dependant on seasonal winds & currents)

Right now in Canada the technology is very poor in open water. We have skimmers, we have booms, but they work best close to shore.

The report goes on to state:

e. Inappropriate or lacking equipment:

—technology does not exist to perform adequately in open water—skimmers and booms work best close to shore

—technology also does not exist to detect and track submerged particles and globules formed by waxy oils

—currently available equipment could not deal with the heavy, waxy emulsions and oils from Hibernia. Would require help from other oil spill cooperatives around the world, moving response time up to approx. 2 weeks (using worst case scenario, 420,000 barrels would be lost—2 *Exxon Valdez* disasters)

—East Coast Spill Response Inc. (ESRI) does not have vessels of its own, but depends on oil companies or Coast Guard for transport. Given current transport equipment, would take ESRI over 2—4 days to arrive on site.

—no heavy-lift helicopters or aircraft nearby—closest in Ontario

—ESRI does not have equipment needed to deal with waves of 20—30 feet, nor adequate amounts of boom

In fact, no one has adequate booms for waves of that height.

The Independent Petroleum Association of Canada goes on to state:

f. Other problems

—personnel and management not adequately trained in handling oil spill response preparedness

I am quoting from an oil industry report. This is what the industry is saying about its capacity to deal with a spill, should one happen. It goes on to state:

—no systems in place to quickly access additional manpower and expertise from other sources (national, international)

—less money is being spent on research and development into ways of tracking and cleaning up oil spills, especially of Hibernia-type oil

They go on to state that if the above blow-outs should occur, 29,830 registered fishermen will be hurt; 551,000 tonnes of fish that were landed last year will be lost, with a value of $300 million, for a total production value of $710 million. The industry provides work for 11,160 plant workers in 240 processing plants and is responsible for over 10 per cent of all jobs in Atlantic Canada, with 25 per cent of those jobs along the southeast coast of Newfoundland.

Honourable senators, I have taken a look at the legislation from the point of view of its being an energy project. This is not a good energy project. This does not involve good regional development—the jobs are too expensive. This does not provide self-sufficiency for the Atlantic region. We are kick-starting an energy project, and that can backfire. I have lists of companies in Newfoundland that are going ahead with joint ventures, and all of those companies could be left hanging out if the price swings.

Newfoundland is being shortchanged. The money that is being spent is being credited to Newfoundland's account, but they will not get the jobs. There are tremendous ecology risks, and we have little capacity to clean up a spill, if one does occur. The people being put at risk are the fishermen who have traditionally fished in that area.

I cannot support this bill and I urge honourable senators not to support it.

Hon. Roméo LeBlanc: Honourable senators, I should like to ask unanimous consent to proceed to Order No. 9, which stands in my name, and which has some urgency attached to it.

I have had discussions with the leadership on both sides of the house respecting this matter, and because we will be frozen with the order of the house after the vote takes place on Hibernia, it might take some time for this to come forward.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Debate suspended.

Leave having been given to proceed to Order No. 9.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTIETH REPORT OF COMMITTEE ADOPTED

On the Order:

Consideration of the Seventieth Report of the Standing Committee on Internal Economy, Budgets and Administration (supplementary estimate), presented in the Senate on 26th October, 1990.—(*Honourable Senator LeBlanc, P.C. (Beauséjour)*).

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Roméo LeBlanc: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(*f*), I move that this report be adopted now.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

HIBERNIA DEVELOPMENT PROJECT ACT

BILL TO AMEND - THIRD READING

Hon. Dan Hays: If I may, honourable senators, I shall return to Senator Stewart's question. In the time that has elapsed since Senator Kenny spoke, I have had an opportunity to review the blues of our meeting with Mr. Epp. I will quote from that transcript, but having had an opportunity to look at other material it seems that the specific question the honourable senator asked—that is, what would happen if there is an oil spill, in terms of the cost of cleaning it up—the answer is that it is no better than the covenant or the depth of the pockets of the consortium: Mobil, Chevron, Petro-Canada and Gulf. That is my conclusion from having looked at the materials available to me at this point in time.

In any event, this did come up at the committee meeting. In answer to Senator Spivak, Mr. Epp stated:

> First of all, on the probability of oil spills, as you know, COGLA—

That is the Canadian Oil and Gas Lands Administration:

> —asked the consortium to give us the worse case scenario, which, for proper planning, one would expect. Technology, even though it is leading edge, has not been tested in the North Sea. In terms of that experience, small spills, generally speaking, in terms of what we have in place and what the demands are and the specifics—if you want to ask more about the specifics, I think Mr. Whelan and others can answer that—I think we are well placed.
>
> In terms of the training that we have already been undertaking, I have already expressed myself on that point. Obviously, prevention is the first order of business and the consortium I think is well aware of the obligations that they have contractually with respect to production or the type of production, methodology or modalities that they are to use and to reduce or eliminate as much as is humanly possible even small, when we talk about offloading spills that could occur.

• (1550)

There is a further exchange in the text between Mr. Epp and Senator Marshall. Mr. Epp says:

> With the environmental safeguards that we have put in place, along with our discussions with the fishermen, fishermen's unions and others, as well as with the provinces of Newfoundland and Labrador, we believe that we have put forward every safeguard, condition, prevention mechanism and "can't spell" mechanism that is humanly possible. However, this is not a new area for us. There are some specific conditions, for example, icebergs on the Grand Banks and we appreciate that. But if you are asking me if there is a 100 per cent guarantee, I cannot give a 100 per cent guarantee. I can only say that we have pushed it as far as we can to what we believe is both technologically and humanly possible.

Senator Stewart, there are also references to background papers, specifically the Canada-Newfoundland Offshore Petroleum Board Decision 86.01 of June 1986. I looked at it briefly, but it does not include a specific reference which says that there is a covenant or a specific amount of money made available by way of bond, or something analogous to that. Of course, we are reminded of the Exxon Valdez incident in Alaska, where Exxon has spent in excess of a billion dollars. I think the minister is on the right track in terms of prevention. Had that money been spent on prevention, the Exxon Valdez incident probably would not have occurred. Something else might have, but, interestingly enough, the story one hears about the Exxon Valdez is that while there was originally a preparedness for spills, that preparedness disappeared. So the efforts of the people transporting the oil falling off in terms of crew assignments in combination with the lack of capability is a good illustration of what can happen.

In terms of the specific answer to your question, Senator Stewart, I am unable to find a specific statement in the materials I have available to me saying that we will look after an oil spill to the extent of $1 billion or $5 billion.

I was struck by a comment made by Mr. Hopper in our Petro-Canada hearing where he said that if a spill occurred—not in the context of Hibernia; we were talking about Terra Nova—oil would come up somewhere in the North Sea, go north to Iceland and would have almost certainly disappeared before it reached Ireland. He predicted the oil would never reach Ireland. That is not a comforting answer, but he tends to be dramatic. The point is that prevention is the only sure way we have of ensuring environmental safety. There are boards in place to ensure this, but the depth of the pocket of the developers in the end seems to be the only guideline we have for cleaning up a spill, in the event it does occur, and their willingness to spend that money.

Hon. Gerald R. Ottenheimer: I wish to thank Senator Petten and Senator Hays for their support of Bill C-44. The committee meeting, which was presided over by Chairman Hays on Friday, was helpful to those who were present. The Honourable Jake Epp was forthcoming, frank and open in his answers.

I am not going to undertake to reply to Senator Kenny's points in detail because I think we are coming from different directions, and obviously that is his privilege. I will comment on three aspects briefly. The honourable senator mentioned the great cost in jobs per man and how many jobs could be created in Newfoundland using that money. As I said, we are coming from different perspectives, but the project is not only making work, but is introducing expertise, knowledge and marketable, valuable, contemporary assets and skills which will be of continuing value to the people who possess them and the society in which they live.

It was also pointed out that as royalties kick in, equalization will go down. It is worked out in such a way that the province's treasury will always be somewhat better, but obviously incoming royalties will affect equalization. I think that the present Liberal government in Newfoundland would wish to contribute to equalization and would much prefer to have income in royalties than income in equalization. With respect to Senator Kenny's final point, I can only echo what Senator Hays said, which is that the emphasis has to be on prevention, which has been recognized by both orders of government and industry: safety for the environment, people's lives and the fishery.

Motion agreed to and bill read third time and passed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, October 30, 1990

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

OFFICIAL LANGUAGES

SPECIAL REPORT OF COMMISSIONER REFERRED TO STANDING JOINT COMMITTEE—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

HOUSE OF COMMONS

CANADA

Thursday, October 25, 1990

ORDERED,—That a message be sent to the Senate to acquaint Their Honours that a Special Report of the Commissioner of Official Languages, dated October 25, 1990, on the tabling of draft regulations and in particular of regulations on communications with and services to the public, has been referred to the Standing Joint Committee on Official Languages.

ATTEST

ROBERT MARLEAU
The Clerk of the House of Commons

[*Translation*]

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. Jacques Hébert: Honourable senators, I have the honour to present a petition signed by 60 residents of the East Angus region in Quebec, who are opposed to the proposed legislation on the Goods and Services Tax.

I would like to read a number of petitioners' names.

(*Names of signatories read*)

I would just like to remind you that these good people have signed the petition. They ask that the Senate reject the new 7 per cent federal tax on all goods and services adopted by the Tory government. They point out that it will create serious, unfair and unjust difficulties for Canadians. They maintain that the imposition of this tax will constitute an unprecedented assault on the already insufficient income of Canadians not only by forcing them to pay higher taxes but also by causing the cost of living to rise through higher inflation and excessive interest rates and by increasing unemployment.

They therefore humbly ask the Senate to reject this new tax on goods and services.

On top of it all, we are in a recession. When the petition was signed, on July 14, it was not obvious yet. Now that we know for sure, I think the arguments raised are even more relevant.

I will now continue reading the names of these Canadians strongly opposed to the Goods and Services Tax.

(*Names of signatories read*)

I have another petition signed by 362 residents of the Frelighsburg region in Quebec who are against the proposed legislation on the Goods and Services Tax.

(*Names of signatories read*)

This is in the Eastern Townships. As you can see, there are still a few strong English-speaking communities in that region.

(*Names of signatories read*)

Senator Hébert:

(*Names of signatories read*)

Senator Simard: Senator Hébert, may I ask a question?

Senator Hébert: Of course! Your questions are always most welcome, senator.

Senator Simard: You really think this is doing the country, Canadian society and the people we want to help any good, this reading of lists of people who signed petitions a few months ago and probably are not necessarily aware of the fact that Mr. Wilson has made a commitment that in the next budget, there may be some changes with respect to the publishing industry, for instance, and other sectors?

Do you have the impression you are getting anywhere by costing Canadian taxpayers between $100,000 and $150,000 a day more, not because the Senate would necessarily sit twenty-four hours a day but because we will certainly sit longer than it takes to consider the amendments to this bill?

I wonder if you could tell us whether you thought about that and whether you could advise your colleagues that their time might be better spent considering the amendments to the bill.

Senator Hébert: Once again, the senator has not shown much respect for Canadians who for centuries have had the right to present their petitions before the Senate or the House of Commons. I intend to get on with what I have to do.

Senator Simard: Second question, Senator: earlier one of our colleagues met some reporters in the lobby who said the following: tradition is all very well, but the rules of this Chamber are important, and there are rules that tell us that the usual way to represent petitioners is to table the petitions and read them very briefly, leaving out the names, telephone numbers and addresses of all these people because traditionally, according to our rules, the petitions can be consulted once

they have been laid on the Table here in this Chamber and are thus available to be read.

All senators on this side could give unanimous consent to putting all petitions, the text of all petitions, on the record, reproduced in full. This way, you would not be able to accuse us of violating parliamentary procedure, and vice versa, while we would have the assurance that the voice of low- and middle-income Canadians and everybody else could be heard and identified.

Senator Hébert: No comment.

Senator Simard: You are being stubborn and wasting our time, and this is an insult to Canadians.

Senator Hébert: We will consider your proposal and see how we could respond, but I saw your leader who was about to tell you, Senator, to sit down, so you are doing them a favour by wasting time on frivolous matters. So to get back to when I was so rudely interrupted by the senator who doesn't want to hear the voice of Canadians, I was reading the name of Linda Thétrault. This is not my voice but the voice of average Quebecers who are telling you they don't want this legislation.

(*Names of signatories read*)

Honourable senators, I have here petitions signed by 39 residents of the region of Saint-René-de-Beauce and East Breton, Quebec, who are against the tax on goods and services.

(*Names of signatories read*)

Now the signatures of 106 citizens of the region of Poster, in Quebec, who urge the Senate to reject the GST bill.

Senator Simard: Senator Hébert, this is not question period.

Senator Hébert: If you want to waste a bit of time, I have no objections.

Senator Simard: We have wasted enough as it is in the last 40 minutes, we expect to waste a lot more if you go on like this. Referring to page 57 of the Rules of the Senate, and I quote:

> A senator—

Listen for a second, you did not read it correctly or you did not understand:

> A senator presenting a petition makes a brief statement to inform the Senate of the contents of the petition—

Which is what you did with the two previous petitions.

> —to inform the Senate of the contents of the petition, the petition itself is not read.

In any case, the text of the petition and the names of the petitioners attached thereto is not printed in the *Debates of the Senate* or the *Minutes of the Proceedings of the Senate*, so I conclude that you are speaking just for the sake of speaking. You said that 27 or 150 or 300 citizens of such or such city signed a petition against the GST and that you tabled the whole thing in the Senate, that is quite in order and I can agree with that. But if we are going to waste our time listening to names of people and streets you can hardly pronounce, from a community which you do not even represent, that seems to me as a waste of time, a waste of money, and an abuse of freedom.

Senator Hébert: Honorable senator, I would like to point out that your reaction is a bit late since we got quite a few petitions in the past few weeks and I believe that the Rules say that the names are not printed.

Senator Simard: Did you look at the polls lately?

Senator Hébert: I find the last polls very interesting but I do not want to let myself be distracted by Senator Simard, because we always regret it. If it is clear in the Rules that we can't expect the names to be printed, there is nothing which says that they cannot be read. Consequently, despite what Senator David is saying I will go on reading. I have lost track of where I was, I think I will start all over again to be sure not to forget anyone.

(*Names of signatories read*)

Now, I have only a few here, 22 from Saint-Nazaire in Quebec, or the vicinity.

(*Names of signatories read*)

Here is a petition from an historical village in Quebec, which reminds us of Maria Chapdelaine and, of course, it is Péribonka, a small village from the Lac St-Jean area, the setting for the famous novel by Louis Hémon, Maria Chapdelaine.

Senator David: Is Péribonka in the district you represent?

Senator Hébert: I represent the whole of Quebec, as you very well know.

Senator David: But legally don't you have a district?

Senator Hébert: I represent the whole of Quebec, you very well know, Senator, that any citizen can ask any senator to table a petition. He or she doesn't have to come from that senator's district.

Senator David: Did the Péribonka residents send this petition directly to you? Could you read the address?

Senator Hébert: It is written on the back.

Senator David: Read it to me; you have been reading so well for the past hour.

Senator Hébert: I read what I please.

Senator David: Go ahead!

Senator Hébert: Honourable Senator Jacques Hébert, Room 487 East, Centre Block, Parliament Buildings, Wellington Street, Ottawa, Ontario, K1A 0A4.

Senator David: It does seem like your address. Thank you.

Senator Hébert: Right!

Senator Corbin: Although this petition was sent to you, was it addressed to the Senate?

Senator Hébert: Honourable Senate of Canada. If you insist, I am quite prepared to read the petition from the beginning.

Senator David: Could you read for me the motion which appears at the bottom of the page?

Senator Hébert: We discussed that before. I do not look where all the petitions come from. If there are Canadians who insist on distributing petition forms, I feel it is quite all right. I do not know, but perhaps you may not like this kind of Canadian who have the guts—

Senator David: I am asking you to read the note at the bottom of the petition.

Senator Hébert: You can read them when they reach the Table. Here are the names of the Péribonka residents.

(*Names of signatories read*)

That means the people living on Range 7 in Albanel are clearly among the 85 per cent of Canadians who are against the GST and who want the Senate to block it.

(*Names of signatories read*)

There are several others. I have some from Saint-Léon, Sainte Jeanne d'Arc, Waburn, in Quebec, probably from my district, which should please Senator David. Knowlton is unquestionably in the Wellington district which I represent here in the Senate.

There are forty residents in the Knowlton area who oppose the GST.

(*Names of signatories read*)

We are now coming to the City of Sherbrooke.

(*Names of signatories read*)

Now I am coming to Quebec City. These petitions will do because there are a great many residents there who are against the GST.

(*Names of signatories read*)

Senator Cogger: Senator Hébert, would you allow me to interrupt?

Senator Hébert: Do as you wish, but I reserve the right not to answer your question if is not more interesting than last time.

Senator Cogger: It is not a question, Senator Hébert, I want to correct a small mistake you probably made inadvertently.

You said earlier to Senator David that he was pleased you should read a petition signed by people from Knowlton which was in your district. May I point out to you, and it was probably a mistake, that the town of Knowlton is located in the county of Brome which is in the senatorial district of Bedford represented by Senator David. If I understand correctly, your constituency is Wellington. Unfortunately for the people of Knowlton or fortunately for them, they are represented by Senator David and not by you.

Senator Hébert: The fact remains that they did not send their petition to Senator David, but to me.

Senator Cogger: I also thought of doing you a favor by giving you time to take your breath.

Senator Hébert: I am sorry for being impatient earlier. You are absolutely right. I want to assure you or to assure your colleague, Senator David: I do not have any territorial ambition! I do not want to take over Knowlton.

(*Names of signatories read*)

Sutton is in the Eastern Townships and has a beautiful ski resort.

(*Names of signatories read*)

Hon. Philippe D. Gigantès: I have the honour to present a petition signed by 1,624 residents—

• (1520)

[*English*]

The Hon. the Speaker: Senator Doody.

DOCUMENTS TABLED

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I wish to table the following documents.

Senator Gigantès: I have the following names:

(*Names of signatories read*)

The Hon. the Speaker: Senator Gigantès, you are out of order. I gave the floor to the Deputy Leader of the Government.

Senator Doody: The report of the Public Service Staff Relations Board for the period April 1, 1989 to March 31, 1990.

[*Translation*]

Hon. Philippe Deane Gigantès: Sir, I have the right to read the petitions. The new 7 per cent federal sales tax—

[*English*]

The Hon. the Speaker: Senator Gigantès, I am recognizing Senator Doody.

An Hon. Senator: He was on his feet first.

Senator Frith: He was not!

The Hon. the Speaker: After Senator Hébert, I recognized Senator Doody as the Deputy Leader of the Government.

Senator Frith: Senator Gigantès was on his feet first.

Senator Doody: Nonsense!

[*Translation*]

Senator Gigantès: You saw that I was on my feet first.

[*English*]

The Hon. the Speaker: I saw Senator Doody on his feet first. I am sorry.

Senator Corbin: Senator Gigantès was already up and reading!

Senator Gigantès: I was up and reading. When Senator Doody stood up I immediately stood up.

Senator Frith: It was very clear that he was on his feet first.

An Hon. Senator: Sit down!

Senator Gigantès: Despite the fact that you saw me up, you are trying to deprive me of my right to read petitions from Canadian citizens!

The Hon. the Speaker: I called Senator Doody—

An Hon. Senator: Sit down!

[*Translation*]

Senator Gigantès: You are resorting to tricks to deprive me—

[*English*]

The Hon. the Speaker: You have the floor, Senator Doody.

Senator Doody: —Public Accounts of Canada, volumes I and II in two parts for the fiscal year ended March 31, 1990.

[*Translation*]

Senator Gigantès: I was on my feet before him.

[*English*]

Senator Murray: Sit down, Senator Gigantès!

Senator Frith: He was on his feet way before Senator Doody!

[*Translation*]

Senator Gigantès: What you are saying is wrong; you cannot act like this. What you are doing, Sir, is unworthy of your high office.

[*English*]

Senator Hastings: Sit down! We are on petitions!

Senator Doody: I have petitions. I want to table my documents.

Senator Frith: No, sir.

[*Translation*]

Senator Gigantès: —that you have acted in a shameful way—

[*English*]

Senator Barootes: Sit down when the Speaker is standing, you idiot!

[*Translation*]

Senator Gigantès: —you are showing a lack—

[*English*]

Senator Doody: —Public Service Staff Relations Board for the period April 1, 1989 to March 31, 1990,—

[*Translation*]

Senator Gigantès: Be—

[*English*]

Senator Doody: I want to table my documents.

[*Translation*]

Senator Gigantès: —Sir—

[*English*]

Senator Barootes: Sit down when the Speaker is standing!

[*Translation*]

Senator Gigantès: —behaviour which has led this chamber—

[*English*]

Senator Doody: —statements of operations under the Veterans' Social Insurance Act for the fiscal year ended March 31, 1990.

Senator Murray: Sit down, Senator Gigantès! Sit down!

Senator Gigantès: You have dishonoured the Throne on which you sit by beginning again the kind of behaviour—

The Hon. the Speaker: Order, please. I would like to say a word.

Senator Gigantès: —and which led this house to pandemonium, because we cannot rely on anything you said or anything you did.

Senator Murray: Sit down!

Senator Gigantès: Here you are, standing again—

Senator Doody: You are standing again.

Senator Gigantès: You know I got up first, but you say he got up first!

The Hon. the Speaker: Senator Doody got up at the same time.

Senator Frith: He did not! Senator Gigantès was talking before Senator Doody got up.

The Hon. the Speaker: That is the way I saw it.

Senator Gigantès: —something that is false. That, sir, is prevaricating, and you are losing any respect—

Senator Barootes: You lost control of this chamber!

Senator Gigantès: You should not get up and say something that is false.

Senator Barootes: Get out!

Senator Petten: Just try it!

Senator Gigantès: You do not have the right to do that, sir.

An Hon. Senator: I got up.

Senator Gigantès: You got up? I got up before Senator Doody.

An Hon. Senator: He got up!

Senator Gigantès: And you got up. He tried to interrupt me. He was standing, and I stood up and started speaking. He sat down immediately. Senator Doody got up after me. Here, sir, you are trying once again to disrupt this house—

Senator Doody: I got up as soon as the honourable senator on the other side sat down!

Senator Gigantès: —by breaking the rules, by disregarding the rules, and by saying something that is not so. You should be ashamed of yourself! How can you do that.

Some Hon. Senators: Shame!

Senator Doody: The courtesy is in recognizing people on both sides of the chamber.

Senator Gigantès: You have no respect for this institution! On October 4 . . .

The Hon. Speaker: Order!

POINT OF ORDER

Hon. Royce Frith (Deputy Leader of the Opposition): On a point of order, honourable senators, it was very clear to anyone who was in the chamber that Senator Gigantès not only got up first—

Senator Barootes: How do you get the floor?

Senator Frith: I am rising on a point of order!

Senator Barootes: Sit down! The Speaker was standing! You sit!

An Hon. Senator: Shut up!

An Hon. Senator: The Speaker does not have any right to make rules in here!

Senator Frith: I am standing—

The Hon. the Speaker: Honourable Senators, I called on Senator Doody. It has been a tradition here that—

Senator Hastings: Point of order!

The Hon. Speaker: —on petitions we hear from one side and then the other.

An Hon. Senator: Shame!

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: The Deputy Leader of the Opposition, as much as the Deputy Leader of the Government, gets the call when he gets up.

Senator Frith: Honourable Senators, on a point of order, it was quite clear to anyone in the chamber—

Senator Barootes: You have eyes in the back of your head, do you?

Senator Frith: No, I do not need them. I do not need eyes in the back of my head. If fact, I did not see—

Senator Phillips: You did not see Senator Gigantès, no!

Senator Frith: Take your time folks, take your time. I did not see Senator Gigantès get up first, because I did not need to. I heard him talking. But I saw Senator Doody, who is directly opposite me. I heard Senator Gigantès, and then saw him on his feet. Then Senator Doody got up.

An Hon. Senator: Shame!

Senator Frith: Your Honour, who can only intervene when senators get up at the same time—which is not in this case, because they did not get up at the same time—has no role.

An Hon. Senator: You do not know that.

Senator Frith: I do know that. I heard it. I looked and saw him get up.

[The Hon. the Speaker.]

Senator Cogger: You cannot talk sitting down!

Senator Frith: Your Honour, therefore, has no role in this at all.

Senator Barootes: He has no role?

Senator Frith: The only time Your Honour has a role is if they both get up at the same time. Even in that case, if Your Honour chooses someone, a senator can move that someone else be heard. But in this case that does not arise. Your Honour has no role because Senator Gigantès was clearly up first.

An Hon. Senator: No.

Senator Frith: He does not need the recognition of the Chair.

Senator Barootes: Read rule 26!

Senator Frith: He does not need recognition of the Chair when he stands. He does not need—nor does any senator—to address the Chair. If he is up first, he speaks. There is no role for the Speaker at all in such a situation.

An Hon. Senator: Never has been!

Senator Frith: Senator Gigantès must be allowed to continue because your Honour has no role in the matter at all.

The Hon. the Speaker: The rules—

Senator Olson: Sit down!

An Hon. Senator: Go ahead!

Senator Olson: You have no order at all.

Hon. C. William Doody (Deputy Leader of the Government): On the point of order, honourable senators—

Senator Olson: Sit down!

Senator Gigantès: I wish to continue reading petitions!

Senator Doody: —Senator Frith was given the courtesy of being heard on a point of order and I am going to respond to the point of order.

Senator Hastings: Senator Gigantès, sit down!

Senator Frith: Honourable Senators, I move, under rule 26, that Senator Gigantès be now heard.

Senator Doody: Does Senator Frith have the floor again?

Senator Frith: That is a proper motion, because it is a motion under rule—

An Hon. Senator: When did you get the floor?

Senator Doody: Senator Frith, there is now a point of order before the chamber that has to be discussed and ruled on.

Senator Frith: He is not listening to it! Oh, good. Let us debate the point of order first!

Senator Doody: I wanted to speak to the point of order, but this discourteous gentleman over here would not allow me to speak.

Senator Frith: Let us debate the point of order. We will then make the motion!

Senator Doody: I am trying to make the point.

Senator Frith: Sure.

Senator Doody: I am trying to make the point that—

Senator Frith: Under rule 26?

Senator Doody: Under rule 26 it states:

> When two or more senators rise to speak, the Speaker shall call upon the senator who in the Speaker's opinion first rose;

Senator Barootes: It states "in the Speaker's opinion"!

Senator Doody: The Speaker has quite clearly given his opinion, the fact that I rose first.

Senator Frith: He is up to his old tricks!

Senator Doody: The second point—

Senator Frith: Even though it is not so!

Senator Doody: —that I am trying to make is that it has been a long respected tradition in this place that when a member from the other side speaks, someone from this side is given the courtesy of following. That is, we alternate. We have been doing that for years. If someone on this side does not elect to stand, then two or more can continue on that side.

Senator Bonnell: Do you have a petition?

Senator Bosa: Do you have some petitions?

Senator Doody: When I rose to speak as deputy leader I had before me a bunch of documents, which I table at this time just about every day. I rose to do that, but was shouted down by my friend across the way.

Senator Buckwold: You cannot change the order of business.

Senator Frith: Honourable Senators, I believe that Senator Doody is now asking—

Senator Doody: No, I am not asking anything; I am telling you.

Senator Phillips: Sit down!

Senator Frith: Let me finish! If Senator Doody is saying that under the heading of "Presentation of Petitions", he wishes—

Senator Murray: He wishes to speak!

Senator Frith: —to speak on the basis of alternation and not on the basis of what I consider a clear breach by the Speaker—

Senator Doody: I made two points!

Senator Frith: —of who got up first, then I believe we should let him speak.

Some Hon. Senators: Shame!

Senator Barootes: This isn't your chamber any longer!

Senator Frith: Never was, sir.

Senator Olson: It never was!

Senator Frith: It never was, sir. Nor is it yours.

Senator Barootes: Like Gilbert and Sullivan!

Senator Doody: I have a number of items here, honourable senators.

Senator Frith: Senator Foghorn!

Senator Doody: I have a number of items that I wish to table.

An Hon. Senator: Is this "Presentation of Petitions"?

Senator Doody: I have the report of the Public Service Staff Relations Board for the period April 1, 1989, to March 31, 1990. I have the public accounts of Canada, volumes one and two in two parts for the fiscal year ended March 31, 1990.

An Hon. Senator: How did you change the order paper?

Senator Phillips: Why don't you come some time and find out?

Senator Doody: I am not changing the order paper! That is precisely what happens here every day! It says here quite clearly "Presentation of Petitions, The Honourable Senator Doody tabled the following:" I am changing nothing.

An Hon. Senator: That is not a petition.

Senator Buckwold: We have not finished petitions.

Senator Hastings: Petitions!

Senator Doody: I have here statement on operations under the Recurrent Soldiers Insurance Act for the fiscal year ended March 31, 1990; statement on operations under the Veteran's Insurance Act for the fiscal year ended March 31, 1990.

Documents tabled.

Senator Bonnell: That is reading of petitions.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62

Hon. C. William Doody (Deputy Leader of the Government): Honourable Senators, I have several petitions here also. I have a petition here signed by various residents of the Ottawa area who ask that the senate pass Bill C-62 without further delay in order to end uncertainty within the business community at a time of economic uncertainty.

Some Hon. Senators: Hear, hear!

Senator Hébert: How many of them are there?

Senator Buckwold: How many are there?

Senator Doody: There are three on this petition.

An Hon. Senator: Read the names!

Senator Doody: I will not read the names.

Senator Bonnell: Read them!

Senator Frith: How did you find them—

Senator Doody: I have another petition.

Senator Frith: —with a search warrant?

Senator Hébert: You can read them!

Senator Doody: I have another petition signed by the President of the Canadian Manufacturer's Association,—

Some Hon. Senators: Oh!

Senator Doody: —who respectfully requests that the senate get on with its business.

Also, honourable senators, I move that the Orders of the Day be read now.

Some Hon. Senators: Oh!

Senator Frith: Look at them smiling!

Some Hon. Senators: Hear, hear!

POINT OF ORDER

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, on a point of order.

Senator Barootes: We are through with the petition. Sit down. You have no right to interfere. Sit down.

Senator Frith: Honourable senators, on a point of order, the motion was just snuck in by Senator Doody after we allowed him to—

An Hon. Senator: Sneaky Billy.

An Hon. Senator: Contraband.

Senator Frith: It is not receivable, and I will tell you why not, Senator.

Senator Barootes: We don't want to hear your reasons.

Senator Frith: I should tell Senator Foghorn that one of his colleagues wants to hear the rest. As a matter of fact, he specifically asked. I don't think they are capable.

Senator Barootes: Senator Foghorn is missing. He sits next to you?

Senator Hastings: Take a valium. Take a valium.

Senator Frith: No, let him talk. Keep talking. We will just keep talking. Are you finished?

Senator MacEachen: What is the motion?

Senator Frith: I have it here somewhere.

An Hon. Senator: Sneaky Billy.

Hon. C. William Doody (Deputy Leader of the Government): I moved, seconded by Senator Ottenheimer that Orders of the Day be now read. I have copies of it for distribution if anyone wishes to have it.

Senator Frith: I think I can understand that. Perhaps a copy may be given to Senator Barootes. I think the rest of us can follow it all right.

A motion for reading Orders of the Day can clearly be made, as it was made here, without notice under Rule 46(e).

[Senator Frith.]

So we are clear about what is in order. Rule 46 says: "No notice is required of the following motions:" and 46(e) says "For reading the Orders of the Day;"

That is the motion now before us, but it is clearly a superseding motion and superseding motions are moved in the course of debate on questions which they seek to set aside; that is, these motions seek to set aside a question that is before the house.

So they can only be moved in the course of debate on questions that are before the Senate.

An Hon. Senator: You have a reference?

Senator Frith: Yes, I do. I thought you would never ask. They cannot be moved by a member rising on a point of order.

Now, is there a question before the Senate?

Senator Hastings: No. No.

Senator Frith: What is, under the rules of the Senate, a question? Incidentally, the reference for Senator Kelly is the fifth edition of Beauchesne, citation 417, at Page 151.

Senator MacEachen: In both languages?

Senator Frith: Yes. That is the edition that has the old language.

Senator MacEachen: The official language. It is not the bootleg edition.

Hon. Finlay MacDonald: I am glad to hear you say that, because I thought you were going to say that it was in Gaelic. I am glad you said it was the official language.

Senator Frith: We are now trying to find out whether there is a question presently before the Senate, remembering that what is presently before the Senate are petitions.

I take it there is no quarrel about that.

Question. I am now reading from Page 4, Rule 5(o).

> "question," except in respect of the question period and a question of privilege, means a proposal presented to the Senate or a committee thereof by the Speaker or chairman for consideration and disposal in some manner;

What we were dealing with was petitions.

When this motion was made we were dealing with the order paper, we were on namely, the "Presentation of Petitions—not on motions, but on petitions. At random I chose a petition under the rules.

I do not read the petition, but it is addressed to the Senate, and but I do read the names, and they include: Lucy Sinne, Rita Laurendeau, Mr. Cosgrove, Rose Cosgrove, Bud Centure, June Graham.

Senator Barootes: We have finished with petitions.

Senator Frith: Oh no, we haven't. Other petitions are Conrad Guillamette, Jacklyn Guillamette. Wouldn't you love it? We have a motion, but we are still on petitions.

I am raising a point of order, and I am pointing out, by way of illustration, what is before the Senate at the present time.

Senator Hastings: Not a question.

Senator Barootes: It is not a point of order, but a point of odor.

Senator Frith: I didn't think you would appreciate its bouquet, senator. Perhaps I had better explain it again. Senator Barootes is a little slow.

On the point of order, let me start again, so that Senator Barootes knows exactly where we are.

The motion is presented without notice under Rule 46. You could look it up, Senator, so that we will be clear about where we are, because you seem to be confused. We are on the order paper under the heading "Presentation of Petitions."

Under the heading of petitions, Senator Doody rose to present a petition.

Hon. Earl A. Hastings: Rule 46 says: "No notice is required of the following motions."

Senator Frith: I am coming to that, and under the heading of petitions, Senator Doody stood up and presented a petition.

Senator Hastings: No.

Senator Barootes: No. A motion.

Senator Frith: No, a petition. Then while he was on his feet, he presented a motion under Rule 46(e) "for reading the orders of the day."

Senator Barootes: Right in the order.

Senator Frith: Which may be made without notice; but although it may be made without notice, it may not be made when the Senate is considering petitions.

That is Mr. Beauchesne's opinion, too. And why can it not be done? Because when, for example, Senator Gigantès was presenting petitions, and when Senator Doody was presenting petitions, there was no question before the house, and there still is no question before the house.

What we are doing is reading petitions, like this one to which I was referring and which includes the names of Margaret Thewnee, Barbara Robillard, Pat MacIntosh, Mrs. Sauer, and so on.

There are others. To give honourable senators an idea of the importance of where we are on the order paper, I believe we have some 50,000 petitions, of which we have read approximately 2000.

Is there a question? Well, what is the question?

Senator Hastings: Is it going to rain?

Senator Frith: Yes, is it going to rain? That would be a question, but it is not a question in the Senate. You see, that might be included in the rules. Rule 5(o) says:

> question. "except in respect of the question period, and a question of privilege, means a proposal presented to the Senate."

Now is this a proposal? No.

An Hon. Senator: I didn't hear any proposal.

Senator Frith: This petition started out with the name Lucy Sinne; but she is not making a proposal. I am not making a proposal. No one is making a proposal to the Senate.

We are reading petitions from the people of Canada who are opposed to the GST. So no one is making a proposal.

So maybe it is covered by something else presented to the Senate. No, there is no proposal presented to the Senate.

It is not a proposal presented to a committee thereof by the Speaker. The Speaker did not present this proposal. He did not put forward a motion. He did not put forward a question. He did not ask whether we wanted to vote on the question.

He couldn't, because there is nothing before us. All that is before us are petitions—

Senator Hastings: Petitions, petitions.

Senator Frith: —for consideration and disposal. It is not a matter of disposal of these petitions. There has been no question put before us.

If there is no question before us, then, because this motion made by Senator Doody is a superceeding motion, it is out of order, since such motions can be moved immediately when a question is under debate. There is no question under debate at the present time. Can anyone seriously suggest that there is a question under debate when petitions are being read?

Some Hon. Senators: No!

Senator Barootes: Have you finished your smokescreen, so that we can get on with the business of the Senate?

Senator Frith: Such motions may only be moved when a question is under debate and cannot be moved by a member rising on a point of order. I gave the citation which sets that out.

I have also referred to rule 5. Perhaps I should make sure that everyone follows rule 5 and put it on the record in French just in case there is any absence of concordance between the two versions. I do not believe there is.

[*Translation*]

> "question", except in respect of the question period and a question of privilege, means a proposal presented to the Senate or a committee thereof by the Speaker or chairman for consideration and disposal in some manner;
>
> "rule" means any standing rule or standing order of the Senate;

[*English*]

I would say the concordance is very exact.

Let us also remember that the motion to proceed to Orders of the Day is also considered a dilatory motion which, according to *Beauchesne's*—

Senator Hastings: Does this Greg MacDougall work in your office, Senator Murray?

Senator Murray: Yes, as do the other two.

Senator Hébert: He couldn't find anyone else to sign the petition.

Senator Frith: The petition states, "Your petitioners pray the Senate will pass into law without further delay or obstruction Bill C-62 in order to end uncertainty within the business

community at a time of economic uncertainty, as in duty bound your petitioners will ever pray."

Picture if you will, honourable senators, the scene in the office of the Leader of the Government. It is made up of a group of people perhaps having tea and discussing procedural strategy. Someone says, "How the devil are we going to get on our feet in order to move a motion to proceed to Orders of the Day?" Someone replies, "Well, that is an interesting problem. What will happen is that those Grits will get on their feet and they will be yacking away concerning petitions. They will force us to sit and listen to what the people of Canada have to say."

Honourable senators will remember that the scene is a group of people in the leader's office. The next comment will be, "And every one of them can be counted upon to do it." Shall we say that through lack of enthusiasm for listening to more petitions, and for listening to what the people of Canada have to say, that is what was said. However, we do not know who it was who said that. It might have been Adèle Desjardins. It might have been Greg MacDougall.

Some Hon. Senators: Oh, oh!

Senator Frith: Or it might have been Peter Webber. We do not know how many senators might have been at this strategy session.

Senator Kelly: Senator Frith, are you still on a point of order?

Senator Frith: Yes, of course I am on the point of order, as to whether it is proper to raise such a motion at this point in time.

Senator Kelly: This does not sound as if it is part of the same subject.

Senator Frith: Keep listening. Here they are in the office, located in the corner of the lobby, trying to figure out how they can get a motion to move to Orders of the Day to stop the Grits insisting on telling us what the people of Canada want and—

Senator Barootes: And you talk about dilatory motions and dilatory actions!

Senator Frith: Yes, I certainly do, sir.

Senator Barootes: You sure do. You are a perfect example of it. You are dilatory.

Senator Frith: Yes, I am exactly, sir. That is precisely so.

Senator Grafstein: Is Senator Barootes suggesting that petitions are dilatory?

Senator Frith: If honourable senators opposite think that I am going to forget to come back to this beguiling scene, they are wrong. So someone says, "I've got it. I know what we'll do. We'll all sign a petition," to which Senator Doody says—

Senator Barootes: Go ahead and perform this CBC play. It is a CBC comedy. We have an actor in the house!

Some Hon. Senators: Hear, hear!

Senator Barootes: But I am no longer part of your audience.

[Senator Frith.]

Some Hon. Senators: More, more!

Senator Stollery: He is insulted that they did not ask him to sign the petition.

Senator Frith: Wait a moment, there is a second page here.

Senator Bonnell: Is Guy Charbonneau's name on it?

Senator Frith: The next thing they say is, "All right, what will we do, because Hébert or somebody else will get up and start to table petitions and probably in a seamless web," if I may use that metaphor, "Gigantès or someone will get up right after and we will never get a chance to have the floor." So they say, "Well, what will we do? First, we have to have a petition." So then they say, "Where the devil are we going to get anyone to sign a petition in favour of the GST?"

They then probably turned to poor Adèle, someone whom I know is a very nice woman, as we all know, and she probably said, "Please, not me." The reply to her statement will be, "Adèle, they all like you over there. You are a nice woman and well respected around here. We want you to sign a petition in favour of the GST." She says, "What am I going to tell my husband and kids? What am I going to tell all my neighbours?" Being loyal, she signed it.

Meanwhile, over in the corner, trying to shrink out of sight is, guess who? Greg MacDougall. Somebody says, "Where's Greg?"

Senator Kirby: Up in the press gallery.

Senator Frith: We all know where Greg would be. Greg would be out talking to the reporters.

Anyway, someone says, "Go get Greg." So Greg comes in and they hand him a pen and he asks, "What am I signing?"

Senator Sparrow: Is it with an "X"?

Senator Frith: They say, "You are just signing a small promissory note." He says, "Thank God; I thought it might be a petition". Then, Peter—and I do not know where they found Peter—signed the petition. At any rate, they got three people to sign it, which was not too bad.

They then say, "Okay, we now have a petition. Is there not anyone else in this whole country who could sign a petition in favour of the GST?"

Senator Bonnell: They put them all in the Senate.

Senator Frith: They can think of no one else. They say, "There is Adèle; we have her here. There is Greg, and we have him here. There is also Peter, and we have him. Then there is the Canadian Manufacturers' Association." Whoever came up with that is a very creative person and should be given a promotion.

Senator Murray: But the joke is on you. That is what you do not understand.

Senator Frith: I see. Anyway, by the looks of this signature, I do not think the Canadian Manufacturers' Association flew Mr. Thibault in. It is a fax; so Mr. Thibault finally signed that. That is Act 1, Scene 1.

Now Scene 2 is problem number two. "How do we get on our feet, because those Grits are so used to Reading of Petitions that they get up just like that. You cannot get a postage stamp between them when they are on their feet. How is Bill going to get on his feet to do it?" Enter the Speaker. Either one of the senators or Greg or Adèle or Peter, who were in on this meeting, said, "Call Charbonneau." That is it.

Sure enough, what happened? Senator Doody does not get up fast enough. Gigantès is on his feet, as you all know, and talking. In fact, Gigantès hits the floor talking. Gigantès starts talking before his derrière leaves the seat. So when he hits it, he hits it running. Bill tries to get up, and Gigantès is already on the fourth name down the list. The Speaker says, "I blew it again." So he stands up and says, "Senator Doody." We all say, "What do you mean, Senator Doody? Gigantès has been talking for 30 seconds." But the Speaker says, "I recognize Senator Doody."

An Hon. Senator: I recognize him also.

Senator Frith: Senator Doody then says he feels we should have alternance, which he is quite right about. Usually we alternate back and forth, although it certainly has not been happening on petitions, and it is not hard to understand why. We have been on petitions for about three weeks or a month.

Senator Murray: And there are 50,000 to go, are there?

Senator Frith: No, 48,000. That is four weeks, more or less. That is 28 days, and it took them 28 days to find three people to sign a petition. No wonder we have not been alternating. They have not asked to alternate, because they could not find anyone to sign such a petition.

That is how it happens that Senator Doody has this motion before us. He was recognized by the Senate as being entitled to alternate, but obviously he was using it as a way to get this motion before us. However, as we have found, this motion is totally out of order, because there is no question before us. I cannot imagine anyone suggesting that there is a question before the house under petitions.

In the House of Commons this motion has been successfully moved by a minister who was on his feet to table documents, which is the procedure that I suppose Senator Doody was wishing to follow. However, that procedure is unique to the House of Commons. I do not believe there is a single example of its ever being done in the Senate. As we proceed with the debate on this point of order, I will be interested to hear any precedent or evidence of this having been done before in the Senate—namely, moving a motion to proceed to Orders of the Day during petitions—although it has been done in the House of Commons.

Beauchesne says that it may not be moved during petitions or in any circumstances in which there is no question before the house. What do we do next? We go to the Senate rules. As far as I know there is no specific rule one way or the other. The only rule that I know of that is in the rule book dealing with this motion is the one that says that it may be made without notice. Senator Doody made it without notice, and we accept that. If he had made that motion, for example, while there was a question before the house, it would be quite different. Then he does not need to give notice. It is a dilatory motion, which makes it subject to some other debate also. I am sure that will arise during our debate on this point of order.

Rule 1 says:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

In the absence of any provision, we go first to Senate practices, not to House of Commons practices. In view of the clear words of *Beauchesne* and with no contrary procedure ever having been followed in the Senate, it is clear that the customs, usages, forms and proceedings of the Senate, as described in Rule 1, do not allow such a motion, regardless of the practice in the House of Commons. The practice and precedents of the Senate must surely have priority over the practice and precedents of the House of Commons, particularly when they are diametrically opposed and when the Senate practice is in complete conformity with *Beauchesne's*. The only way there could be a ruling accepting this motion, while we are dealing with petitions, is if the Speaker decided to say, "I will refuse to follow the fact that there has never been such a practice in the Senate. I will refuse to follow the words of *Beauchesne*, but I will follow an event and a precedent that took place in the House of Commons." In other words, he is saying, "To heck with the Senate, to heck with *Beauchesne*, I will follow . . ."

Senator Murray: "I will follow Rule 1."

Senator Frith: No, quite the opposite. "In following Rule 1, I will ignore Senate precedents that it has never been done under Rule 1."

Senator Murray: That is not a precedent. If it has never been done it is not a precedent. Come on!

Senator Frith: Let us put it the other way around. The Speaker says, "Under Rule 1 I will look at the House of Commons and I will say that it has been done there. I will refuse to look at the fact that it has never been done in the Senate and . . ."

Senator Murray: And that is a precedent, is it? It has never been done, so that is a precedent in the Senate?

Senator Olson: No, we go by the rules that we have.

Senator Frith: I have not finished my sentence yet.

Senator Murray: He is saying we go by the rules we do not have.

The Hon. the Speaker: Order, order!

Senator Frith: I have not finished my sentence. ". . . and I will go against *Beauchesne*. I will go against *Beauchesne* even though *Beauchesne* is directly opposed, and I will follow what happened in the House of Commons."

• (1610)

Naturally, the government will claim as a precedent what went on in the House of Commons, and the Speaker will

probably be seriously tempted to consider deciding in that fashion, because that would suit the government, which, as we know, he supports. So he will naturally be tempted; but I hope he will say, "Get thee behind me, Satan" and not follow a precedent in the House of Commons which is against all other precedents. Indeed, it is against all other practices and all other principles, that one cannot move a motion to proceed to Orders of the Day.

Why is that so? It is because a motion to proceed to Orders of the Day is a dilatory motion, a superseding motion, with the objective of taking the main motion, and the main question that is before the chamber—that is on the main line, so to speak—and shunting it off onto a siding so that you can go forward with something else.

So if, for example, we had a motion before us to adopt a committee report, and the question was put as to whether or not the report should be adopted, and someone on the other side did not want to deal with that committee report, but wanted to shunt it off onto a siding while they occupied the main line with some legislation that is on the Orders of the Day, then without notice they could move such a motion. In other words, some senator might say "I do not want to proceed with the question that is before the house. I want to proceed with another question." However, there is no other question, because there is no question before us.

So it seems to me, honourable senators, that it is very clear that such a motion could carry only under the most strained interpretation of the practices of this chamber, remembering that there is no precedent whatever for such a motion at this stage—none.

An Hon. Senator: No, no!

Senator Simard: So what?

Senator Frith: Of course, of course, "So what" is right. Who said that? Senator Simard? Let us hear from Senator Simard. "So what?," he says; "so what?"

Let us examine the, as usual, immaculate logic of Senator Simard. His proposition is: "So what?" because he says there are no rules here.

Senator Simard: You said "So what?" last week, and the week before.

Senator Frith: Senator Simard is citing me. Not a bad authority, I must admit. However, let us pursue what his reasoning is. He says that because two or three weeks ago somebody said there are no rules here—

Senator Simard: You said so.

Senator Frith: Yes, I did. In any event, someone said, "There are no rules here," because the Speaker refuses to follow the rules and holds a vote not in the presence of the whips, and locks the door early to make sure that both the whips cannot get in. Because that was said, Senator Simard now says "So what? So what if this has never been done?" I can understand what would encourage him to feel that way.

Senator Simard: The precedent. House rules are made on precedents.

Senator Olson: Do you want to come and sit over here?

The Hon. the Speaker: Order, please!

Senator Frith: I do not mind. Perhaps Senator Simard was not in the chamber. I had better start at the beginning. Senator Simard should know that at the present time we are on the order paper dealing with petitions.

Senator Simard: No longer. We now have a motion.

Senator Frith: What happened was that under the heading of "Petitions", Senator Doody got up, while Senator Gigantès was reading petitions, and presented the petitions of three people, plus the Canadian Manufacturers' Association. Then, at the end of that, he made a motion. So we are now dealing with a motion presented under "Petitions" and whether it is an order or not.

Senator Simard: It is an order.

Senator Olson: Point of order.

Senator Frith: Such a motion is found by *Beauchesne* to be only an order if there is a question before the house. There is no question before the house, and, therefore, because *Beauchesne* says that, and because we have always followed *Beauchesne*—

Senator Simard: Senator Frith said that.

Senator Frith: Pardon?

Senator Simard: Senator Frith said that.

Senator Olson: He is quoting that good authority.

Senator Frith: I am obliged to you, sir. However, there being no question before the house, we have always followed *Beauchesne* and have never permitted such a motion to be made under "Petitions".

Therefore, the only way that such a procedure could be allowed would be to follow a House of Commons procedure, which is against *Beauchesne* and against Senate procedure. But to that, Senator Simard says "So what?" I take it that Senator Doody's motion purports at least to be under the *Rules of the Senate* or he would not have advanced it, and under the *Rules of the Senate* such a motion is only in order when there is a question before the house.

In the House of Commons there have been such motions received when a minister was on his feet to table documents, which was not the case here in any event, and which is irrelevant. That is the procedure I suppose Senator Doody thought he was following; but, if so, he is in the wrong place. He might want to go down to the other place to make such a motion, but he cannot make it here. The motion is out of order, and we should continue with petitions.

Hon. John B. Stewart: Honourable senators, I wish to speak to this point of order. This afternoon Senator Doody rose on petitions. I will not go into the sequence of happenings which led him to have the floor. He knew he was on "Presentation of

Petitions". He knew that was the rubric, the heading with which the Senate then was dealing. He read, I believe, two petitions, and I will desist from attempting to describe those petitions, since Senator Frith has already explored the origins of those petitions.

● (1620)

Then, honourable senators, Senator Doody sought to put forward a motion for the reading of the Orders of the Day. That proposed motion is out of order. Accordingly, it cannot be received even under the most strained interpretation of the Rules of the Senate. The Senate, by an explicit rule, a rule which allows no room for interpretation, has established the order of business at a sitting. It has done that by Rule 19. That rule states: "At each daily sitting of the Senate the Speaker shall call for, in the following order:

1. presentation of Petitions;
2. reading of Petitions;
3. reports of Committees;
4. notices of Inquiries;
5. notices of motions;
6. question period;
7. orders of the day;
8. inquiries;
9. motions."

Now, Senator Doody seeks to set aside that rule of the Senate, Rule 19, by moving that the Orders of the Day be read. Rule 19 is a rule—in the House of Commons it would be called a standing order—of the Senate. The Senate has ordered that this be the order of business at each daily sitting. It cannot be swept away except by a change in the rules.

It is notable that in this house the heading or rubric "Motions" comes at the very end of a sitting. It is the last order of business we reach at a sitting. The situation in the House of Commons is radically different. There "Motions" is the last heading of what they call "Routine Business." In the House of Commons the heading "Motions" comes before the Orders of the Day. That difference is significant. I shall explain why it is significant in a moment. The prescribed order of business at a sitting of the House of Commons is radically different from the order of business which the Senate has prescribed under Rule 19.

On Saturday, October 4, during the sitting that began on October 4, and again on October 15, 1990, Senator Murray tried exactly the same tactic. I think we can imagine what happened in his office prior to that attempt. It was not as hilarious on those occasions as the scene Senator Frith has just sketched out for us. There was Senator Murray. He took up the Rules of the Senate and he read rule 19. His heart fell. He concluded that while in general Rule 19 is a good rule, it did not suit his present purposes. Consequently, he wished to repeal it just for himself and just for this sitting. Senator Doody now follows that very same pattern. On that earlier occasion Senator Murray asked himself, "How can I evade rule 19? It is an order of the Senate, but how can I possibly evade it?" Senator Doody asked himself the same question. After ruffling through the pages of the rule book, he came to Rule 46. There he read:

> No notice is required of the following motions:
>
> (*a*) by way of amendment to a question;
>
> (*b*) for the referral of the question to a committee;
>
> (*c*) for its postponement to a certain day;
>
> (*d*) for the previous question;
>
> (*e*) for reading the Orders of the Day;
>
> (*f*) for the adjournment of the Senate, while a matter is under discussion;
>
> (*g*) for the adjournment of the Senate for the purposes of raising a matter of urgent public importance (which the mover shall state on rising to speak) before the House proceeds to the Orders of the Day;
>
> (*h*) for the adjournment of the debate;
>
> Some others are:
>
> (*l*) for the first reading of a bill; . . .
>
> (*p*) that the Senate resolve itself into a Committee ofthe Whole;

And they go on. So Senator Doody said to himself, "Ah, there is my answer; Rule 19 really means that there is nothing to stop me from rearranging the order of business any way I like when I have a majority. There are no rules in the Senate when I have a majority. Rule 19 can be set aside at any sitting by a motion under Rule 46. Isn't it great! Eureka, I found it!" Had Senator Doody finished reading Rule 46, he would not have blundered as he has done. The final words are: "other motions of a merely formal or uncontentious character". Motions under Rule 46 are either formal or uncontentious.

I ask honourable senators to take up *Beauchesne*, the Fifth Edition, and turn to page 151. With that in hand, look at the motions listed under Rule 46, the motions for which no notices are required and let us analyze these motions. They will find that those motions are exclusively of three kinds. Some are what *Beauchesne* calls "subsidiary motions." *Beauchesne* says:

> *Subsidiary* motions are used to move questions forward in different stages of procedure through which they must pass before their final adoption. Motions for the readings of bills are in this class.

Let us go back to Rule 46. We find there, for example, that the motion for the first reading of a bill can be moved without notice. That is a good example of a motion of the subsidiary type listed in rule 46. Other motions set forth in rule 46 are what *Beauchesne* calls "incidental motions." At the bottom of page 151, he tells us what that term means:

> *Incidental* motions are those which arise out of, and are connected with, other motions to which they relate as, for instance, motions for reading Papers immediately after they have been laid on the Table, to withdraw a motion or an amendment, or for obtaining unanimous consent to dispense with a rule, for the time being, in order to expedite business.

In other words, if Senator Doody had sought leave to dispense with Rule 19 for the time being in order to expedite business at this sitting, that would have been an incidental motion.

The third category is made up of what *Beauchesne* calls "superseding motions." Beauchesne lists the motion, "That the Orders of the Day be read as a dilatory motion".

Senator Murray's motion would have had, were it in order and carried, the effect of setting aside one of the Senate's fundamental rules. A motion to repeal Rule 19 is not one of these three kinds of motions.

It is, in fact, a substantive motion. It is a motion which cannot be moved under Rule 46. It does not come within any of the three kinds of motions that do not require notice. It is a substantive motion and requires notice. After notice it would be dealt with under "Motions", the rubric that we reach at the end of a sitting.

When we read *Beauchesne's* list of dilatory motions as set forth on page 151, we find that the motion of the Order of the Day is included as a dilatory motion. But Senator Doody's motion fails to qualify even as a dilatory motion. To be an order a dilatory motion must seek to postpone or set aside debate on a question already before the Senate. A motion stating a proposed question to be answered eventually by the Senate must have been moved. Then, that motion must have been put before the senate for debate and for ultimate decision.

When the Senate is dealing with a kind heading of business "petitions", that does not involve a motion, and which, consequently, does not involve a question, a dilatory motion cannot be moved. Even as a dilatory motion, Senator Doody's motion cannot get on the field at all. His motion is ineffective to move the Senate down the list of business to the Orders of the Day. It is ineffective to bypass the earlier headings set forth in Rule 19. Even as a dilatory motion it is meaningless, because there is not a question to be postponed or set aside. That is the truth of the matter.

I wish to say a few more things about this lame attempt to move a motion. In so doing, I wish to refer to the practice of the House of Commons. Senator Frith already has made reference to the practice of the House of Commons and Senator Murray, by interjection, has indicated that he relies heavily on the practices of the House of Commons.

Before I do that, I wish to put before the Senate a comment on the practice of a House such as ours looking outside for procedural guidance. This comment does not deal specifically with the Senate, but the burden of the argument is germane to the present situation.

I am quoting now from a book entitled *The Legislative Process in Canada: The Need for Reform*. The commentator states:

> I would like to make two preliminary observations which, I think are self evident. First, the British parliamentary system is not universally praised as the healthy supreme body which Professor Franks suggests it is.

[Senator Stewart.]

The reference there is to Professor C. E. S. Franks, Professor of Political Science at Queen's University in Kingston, Ontario. The quotation continues:

> This is certainly the message which has come from this conference. I would suggest that a major similarity in Britain and Canada is a parliamentary and public frustration with what is perceived to be a non responsive bureaucracy in a regulated society. Somewhat tongue in cheek I would suggest that this continued colonial outlook on the part of those who refer in hushed terms to the "Mother of Parliaments" is a failure to realize that in Canada, from 1867 onward we have gone in different directions than have those at Westminster. Our two systems are ever increasing in divergence and it is more and more difficult to refer to "mother's example" as a justification for the way in which we do things in this country.

The commentator then goes on to state:

> Technically, the British printed works such as Erskine May's *Treatise on Parliamentary Practice* while useful as historical documents, are not always appropriate in the Canadian context. Certainly there is no reason whatsoever why a Canadian Parliament should be bound by a precedent at Westminster which may have come into being to meet a specific British situation for which there is no parallel in the Canadian system, but many people feel because it is in "May" that it is transferable to the Canadian scene.

The author of these comments is John A. Holtby. He was speaking at a conference held at the University of Victoria in 1978. I have certainly adopted his words. We should not convey into the Parliament of Canada British practice, which may be very unsuitable here. Similarly, we should not attempt to convey into the Senate of Canada practices which the House of Commons may have decided to follow.

We certainly do not follow their practices in many matters. If it is not too painful a subject, may I refer to the ringing of bells?

Senator Frith: It is not too painful at all!

Senator Stewart: Back in December of 1982 the House of Commons adopted a rule with regard to the conduct of divisions. Has anyone ever suggested that that rule applied automatically here? Certainly on October 4, 1990 Senator Charbonneau did not.

Senator Frith: No!

Senator Stewart: He found it necessary to blaze a trail of his own. Certainly the Senate did not. Only last week the Senate made a provisional rule of its own to deal with the conduct of divisions. We did not say, "Oh, but there already is a precedent from the House of Commons. Back in December of 1982 they adopted a standing order that deals with this matter. That applies to us." Senator Charbonneau knew that it did not apply to us. All members of the Senate, when by a unanimous decision they made a provisional order governing that very matter, in a way very different from the way it was dealt with in the House of Commons, knew that what they had done over

there, although interesting, was irrelevant and not binding here.

How the House of Commons proceeds is for that House, not for us to decide.

Senator Frith: And visa versa!

Senator Stewart: How the Senate proceeds is for the Senate and not the House of Commons to decide.

As I stated earlier, the two situations are very different. Over there "Motions" is called before the Orders of the Day. In the old days it sometimes happened that there would be a motion under debate which someone wishes to postpone or set aside by moving "that the Orders of the Day be now read". Here, in contrast, debate on "Motions" comes after the business ordered for a sitting. The situation is entirely different. Even if we wanted to adopt the House of Commons practice, other changes in our rules would be necessary.

Moreover, the situation in the House of Commons is not straight-forward and clear.

I am reading now from the all standing orders of the House of Commons published in 1989.

At Page 200, Standing Order 59 of the House of Commons is set forth: "A motion for reading the Orders of the Day shall have preference to any motion before the House".

Notice the words, "any motion before the House".

The commentary on the standing order, on page 201, says, "The motion belongs to the calss of 'superseding' motions which, although independent in form, traditionally may bemoeved without notice during debate on questions which they seek to set aside. Once moved, the motion under Order 59 is put from the Chair immediately without debate or amendment, and, if agreed to, has the double effect of superseding the business that may then be under discussion and of causing the House to proceed with the Orders of the Day. Any previous business thus seperseded is thus dropped from the Order Paper, although on a motion without notice it may be supported for consideration again." The annotation goes on to say that this was derived from an earlier by British rule, has been used frequently throughout successive Parliaments; and although its wording has not changed since Confederation, it has been the object of several interpretations.

The annotation continues: "Precedents vary". So even if we said, "Really, we will follow the other House, we would not have a clear guide. Precedents vary.

"In 1956 the Speaker ruled out of order a motion to proceed to the Orders of the Day on ground that there must be a motion before the House before this second motion could be entertained; a similar ruling was rendered ten years later. In 1970, the Speaker accepted the motion moved during Question Period, and, in 1983, the motion moved during Routine Proceedings under "petitions" was similarly accepted. In February of 1987 the Speaker put the question on the motion moved at the commencement of the sitting".

And so on.

So even in the House of Commons, as the authors say, "Precedents very". The practice is not settled.

This is not a clear guide for the Senate of Canada, even if we decided that we would follow the example of the House of Commons.

This motion that the Orders of the Day be now read has a long history behind it. I know that senators will not want me to go into it at great length this afternoon; but it is important, I think, to understand how this motion got into the rule book.

Back in the expansive days of the 18th century at Westminster, when a member gave notice of a motion, he would very often say, "I will move this motion at three o'clock three weeks hence." Or he might, in the case of a bill after having introduced it, say, in response to the question "When shall the said bill be read the first time", or "a second time", he might say, "Well, I will move it at eight o'clock four weeks hence—this day of the week for weeks hence".

That is how Orders of the Day came into existence. Items of business were ordered for particular times on particular dates.

There would often be interruptions in ordered business at sittings. Perhaps something would have been put down for two o'clock, and then something down for eight o'clock, and so forth, on particular days.

The paractice was that honorable members could use the intervening time for other business. They would move various motions.

Thus, it might be necessary, if an Order of the Day were to be carried out at, let's say, eight o'clock, to put aside the intervening business. The member sitting there, impatient to bet on with the bill or motion, of which he had given notice three weeks hence, moving from one foot to another with his impatience, would say, "I move that the Orders of the Day be now read".

In effect he would say, "I have notice of my item of business. We have an order for eight o,clock this day. This other motion, this other bill, important though it may be, is taking up the time. I want to get to the business ordered for this hour of this day".

That is the origin of the motion.

Of course, as honorable senators know, we no longer build up our program of work, our Orders of the Day, in that piecemeal way.

In the House of Commons there is a list of Orders of the Day. The items now have been sorted out so that government orders are given priority at certain hours and private members orders are given priority at other hours.

We know how it is done here. In the Senate we know how the Orders of the Day, the structure of the Orders of the Day, is arrived at. We have our own rules for that.

That is the origin of the motion for the reading of the Orders of the Day. It was to supersede a motion, perhaps a substantive motion, perhaps a motion relating to the progress of a bill thorugh Parliament.

That is the origin of Standing Order 59 as set forth in the rules of the House of Commons at this day.

Standing Order 59 was once Standing Order 29. I now refer to Beauchesne's second edition. That standing order was adopted by the House of Commons on December 20, 1867. It states that a motion for reading the Orders of the Day shall have preference to any motion before the House. Notice that it says: "preference to any motion before the House". It does not say "preference to any petition before the House".

An item of business has been ordered for a certain hour on a certain day, but there is another motion before the House. That other motion is pushed aside. It is bumped out be the reading of the Orders of the Day.

There is another standing order of the house of Commons that is relevant. It now is Standing Order 58. it was adopted by the House of Commons on July 10, 1906.

That order reads:

> "When a question is under debate, no motion is received unless to amend it, to postpone it to a day certain for the previous question, for reading the Orders of the Day, for proceeding to another order, to adjourn the debate, or for the adjournment of the House."

Honorable senators will see that those two standing orders of the House—Number 58, the one that I have just read, and Standing Order 59 of the House of Commons—overlap. Both refer to the reading of the Orders of the Day.

Number 58 is kind of a grab bag: "When a question is under debate, no motion is received unless to amend it for reading of the Orders of the Day," et cetera. In contrast, Standing Order 59 deals specifically with a motion for the reading of the Orders of the Day: "A motion for the reading of the Orders of the Day shall have preference to any motion before the House."

How did that Standing Order 48 get into the Standing Orders of the House of Commons? Sometimes history can be very instructive. I have in my hand the proceedings of the House of Commons for several sittings in July, 1906.

On Thursday, July 5, 1906, the Right Honourable Sir Wilfrid Laurier, Prime Minister, moved:

> That the report of the special committee appointed to revise the rules of the House, presented this day, be referred to the Committee of the Whole House for consideration on Monday next.

An Order of the Day for Monday, July 9 is being made. He proposed that it be an order of the House, that on Monday next the report of the committee be referred to the Committee of the Whole House.

Eventually, pursuant to that order, the House went into a Committee of the Whole on the proposed new standing orders. Some of those orders are very interesting. Incidentally, this is the origin of the motion governing the adjournment of the debate to discuss a matter of urgent public importance.

[Senator Stewart.]

Prior to 1906 members were getting up sitting after sitting to move the adjournment. Having moved the adjournment, they would then talk about the most diverse topics on that motion. It was a debatable motion. They would talk about the plight of the fisheries in Lunenburg. They would talk about the plight of miners in Ontario. They would talk about one of the great topics of the day, namely the need for cowcatchers on trains, and for other devices to protect livestock from being injured or killed by railway trains. They would get up and move the adjournment of the House and talk about the urgent need for temperance throughout the land.

They went on so often that the House decided that there had to be, not a ruling made on his own by the Speaker, but a rule made by the House to govern motions for the adjournment of the House. So they wrote a rule in July of 1906 stating that the motion to adjourn, put in standard or formal style, shall not be debatable, but that a member may move the adjournment to discuss a matter of urgent public importance in a specified way. That is the origin of "Emergency debates" the practice in the other place.

Another interesting matter dealt with in the House of Commons in July of 1906 was conferences. The Debates state:

> On Section 84,—conference with the Senate.
>
> (84.) In cases in which the Senate disagree to any amendments made by the House of Commons or to which the House of Commons has disagreed, the House of Commons is willing to receive the reasons of the Senate for their disagreeing or insisting (as the case may be), by message, without a conference, unless at any time the Senate should desire to communicate the same at a conference.
>
> Any conference between the two Houses may be a free conference.
>
> (2.) When the House requests a conference with the Senate, the reasons to be given by this House at the same shall be prepared and agreed to by the House before a message be sent therewith.
>
> **Mr. FOSTER.** What is a free conference?
>
> **Sir WILFRID LAURIER.** Heretofore there has been a lot of red tape about these conferences. According to the existing law, we have to pass questions here and give written instructions from the House to the members of the conference representing this House, and therefore we are now providing for a free conference without any instructions at all. All the instructions are contained in the reasons for the disagreement.

They added to their standing orders a provision for free conferences. I wanted to call that to the attention of honourable senators because I think it is of importance interest to us in 1990.

They then got on to the adoption of what is now their rule 58. It deals with privileged motions. The proceedings for that date quote the proposed new standing order:

When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the House.

Sir WILFRID LAURIER. This is a condensation of several rules which are not printed except in the text books but which are introduced into the rules of the House now.

Mr. BERGERON. What is the meaning of 'reading the orders of the day.'

Mr. FIELDING. That is a form of disposing of a question without expressing any opinion. By reading the orders of the day you express no opinion on a question, but you postpone it.

On motion of Sir Wilfrid Laurier, the committee rose and reported.

In other words, there was no doubt in their minds that a motion for the reading of the Orders of the Day had the effect of putting aside a previous question, a question which already was under debate. The House disposes of a question without expressing an opinion on it. Or the House postpones it.

The House of Commons seems to have strayed recently from the established practice of both the British House and its own earlier established practice. That is not our business. Nor is it our concern. As Mr. Holtby said, it is not for us in Canada to follow the so-called Mother of Parliaments slavishly. Similarly, it is not for us here to follow the House of Commons slavishly, whether it does right or wrong. Its precedence are of interest, but they do not bind us. They do not guide us. Nor do they shed a light for us to follow when we have an explicit rule, a rule set forth clearly as in the case of Rule 19 as to the order of our business.

What Senator Doody has tried to do is to smuggle a substantive motion into this house in the guise of a dilatory motion. He has put forth a motion to set aside rule 19. By unanimous agreement —by leave, as we say—we often set aside a rule. And sometimes we change our rules by a substantive motion. In the latter case notice is given and the motion is brought up for debate on Motions after the Orders of the Day. That is the way a substantive motion to deal with the Rules of the Senate is dealt with.

● (1700)

We also have dilatory motions. Dilatory motions, as *Beauchesne* says at page 151, ". . . are designed to dispose of the original question either for the time being or permanently." If a motion is to be a genuine dilatory motion there has to be an "original question" to be disposed of either for the time being or permanently. *Beauchesne* goes on: gives examples. He says:

They are usually of the following type:

"That consideration of the question be postponed to . . . . . (date)".

"That the Orders of the Day be read."

Senator Doody has said to himself, "I shall try to smuggle in a substantive question in the form of a dilatory question,"; however he did not succeed in even moving a dilatory motion because for a dilatory motion to be in order there must be another question, "an original question" before the Senate.

Honourable senators, this whole episode is just another ridiculous chapter in the history of this Government's conduct of this session of the Senate. It is ludicrous. We would be laughing again and if it were not evident that this Parliament is being degraded by the Government. We all remember what happened here on Thursday, October 4. Let us not revisit that sad day again.

Senator Haidasz: Black Thursday.

Senator Stewart: What we saw on that day was a carefully orchestrated scenario that afternoon. This afternoon we have another carefully planned plot. Senator Doody sought the floor, saying, "I have petitions. Senator Gigantès, your turn will come. I have hot petitions." Naturally he wants the Senate to hear from the Canadian Manufacturers' Association. We can understand that. In addition, he wants to read to the senate the petition from Senator Murray's employees. The Senate should hear them, and that is fine, because they are Canadian citizens. However, having got the floor under the heading, "Reading of Petitions", he did not proceed in an orderly way. He stumbled. He brought in a motion which he thinks will have the effect of a substantive motion, setting aside a rule of this place, Rule 19. He does it in the guise of a dilatory motion under Rule 46, which deals with motions of quite another kind, and he expects us to take him seriously.

Clearly, he is being advised by someone who knows nothing about procedure. He is being advised by Senator Murray. That is what is going on.

Senator Frith: That is the only explanation.

Senator Stewart: Nobody can argue seriously that the motion moved by Senator Doody is in order. It is a travesty, a nullity. It is ludicrous. If the government wants us to take their business seriously, they will have to stop these silly shenanigans.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I should like to say a few words on this point of order. Honourable senators opposite seem to assert that the citation from *Beauchesne's*, paragraph 417, is the final authority on this particular situation. In fact, honourable senators, it seems to be the only authority that has been quoted. Recent practice in the House of Commons demonstrates that paragraph 417 of *Beauchesne's*, clearly is not the only authority.

Senator Frith: Not in the House of Commons anyway.

Senator Doody: It is not the only authority. There are some very obvious examples of this procedure being followed in the House of Commons: November 24, 1986 at page 1473 of the House of Commons Debates; October 16, 1989 on page 4679 of the House of Commons Debates; October 24, 1989 at page

4029 of the House of Commons Debates; March 21, 1990 at page 9607, also of the *House of Commons Debates*.

Honourable senators, it has been stated here before—and I will repeat it again—that Rule 1 of the Senate rules is the applicable rule in this case. That rule says:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliament of Canada shall, so far as is practicable, be followed in the Senate or in any committee thereof.

Since honourable senators opposite have been unable to find examples of the Senate rules—the Senate rules are silent on this—then we look to the House of Commons for guidance.

Senator Olson: Oh no. We have precedents.

Senator Doody: I will not be very long.

Senator Frith: We are entitled to groan. Bill, you will not begrudge a groan.

Senator Doody: No, I will not. Groan away.

Honourable senators, we should examine paragraph 417 of *Beauchesne's* in light of these examples of the House of Commons' practice and why paragraph 417 is not operative. Page 405 of the Seventeenth Edition of *Erskine May*, on which paragraph 417 of *Beauchesne's* Fifth Edition is based, suggests that the motion for the reading of the Orders of the Day as a separate and distinct question is obsolete in the British parliamentary practice. It says that the motion that the Orders of the Day be read is obsolete as a substantive motion. This is because the provisions of the Standing Orders of the British House of Commons provide for entering upon Orders of the Day at a certain hour every day. This means that the rules of that house prevent any obstruction to reaching the Orders of the Day. The statement in *Beauchesne's* paragraph 417 is correct insofar as it applies to the British House of Commons.

● (1710)

It has no bearing in the Parliament of Canada. In the Parliament Canada such a provision has not been added, as they have in the British House of Commons, to prevent the use of routine proceedings as a dilatory tactic. In other words, if we in this place were to adhere strictly to this 417 of *Beauchesne,* which has been cited and which, as I said, is applicable in the British House of Commons, then it is quite possible that a minority in this place could prevent the Orders of the Day from ever being reached. We would never be able to discuss government business.

So it follows then that the 46(e), which has been referred to here was inserted in the Senate's rules for just this purpose, and 46(e) says quite clearly that no notice is required for the reading of the Orders of the Day.

Now, honourable senators, why is that rule in there if it was not mentioned that no notice is required for the following motions: "for reading the Orders of the Day," which is exactly what happened here. A motion was laid down in this place that we proceed to the reading of the Orders of the Day.

[Senator Doody.]

Senator Frith: It is not that notice is required to the Orders, but to the motion.

Senator Doody: You are not groaning now senator. I shouldn't interrupt you; I'm sorry.

Senator Frith: You are forgiven.

Senator Doody: So therefore it follows, in the Canadian Parliament, that the motion that the Orders of the Day now be read retains its character and functions as a separate and distinct procedure. Indeed, our rule 46(e), which I have just quoted, and the House of Commons Standing Orders 58 and 59, which Senator Stewart quoted, anticipate the fact that such a motion can be moved as a distinct question. The practice of the House of Commons in the matter is instructive, and I have given the chamber some examples. Speaker Fraser in the other place dealt at length with the matter in a ruling—which I will not read, but it can be found in the Debates of the House of Commons of April 14, 1987, at pages 5119 and 5122. Speaker Fraser was concerned in his ruling that there be no abuse of the rules of the other place. He concluded that such an abuse could occur if the government monopolized the time of the House.

In this particular case it is the reverse. The Opposition is monopolizing the time of the house, and it does that by never permitting the house to reach routine proceedings. Equally, such an abuse would happen if the Opposition did exactly the same thing, which is what we have been seeing here; and honourable senators opposite have made it quite clear that they intend to continue. So, having been faced with the prospect of another 40,000 petitions, it was quite an order to move to Orders of the Day. I fail to understand the logic and the argument that the motion for Orders of the Day could only be moved if there is a motion or a question before the house. That anticipates that we would have gone to Orders of the Day before we are allowed to move to Orders of the Day.

Senator Frith: There are other motions.

Senator Doody: It makes no sense, and obviously it is not the intent of the rule. This house, as does every other house, must have the fundamental power to regulate its own business. In order to allow us to do that, certain rules are provided, one of which is Rule 46(e) which I quoted, which allows for the tabling of a motion or the presenting of a motion for reading Orders of the Day.

Honourable senators, Senator Stewart referred at great length to Rule 19. He went on to read it and describe it, and seemed to infer that that order, or the manner of presenting the order paper every day is cast in stone, and cannot be changed, that we must follow it precisely every day. But that also seems to be contradicted by the various opportunities which the rules give us to move to the previous question, to move to Orders of the Day, or to move for postponement to a certain day. All these opportunities are provided for under our Rule 46, none of which requires notice, and obviously they are put there to facilitate the conducting of the business of the house. So I put to honourable senators the fact that this motion is indeed an order that has been properly presented,

that it has been used in the other place and on various occasions. The only citation that could be found to argue against it is a citation expressly written by Erskine May to deal with the situation in the British House of Commons, which is very different from the situation in this place.

An Hon. Senator: Hear, hear!

Senator Doody: So I submit that this motion is entirely in order, and I urge that it be adopted.

An Hon. Senator: No, no.

Hon. H.A. Olson: You are in a hurry. Trample down the rights of parliament and you then get in a hurry; but you can't even wait for people to make submissions on the basis of a point of order. Well, honourable senators,—

An Hon. Senator: No, no.

Senator Olson: —the senators in this place decide that, not one or two members on that side, or whoever is sitting in the Chair. He doesn't decide when a point of order has been exhausted; the senators do. Let us be clear on that.

There is one point that has not been made in speaking to the point of order. It has been made, but it has not been emphasized enough; and I will go over it in a few minutes. If you are going to accept the motion moved by Senator Doody, then you have to set aside everything else, and in this case you have to set aside the right of Canadians to petition Parliament.

Senator Frith: Hear, hear.

Senator Olson: I have hundreds of names of people, good Canadian citizens, who have sent me these petitions, and I can tell you, so there is no misunderstanding, that I intend to honour my obligation to place those petitions before this House of Parliament.

An Hon. Senator: Hear, hear.

Senator Olson: Senator Doody can argue that it has been used in the House of Commons Position of duress. I spent fifteen years there. I don't know what happened since the Conservatives were elected in 1984, but I know that they have trampled on the rights of Canadian citizens and the parliamentary process several times since then—which is something they would never have got away with 15 or 20 years ago. They had a big majority. I'm not quite sure, but I believe that in 1984 they started out with 211 members. They used their majority to bulldoze parliament then, and they are still using it. Bill C-62 would never have reached this chamber in the time that it did without the government bulldozing it with time allocation, guillotine, or whatever you want to call it, time after time.

Now, the legislation is before the Senate, and the people of Canada have decided they are going to use every angle, every device, every opportunity they can to prevent the government from imposing this terrible iniquitous tax on them. That is why we have received these petitions. Surely you can understand that. I don't know of any time in my 34 years in the Canadian Parliament—it goes back to 1957, anyway—when the people of Canada have been so exercised over a bill that the government insists on passing. There is a good reason for that.

• (1720)

I want to talk for a few moments about what Senator Doody tried to advance as reasons for why he thinks his motion is in order. First, he forgot one thing, namely, that being that there was no motion before the house.

Senator Doody: Nonsense!

Senator Olson: If he wants to cite *Beauchesne, Erskine May* or whomever, he should read what they say. As we know, he was attempting to introduce a superseding motion, although there was no motion before the Senate for him to supersede. There was no motion on which to move a dilatory motion, as we were on petitions. We were following the right of Canadians to petition their Parliament, and that right should be honoured and respected. Now that right is being trampled upon. Senator Simard has said, "So what?" If that is the attitude on the government side, they can be sure that we on this side will stand up for the right of Canadians to petition their Parliament, and we will do that hour after hour, day after day until this government gets the message that it is a right of our people under our parliamentary system. It is our obligation to make sure that the petitions are presented here.

Coming back to Senator Doody's argument, superseding motions, though independent in form, are moved in the course of debate on questions which they seek to set aside and may only be moved when a question is under debate. They cannot be moved by a member rising on a point of order. Senator Doody did not rise on a point of order; he pirated himself onto the floor by reading petitions. As far as I am concerned, there was no motion before the house. It is very clear that we cannot move a superseding or dilatory motion until we pass the item in the list of routine proceedings called "Presentation of Petitions."

It is more serious than that. I am not sure whether it is absolutely true, but I hear that the members opposite—the Leader of the Government, the Deputy Leader, the Whip and whomever—intend to carry on so that we never get back to petitions insofar as Bill C-62 is concerned. That means that all of these petitions that I have in front of me, and all of the others, how many hundreds and thousands there are, must be thrown in the waste paper basket if we accept Senator Doody's motion, because, unless we get back to the top of the order paper, there will never be an opportunity to present them to this Parliament before we vote on third reading.

I appeal to members opposite. They may think that they are playing games with us, and I suppose a little of that goes on all the time, but please do not wreck parliamentary procedure and do not tramp on the rights of Canadian citizens to petition their Parliament. I, for one, am absolutely convinced that what has been attempted here is completely out of order. I promise that I shall do everything in my power to make sure that the rights of citizens are not trampled upon. Thousands of citizens want to let Parliament know, by way of petition, that they

oppose what is contained in Bill C-62; and there is good reason for it.

However, we will get to that sometime reasonably soon, unless the government chooses to continue to bulldoze through. Surely it should have learned by this time that this house of Parliament will not be bulldozed. The government tried it on October 4; it has tried it a couple of times since, and is trying it again today, to move a motion tramping on the right of Canadians to have their petitions heard before the Parliament of Canada. The same thing was done also in the other chamber. The chairman of the finance committee of the other place decided, because he had a majority, that he would stop people from even appearing before the committee.

Senator Lucier: Even people from their own party.

Senator Olson: Sure. They have a practice over there that if you vote against them you get kicked out of the party. We have a couple of victims in Alberta.

So, honourable senators, I ask you not to take this kind of activity quietly or to think of it as some kind of contest between Liberals and Conservatives. It is far more serious than that. The government is trying to tramp on the rights of Canadians to express themselves before one of their houses of Parliament. That is the consequence of accepting Senator Doody's motion. It is so serious that I do not know that it can ever be properly repaired. I sat in the House of Commons and was a member of the rules committee for some months during an intense debate in which the government of the day had tried on a number of occasions to push what it wanted through Parliament. The government was getting a little impatient and had made some changes to the rules to shorten, if you will, and restrict, the rights of the Opposition to carry the pleadings and the prayers of the Canadian public. Every time that has happened, Parliament has been a poorer place for it. There is absolutely no doubt in my mind that it is happening here. We must ask ourselves the question: Are we going to let the government jump on the rules to petition in this place?" There is nowhere else to go. The bill is before the Senate. It has already passed the other place with the use of closure, the guillotine, the allocation of time, and that kind of thing. We either get redress for these people in this chamber, or this hated, despised bill will become the law of this country even though the people do not want it.

The Minister of Finance has said that he knows that it is not popular, but it is right. He says that his party intends to do a few things that are not popular but are the right things. One of the most basic rights in a democracy is the right to be wrong. We do not have to accept that the right to be wrong is wrong by someone else's interpretation. This bill is wrong, wrong, wrong. It is not right at all, and close to 90 per cent of the people believe that it is wrong to bring in a law that will cause them an accounting and bookkeeping nightmare. They do not want it.

Everyone knows that we have to pay more taxes. However, you do not have to set up such a complicated system that will make slaves of all of us. I welcome an opportunity to get into the substance of this bill as soon as we can, because I have some arguments that, I hope, will persuade members opposite that they should not support the bill. However, along the way we must honour and respect the parliamentary traditions that have grown up over centuries. I do not know whether Senator Stewart mentioned when petitions first came before the British House of Parliament, but I know that the tradition is centuries old.

I do not know the exact date, but for the common people to be able to carry their views before the people that govern them is not something that we invented in this century—I can tell you that with some certainty. I hope that honourable senators opposite will at least respect the right of Canadian citizens to express their views through the one process that we have. It is on our order paper at the top of the page—that is, under "Presentation of Petitions". The next item is "Reading of Petitions". Under that item you can do a lot of things. But we have not yet reached that order of business. We are still on "Presentation of Petitions." There is probably not one senator on either side of this house who can remember the number of petitions that have come to this chamber. That is how much people are opposed to this measure.

Senator Phillips: You would not allow them before, Senator Olson!

Senator Olson: "You would not allow them before?" The post office was available for petitions to come to senators at any time. If you want to put it that way, I can never remember, that until now any senator was denied bringing petitions into this chamber. It has never happened before. But we have new rules. They are new, bulldozing, rules—that is what they are. I do not care so much about polls. Sometimes I believe them and sometimes I do not. It does not always depend on whether or not they are favourable, because I like to know how they got their results. I prefer to go around and talk to people. I can tell you that from what I see on these petitions higher than 90 per cent of the people in my region of Canada do not want Bill C-62 to become the law of this country.

But the government is saying, "We will use our majority and trample over it and pass it anyway, because the minister of finance is saying that it may not be popular but it is right." I repeat again: It is wrong to impose something on people.

Senator Frith: That may be one of the reasons that it is unpopular, namely, because it is wrong!

Senator Olson: Yes, that might be. Mr. Wilson says the same thing about monetary policy and 14 per cent and 15 per cent interest rates, too—that is, "It may not be popular but it is right. We are not interested in what is popular or not, we will do what is right."

Honourable senators, think that over fairly seriously. This country believes in democracy. Surely we do not think that means one election every four or five years or so with a dictatorship in between. That is not what Canada is all about.

Canada is made up of a government that has years—I was going to say centuries—of structural changes behind it. I am thinking back to sometime in the 12th or 13th century. It has

evolved over time. We will not now have that thrown in the waste paper basket just because this government is in a hurry to trample on people's rights. One of their most important rights, as I said a few minutes ago, is to petition their parliament pm bills which they simply do not want.

The argument has again been made that something has happened in the House of Commons, where they tramped over this. Surely, honourable senators, our own rules and practices are more important than what goes on in the House of Commons. He quotes Rule 1 as if we do not have any rules in dealing with petitions. We do have some practices and procedure in this chamber dealing with petitions, namely, that we accept them. We allow people to express themselves by way of petition into this place.

We know that you have tried this once before. I do not remember the exact date, but it was earlier this month. You tried to trample over people's rights to have their petitions heard in this place. But we do not accept that. The people of Canada do not accept that. They expect us to act according to the practices that have been set in place here. We knew that the government would argue that in the House of Commons this motion has been successfully moved by a minister who is on his feet to table documents. We knew that the government would argue this. That is not quite what Senator Doody did earlier today, but it was approximately along the lines of what he did.

We have spent some time researching this, but I do not believe there is a single example of its being done in the Senate—not one. This is breaking new ground and trampling on people's rights at the same time.

Senator Frith: It is imposing a rule of the House of Commons on us.

Senator Olson: It is imposing rules on us that we do not need. We do not need to refer to Rule 1 to find the proper way of dealing with this motion. In view of the clear words of *Beauschene's*, and with no contrary procedure even having been followed in the Senate, it is clear that the customs, usages, forms and proceedings of the Senate as described in the Senate do not allow such a motion, regardless of what is the practice in the House of Commons. We would be breaking new ground.

I appeal to honourable senators opposite to think about what they are doing if they are to trample on people's rights to petition their parliament just because they are in a hurry. Give us a little time. I guess they are trying to run this place for 24 hours a day. We can get through a lot of petitions in that time. It will play out. I do not know how many days it will take, but it will take a few. If we spend some time respecting the democratic processes that have taken hundreds of years to develop, we are not wasting our time to be in defence of that.

The practices and precedents of the Senate must have priority over the practices and precedents of the House of Commons, particularly—and I want to emphasis this—when they are diametrically opposed, and when the Senate's practice is completely in conformity with what has been written by authorities such as *Beauschene*.

Honourable senators, I wish to appeal to you to think over very carefully—as I have done now a couple of times—what you are trying to do here. You will regret it. I guarantee that everytime you start to trample on the rights of the Opposition and to wipe out the checks and balances in the system, you make a mistake. You will learn to regret it later on.

I do not suppose that honourable senators opposite will regret it very much, because as soon as the Canadian people can get at the Conservative party they will do so. But that is not the point. The point is that there are checks and balances even between elections, and the Senate is one of the most important of those checks and balances. We have an obligation to stand up to this kind of attempted roughshod treatment of Canadian rights.

I will close by repeating what I said at the beginning—that is, be careful. You will carry this for a generation. If you want to trample into the ground these things that have been worked out over centuries, you do so at the risk of Canadian citizens losing the respect for Parliament that they should have. So do not do it.

There is no need to be in that much or a hurry. We have had bills before Parliament on a number of occasions, and a bill as important as this one can take a little more time.

That was in spite of the government having spent millions of dollars trying to sell the measure. I know there is a question of whether or not that was legal but before something is passed into law. However, it is the policy of the Conservative party; it is not the law of the land. But they have done it and with impunity too. They have taken money out of the treasury to try to sell something to people who do not want it.

In spite of the Conservatives having done that for weeks and months the polls show that they have not changed the minds of two per cent of the people. The people still do not want this bill. It is not just because they are opposed to any type of tax. We all know that. They are opposed to what is in Bill C-62. In spite of all the efforts made by the minister and in spite of the millions and millions of dollars paid to slick ad writers and public relations firms the people of Canada are not being fooled. They do not want this type of a structure to collect the revenue that Canada needs to run government services. They have said that over and over again. The Conservatives have pulled every trick out of the bag to try to impose this on them.

I hope that I have been able to convince some honourable senators opposite that they should back—track and have a good look at what they are doing. I hope that Senator Phillips, who is nodding his head in the right direction, will be one of those who will carry the message that this is the wrong thing to do. So far the process has been as wrong as what is contained in the bill.

Senator Phillips: I will give your remarks due consideration.

Senator Olson: That is good. I conclude by saying that I hope I have convinced some senators opposite that what they

are trying to do is wrong. Therefore, I hope they will follow through on what has just been said.

Hon. Efstathios William Barootes: Would Senator Olson answer a question?

Senator Olson: I would be very happy to try.

Senator Barootes: One of your chief observations is that it is the right of citizens to present petitions to a House of Parliament with which we are in total agreement.

Some Hon. Senators: Hear, hear!

Senator Barootes: Thank you. In the past in this house, it has been the practice to present petitions by reading a short excerpt concerning the intention of the petition and then to mention, if a senator so wishes, the number of names on the petition.

Senator Frith: Wrong!

Senator Olson: You are a little off track.

Senator Barootes: If you will read the rules, you will see that that is quite clearly eluded to.

Senator Frith: No, it is not. It says that they are not printed.

Senator Barootes: May I ask my question of Senator Olson? If I had wanted to ask William Pitt, the Younger, I would. However, I am asking my question of Senator Olson.

Would it be sufficient for you to present these petitions in the time honoured way by reading some part of the petition and then by doing as you have done before, and as Senator Hébert has done many times, table the petition and say that it contains the signature of so many people on it? Would that suffice to clear the log jam, if you will, which appears at the present time in terms of the proceedings of the Senate?

Senator Olson: Honourable senators, I think I should refer Senator Barootes to page 57 of our rule book. I hope that we all have a great deal of respect for our rule book. It states very clearly under the title "Presentation of Petitions:

> A senator may present any petition entrusted to him.
>
> *See Rules 5(m), 51, 52, 53, 87, 88, 89 and 94.*
>
> A senator presenting a public petition makes a brief statement to inform the Senate of the content of the petition;

I have not heard any senator reading petitions in this place.

Senator Frith: That is right, just the names.

Senator Olson:

> . . . the petition itself is not read.

We have not been reading them.

> The test of the petition and the names of the petitioners attached thereto is not printed in the *Debates of the Senate* . . .

Let us be very careful that you understand that. The names are not printed. It does not say that they cannot be read.

Senator Frith: If you were not to read them, why would the rule state that they are not to be printed? The rule assumes that you are going to read them.

[Senator Olson.]

Senator Grafstein: Senator Simard agreed with us about two weeks ago.

Senator Barootes: Will you allow Senator Olson to answer?

Senator Olson: There is your answer. It is very plain. I am not so good in french otherwise I could read it to you in french. But the english is very clear.

Senator Barootes: The point I am making, and I thought that you might agree with it—I see now that you can't, because you are fixed in your blases—is that if the names are not to be printed, then why read them? Why not follow Hébert's previous system of mentioning how many names are on the petition and letting it go at that? The only time the names were read here was when Senator Bonnell read them on one occasion. We then changed the rules so that names would not be read and not be contained in our *answered*.

Senator Olson: Honourable senator, Senator Barootes is a very bright, intelligent and good senator. He should be able to understand to language.

Senator Barootes: Thank you very much.

Senator Olson: He should also be able to read. He had better get out his little red book and turn to page 57 and read along with me. I will read it to Senator Barootes again. It does not say that a senator is prevented from reading. If the rules committee and the Senate had wanted to say that senators cannot read the names on petitions, then they should have said so. They did not. That is how simple it is. It states:

> For the test of the petition and the names of the petitioners attached thereto is not printed . . .

It does not state that you cannot read them.

Senator Barootes: Does it say anything about addresses and telephone numbers?

Senator Olson: What we are up against is really very serious.

Senator Barootes: Is that why you are reading addresses and telephone numbers? It states that you should not do it.

Senator Olson: It does not state that. Do not say something that is not in the book. We are up against the same old problem. Senator Simard says about the rules, "So what?"

Senator Grafstein: Senator Simard agreed with us.

Senator Olson: Yes, he agreed with us a few weeks ago. But with respect to other rules he said, "So what?" Now, Senator Barootes should learn that you just cannot do that. You cannot make up the rules as you go along. The rules does not state that you cannot read the names of petitioners. It states that those names will not be printed.

I will tell the senator one other thing, too. That is to say that if one does read the out names, then I think they are printed. I refer to the ones that are in your speech. Your speech is printed. I could hand in a couple of petitions now and I know that after it is handed in the names will not be printed. If I stand here and read them all, they will be printed all right, because my speech is printed.

Senator Barootes: Past practice and present practice is different from what you have said.

Hon. Michael Kirby: Would Senator Olson entertain a question from me as a follow-up to the question asked by Senator Barootes? I think Senator Barootes put an interesting fact on the record, assuming for the moment that he was correct.

As I understood what Senator Barootes said, he said that the rule governing petitions was changed very recently, that it is not an old rule, and it was changed precisely because the experience in this chamber relatively recently when the names have been read into the record by Senator Bonnell and therefore clearly since the rule was changed recently, when a rules committee was considering how to deal with the situation of having a petition have all names read into the record and then printed in the record and since the rule is changed to state explicitly that the names would not be printed, that implies to someone like me that what that really means is that is was understood that the names would be read into the record but, in fact, would not ultimately be printed. I ask Senator Olson to comment on that in terms of his experience in this chamber and on the rules committee in the other place.

I ask Senator Olson this on the basis of his experience in dealing with rules in both places. Am I not correct that if the intention of the Rules committee had been to prevent the reading of the names, they would have said so? In fact, they explicitly say that the names will not be printed. They do not make any reference whatsoever to whether or not the names ought to be read and, indeed, according to Senator Barootes, that rule came about explicitly because there was an incident in which all the names were not only read but were ultimately printed in the record. The Rules committee decided that the appropriate solution to the problem was to avoid a long *Hansard* with names typed in, but clearly felt that it was fine to have the names read in the chamber. Otherwise they would have outlawed that.

I am not a lawyer, and neither is Senator Barootes, despite the fact that he frequently likes to act like one. That seems to be a layman's interpretation of the rule and the intent as set out by Senator Barootes. Senator Olson, on the basis of your experience with the rules here and in the other place, would you care to comment on whether my interpretation is right?

Senator Olson: Honourable senators, there is a more important reason than the one Senator Kirby has just mentioned. Do you think that the Rules committee would make a rule that decides what I put in my speeches? No, it would not. It can make rules about vexatious language, and that sort of thing, but if I want to identify towns, people, provinces, or anything else in my speech, the Rules committee would not attempt to make that sort of rule. Senator Doody did read the names from his petition, but two wrongs do not make a right. I think he regretted doing that.

The reason the text of the petition is not printed, if the senator did read the names, is that it would not be printed in another part of the records that are kept. I do not know why we are arguing that a senator does not have the right to read names. If we carry that one step further, it means that the Rules committee will decide what we put in our speeches. It will not do that.

Hon. Jerahmiel S. Grafstein: Senator Olson, as I understand the principle underlying the rule—and we had this debate late one night some weeks ago—the very essence of a petition is a prayer that is made by a petitioner in open court. The historic basis of the idea was that a citizen would be able to have his grievances redressed in open court. Is that not the fundamental premise underlying the proposition that when a senator reads a petition, if he chooses, he can table that petition and also refer to the essence of that petition in terms of the person and the substance of the petition? Is that not the basis of making a petition in open court, the court here being Parliament?

Senator Olson: I agree with that. It is anti-democratic for senators to object to our naming the people who sent the petitions here. I would hope there would never be a rule where we could not read the names of petitioners. That would mean that the Rules committee will decide what senators put in their speeches, and that will never happen.

Hon. Gerald R. Ottenheimer: Honourable senators, I would like to return to the point of order. It might be helpful to identify it again. You will recall that Senator Doody moved that the Senate proceed to Orders of the Day. Senator Frith then rose on a point of order. The essential thrust of the point of order was that the motion moved by Senator Doody was a superseding motion of a dilatory nature. Since there was no question before the Senate—"question" as defined in the Rules of the Senate—Senator Frith said that the motion was out of order. In his opinion, it was a superseding motion of a dilatory nature which could only be made when there was a question as defined in the Rules of the Senate and, therefore, it was out of order. Other arguments were also made. Obviously, I can only deal with one at a time.

Hon. John B. Stewart: Senator Ottenheimer, I understood that Senator Doody undertook to set aside Rule 19 by a motion to change the order of business at this sitting. Consequently, my argument was that he did not try to move a dilatory motion; rather he tried to move a substantive motion which would require notice and which would have to be debated under Motions. I raise that now because I do not want you to chase that "dilatory rabbit." I do not think we are dealing with that kind of creature here.

Senator Ottenheimer: Senator Frith's line of argument—and I obviously wish to refer to that—dealt with the dilatory and superseding nature of the motion, or his opinion thereof. I am aware that Senator Stewart's argument was of a different nature. He examined whether it was dilatory or substantive. I think it fair to say that he came to the conclusion that it was substantive. He was of the opinion that it was a motion of which notice should be given, and he made reference to Standing Order 19.

The Hon. the Speaker: Honourable senators, it is now 6 o'clock. According to our rules I must vacate the Chair. We will return at 8 o'clock.

The sitting of the Senate was suspended.

[*Editor's Note: For continuation see Issue No. 105B.*]

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105A.*]

October 30, 1990

At 8:06 p.m., October 30, the sitting of the Senate was resumed, the Speaker in the Chair.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62—POINT OF ORDER

Hon. Gerald R. Ottenheimer: Honourable senators, I had just begun speaking to Senator Frith's point of order at 6 o'clock. Having progressed for only about a minute and a half, I will now act as if starting from scratch.

Honourable senators, what the Senate is considering for decision by the Chair is a motion of Senator Doody to the effect that the Senate proceed to Orders of the Day. A point of order was raised by Senator Frith alleging that this motion would be out of order. He argued that it would be out of order during routine proceedings in general and petitions specifically. Basically, the argument was that, because there is no question before the house—"question" as defined in the *Rules of the Senate*—the motion would be out of order.

Senator Frith referred to citation 417 of the Fifth Edition of *Beauchesne* to the effect that the motion that the house pass to the orders of day is a superseding motion of a dilatory variety and is therefore out of order because there is no question as defined in the *Rules of the Senate*.

Senator Stewart's argument in that respect, as I recall it, was that, while in appearance it could appear dilatory, it was in effect not a dilatory but a substantive motion. He then went on to say that the necessary notice would be required.

We have, therefore, the two contentions on that specific question. One is that it is dilatory and therefore cannot be raised during routine proceedings because there is no question before the house. The other is that it is substantive and therefore requires notice.

When one gets into classifications of this kind, I think one probably resembles a Medievbal scholar defining various kinds of grace, santified or actual. I will come to *Beauchesne*, but Senator Stewart is much more a historian than I am. He went into the 19th and 18th Centuries. I am making a very passing reference to the Medieval Ages and I am relating this to the definition of various words. We can all try to use them in order to hook things on to them—things for which they were never probably intended. That is something like using a weak splinter sticking out of a wall as a coat hanger. Naturally, it will lest the coat fall to the ground because it was never intended to act as a coat hanger.

Therefore, without being offensive, to get into a debate on whether the motion is dilatory, according to Senator Frith's understanding, or substantive, according to Senator Stewart's understanding, is really to get into what is more a theological debate, something like whether a sin is mortal or venal, whether a motion is substantive or dilatory, or whether certain celestial bodies are pure spirits or demispirits. These are theological questions, and although this is a red chamber, it is far removed from the College of Cardinals—even that of the Middle Ages, when there were many lay Cardinals.

I would therefore suggest that it is an interesting question but a theological one—a question of nominalism, a question which is not, let us say, empirical.

I think we have to approach this question not in a scholastic fashion but, rather, in an empirical, Baconian fashion.

Hon. John B. Stewart: What was the word after "empirical"? Was it "draconian"?

Senator Ottenheimer: I am not sure, Senator, I will have to check *Hansard*, because I am speaking from notes. But certainly I think it is important to approach this in an empirical manner.

So, in answer to the interesting but somewhat theoretical question of whether this motion to proceed to the reading of the Orders of the Day is dilatory, as Senator Frith maintains, or substantive, as Sentor Stewart maintains, I would suggest, Mr. Speaker, that it is a Rule 46 motion. That rule reads, in part, "No notice is required for the following motions". It lists a great number of motions, some of which are dilatory, some of which are not. Whether being dilatory or not dilatory is the criterion is not the specific identification or characteristic of a Rule 46 motion. Rule 46 states:

> No notice is required of the following motions:
>
> (*a*) by way of amendement to a question;

That usually is not dilatory. The rule also states:

> (*i*) for the consideration forthwith or on a future day of Commons amendments to a public bill;
>
> (*j*) for the appointment of a committee to prepare reasons for disagreeing with a Commons amendment;
>
> (*l*) for the first reading of a bill;
>
> (*o*) for the reconsideration, while in the Committee of the Whole, of any clause of a bill already agreed to;

These are Rule 46 motions that are not dilatory. What I am suggesting is that, as interesting as it is, the debate whether the motion is dilatory or non-dilatory, substantive or non-substantive, or substantive or dilatory, really comes down to this: it cannot but be a motion which is described in Rule 46, which states that no notice is required of it. Rule 46 (*e*) states:

"for reading the Orders of the Day." As I have pointed out, among that whole list of motions for which no notice is required, some are what is tradionally called dilatory and some are not.

I certainly agree with Senator Frith that there is no precedent in the Senate for moving to the Orders of the Day during routine proceedings in general and, more specifically, during that part of the routine proceeding which is petitions.

It is certainly clear that there has been no ruling in the Senate on whether such a motion is in order, since in all likelihood, as far as I know and as far as anybody here knows, no such motion has previously been made in routine proceedings. Obviously, there is no ruling on it. There are those who would say that because this question has never been ruled upon it is therefore out of order. I, personally, cannot accept that. I think that might be the inclination of some Honorable senators opposite. I cannot accept that because it has never been ruled in order it is therefore out of order. Nor would I maintain that because it has never been ruled out of order it has to be in order. I think that both are equally unacceptable. The question has never been raised so that a decision could be made upon it. There is no precedent in the Senate for this decision.

Senator Hastings: We have heard that.

Senator Ottenheimer: Yes, but I will go on in my own time. I do not intend, each time there is an interruption, to start from the beginning. I have emminent authority for so doing, but I do not intend to emulate it.

Going back to Rule 1, much quoted, sometimes by some much despised and, by others, regarded as an intelligent guide, it states:

> In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of the Parliment of Canada shall, so far as is practicable, be followed in the Senate or in any Committee thereof.

It is quite clear that there is no precedent, that there has been no decision made by the Senate as to whether this motion is or is not in order. It appears to me that we therefore have to go to the *Rules of the Senate*, specifically Rule 1, which provides for that case.

I do agree with Senator Stewart that we should not follow the House of Commons slavishly, but it appears to me that we should be guided and informed by that house when there are relevant precedents within its jurisprudence and when there are no such precedents in our own jurisprudence. If there were precedents in our own jurisprudence, obviously, that would be a different matter.

Therefore, honorable senators, I will not repeat the references to the *Debates of the House of Commons* and the rulings of the Speaker in that place to which Senator Doody referred, all of which deal with this matter, because that is already on the record. It appears to me to be quite clear that, since we have no precedents, Rule 1 of the *Rules of the Senate* makes it obligatory to refer to precedents in the House of Commons, because there are none elsewhere,will show that this motion is in order. It is then up to the presiding officer of this house to decide what, specifically, the precedents in the House of Commons mean and how they apply. I think the procedure is clear because we have no such precedent ourselves.

● (2015)

One could, in an ancillary or a complementary manner, ask oneself: "Would there be anything in the Senate adopting the practice in the House of Commons, finding that this motion is in order, which would be contrary to what are generally understood to be the principles of Canadian parliamentary law and practice?" *Bourinot*, Fourth Edition, quite clearly identifies what they are. They are there, first, to protect the minority and to restrain the improvidence or tyranny of a majority. I certainly don't see that there is anything in this which affects that particular principle. They are there, secondly, to secure the transaction of public business in an orderly manner. It would seem to be quite consistent with that. Thirdly, they are there to enable every member to express opinions within limits necessary to preserve decorum and prevent an unnecessary waste of time. There is nothing there to prevent honourable members in the eight amendments, which presumably will be moved in third reading, and in debate which in all likelihood will precede and interconnect and follow these amendments, which will limit members in a way contrary to that principle, giving abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse. Well, it appears to me that if we look to these principles of Canadian Parliamentary Practice, as identified by *Bourinot*, there is certainly nothing inconsistent therewith.

Senator Olson, just to make a brief reference to his submission, said that if this motion were ruled in order and the Senate proceeded to Orders of the Day, there would be a problem created because many Canadians, numerous Canadians, had sent in petitions, and the rights of the petitioners and their views would be short-circuited. Again, I would suggest, there are procedures which provide an opportunity for the filing of petitions with the Clerks. They are in the official possession of the Senate, and to the best of my knowledge there is nothing on debate of Bill C-62 which would interfere with senators associating with the views of people who have written to them, who have petitioned them, with their own views, and commenting on them. I don't see anything that would interfere with that.

Senator MacEachen: How does the senator foresee that possibility being exercised. He says he doesn't see how it could be interfered with, namely, the vast number of petitions that have come forward. Commenting on Senator Olson's argument, Senator Ottenheimer has said, "Well, I don't see how that would be interfered with." Maybe Senator Ottenheimer would explain how these petitions could be brought forward in time to be considered as we go through the legislative process.

Senator Ottenheimer: It is my understanding that there is a procedure whereby petitions may be filed with the Clerk. They are then in the possession of the Senate, and any honourable senator is entitled to peruse them, read them, study them and make notes from them. So they are in the possession of the

Senate, and to the extent that petitions deal with the GST, deal with the subjectmatter of C-62, I am sure it would not be beyond the ingenuity of honourable senators opposite, or, indeed, anybody, to put forward their own reasons for their opposition to C-62, their own reasons for amendments and changes to make reference to views of others as expressed, among other things, in petitions. That is something that can certainly be done.

Senator MacEachen: does the honourable senator not think that the other petitions that are still in existence in the thousands should get the same status as the petition presented today by the Deputy Leader of the Government on behalf of the Canadian Manufacturers' Association, which was not filed with the Clerk but was read, and which we thought was appropriate? The honourable senator feels this procedure is not appropriate for other citizens, citizens who may not be as close to the government as the Canadian Manufacturers' Association.

Some Hon. Senators: Hear, hear.

Senator Ottenheimer: My reply to that is that petitions filed by a senator, tabled in the Senate, are available to every senator to examine, peruse and make notes of and can be referred to and incorporated in his or her speech on Bill C-62. In my opinion, the signatories of such petitions would in no way receive less full or adequate attention than anybody who might have signed the petition read by the Honourable Senator Doody, or anybody who might have been referred to in a petition during the fourth-hour reading out of dozens or hundreds of names. I really think it would be at least equally appropriate.

Senator MacEachen: The senator hasn't yet explained why it is possible for the Canadian Manufacturers' Association to have its petition presented under the rubric of petitions, as was done today, as provided for in Rule 19, which Senator Stewart referred to, and other citizens have to find a back door. The senator has suggested a number of back doors, but they can't come in the front door like the Canadian Manufacturers' Association.

Senator Ottenheimer: I would disagree with the honourable gentleman in characterizing the procedure that I refer to as a back door. I think it would be very much a front door procedure. A senator comes in through the same door and tables the petition, or whatever the procedure is for filing with the Clerk. It is there for any and all senators to see. I suppose the specific answer would be that not only the petition referred to by the Honourable Leader of the Opposition, but the other petitions presented during the past few weeks, were presented before any motion to proceed to the Orders of the Day had been made, and what we are at now, as Senator MacEachen knows, is the question of whether or not this is in order. That, essentially, is my answer to the honourable gentleman.

Let me be brief and then I will certainly recognize the honourable gentleman. I would ask myself, and I would suggest that honourable senators do the same, whether the Senate has the ability to decide the order in which it will decide to proceed with public business? Senator Stewart referred to Rule 19, which provides that at each daily sitting of the Senate, the Speaker shall call for, in the following order, (*a*) presentation of petitions; (*b*) reading of petitions; and so on. That is what the Speaker does. The rule does not refer to the question of whether the Senate may determine its own order of business. As honourable senators opposite have frequently said, the Senate is the master of its own business, and that is the order which the Speaker calls if the Senate has made no other determination. But when we ask ourselves whether the Senate has the ability to decide the order in which it will determine public business, I would certainly say, as I have heard honourable senators opposite say on numerous occasions, the Senate is the master of its own procedures.

It would appear to me that every parliamentary body has the right to determine the order in which it will decide public business. It appears to me that that is inherent in a parliamentary body.

I will go so far as to say that if the Senate does not have the ability to decide the order in which it will decide public business, this chamber would be something less than a parliamentary body. I don't know what it would be. It could be a debating society. It could be any number of things, but I don't think it would be a parliamentary body. To put it conversely, if it is a parliamentary body, then in my opinion it must be able to decide its order of business.

So in the final analysis we have a situation which is without precedent in the Senate, because no such motion was made and also because no such point of order was ever raised. So there is no precedent. That does not mean that this motion is automatically out of order, and it does not mean it is automatically in order. It means that this question will have to be decided. I repeat, there being a lack of precedents in this house, Rule 1 is directive. It isn't really optional, it's directive, and if there are no precedents here, then the Chair and the Senate are directed to the House of Commons. That is how I would view the situation.

I think there is obviously a specific point of order before the Chair. I know there have already been a number of submissions, three by honourable senators opposite and two on this side, and no doubt there will be others. Somewhere along the line, the Senate will need a decision from the Chair on this specific point of order.

Senator Stewart: Senator Ottenheimer just now said that the Senate is the master of its own proceedings, and from that he concludes that Rule 19 is of no significance. I should have thought that, starting from the proposition that the Senate is master of its own proceedings, that the Senate, in Rule 19, has laid down, as that rule says, the order of business for each daily sitting. That rule leaves no discretion in the Speaker.

● (2030)

It then says that the Speaker shall call various headings in the following order. What is the status of our rules with regard to proceedings at a sitting? Is Senator Ottenheimer telling us that rule 19 means nothing; that at each sitting the Senate

will, as it were, *ad hoc* decide what the order of the business at that sitting will be? If so, there are no rules here, which some of us have begun to suspect is indeed the case. I should have thought—and I want Senator Ottenheimer to seriously deal with this point—that this house operates on principles, one of which is that we follow the rules of the game as set down by the Senate itself. If I am wrong, Senator Ottenheimer, please explain how a rule of law has become a rule of the jungle.

Senator Ottenheimer: I think the honourable senator has put the situation dramatically, but rule 19 says:

> At each daily sitting of the Senate, the Speaker shall call for, in the following order:

Then it lists the routine proceedings. I maintain that that is the instruction of the Senate to the Speaker. Coexisting with that is the principle that a parliamentary body may itself decide the order in which it will proceed with public business.

Senator Stewart: Why do we ask for leave then? Why do we ask for unanimous consent to waive our rules from time to time?

Senator Ottenheimer: If it decides to so do, that takes precedence.

Another way of answering your question would be, yes, rule 19 is there and, on the face of it, is clear. Rule 46(*e*), which says that no notice is required for reading the Orders of the Day, is equally clear. This is not the first time in speaking to differences of interpretation or in speaking to a point of order that, in the final analysis, there has to be a reconciliation of certain rules, orders or laws. Other principles are equally evident; and, since we have no precedent in the Senate for reconciling these viewpoints or submissions, rule 1 is the arrow that indicates our direction. There are no precedents here, and the only other reference we have is the relevant practice in the House of Commons, or at least that is my submission.

Senator Grafstein: Senator Ottenheimer, let me approach the "Ottenheimer rule" a different way. In effect, you suggested that we take what I consider to be the basic premise of the house, the Orders of the Day, which is to deal with certain public business, and say that the majority can decide to collapse the Orders of the Day. Take your position to its logical conclusion. You would have us file petitions, reports of committees, notices of inquiries, notices of motion, questions, orders of the day, inquiries, motions and adjourn. There would be no reason for us to be present. We could just file and adjourn.

The premise of the rule respecting the Orders of the Day is not a simple practice or transitory procedure. Each of the subsections under the Orders of the Day is based on long, historic traditions. These Orders did not come about by accident. They were not drafted at a rules meeting several weeks ago. To say that there is no precedent for the Orders of the Day is to take the constitution books of England and set them aside.

Let us deal with petitions, the first Order of the Day. The word "parler", to talk, comes from the premise and principle of petitions. The essence of Parliament evolved from the right of a citizen to petition. If you look at the history books on petitions, they show individuals or groups of individuals laying down a petition before the Monarch, which was subsequently transformed into relief or law.

The Leader of the Government in the Senate is shaking his head. I will give you a historic precedent, which is in every book I have ever read about the origins of Parliament. I will read a precedent which is a reference to the foundations of Parliament. The book is entitled *Constitution and Legal History of England*, which was written in 1942 by M.M. Knappen. The same principle finds itself in *Erskine May* and in every other book or constitutional history. Let me read you a paragraph or two.

> The second advance was the winning of the right to petition the king as a body for redress of grievances, a right from which later legislative powers sprang.

It goes on to say:

> . . . petitions were thus very important, and the special name of Parliament was first given to those held for such purposes. Originally "colloquium", or "parliament" (talkfest, from the French *parler*, to speak), was considered merely another name for "council", and the technical significance of the term as applied to special sessions of this body developed but slowly.

Each book on constitutional history deals with exactly the same point. Petitions are an architectonic of Parliament. Presentation of Petitions is not a transitory precedent or practice. It is a fundamental rule.

I do not know precisely how "Ottenheimer's law" would apply here. Would it tell me not to show up in the chamber, but merely send in my thoughs by letter, which would be filed by the Clerk. We would only need a quorum of 15 Conservative senators to sit while these papers were being filed. We could then go home. It might even be done by fax—Parliament by fax.

Senator Ottenheimer, I have a petition from the Mayor of the City of Toronto that I wanted to read. The letter is dated yesterday, and he has asked me to bring this petition forward. For me to be refused that opportunity, while, as Senator MacEachen said, the Manufacturer's Association was able, on this day, to have its petition read, is unreasonable, unparliamentary and unfair. I urge the honourable senator to consider the purport of the precedent he is suggesting, which is to vitiate the foundation of our necessity to be present in this place.

Senator Stollery: I also have a question for Senator Ottenheimer. He seems to have persuaded himself that there is no precedent for all of this; we can dismiss rule 19. In an obscure way I cannot follow he has somehow decided that, because his team is having problems dealing with parliamentary procedure—that is the underlying difficulty Senator Ottenheimer has—we should dismiss the order of business and, in some obscure way, follow rule 1.

In *Erskine May* I see that the order of business in rule 19 is precisely that which has been followed for hundreds of years in

Parliament. What do I see? Presentation of public petitions. I will not bore you with the definition of petitions, but I see it right here. It is the same order of business that we have in rule 19. It is an ancient practice. I would like to ask Senator Ottenheimer how he arrived at the conclusion that this rule of business, which is hundreds of years old, is either without precedent or can in some way be disposed of by the Parliament of Canada.

Senator Ottenheimer: I spoke once. I do not want to inflict my views on honourable senators again. They are on the record, and obviously I encourage Senator Stollery to do the same. This is not the first time he has disagreed with me, and I am sure it will not be the last.

Hon. Sidney L. Buckwold: I have another question for the honourable senator. Personally, I am not a great expert in the rules—

Senator Murray: Indeed! Your conduct on the Banking committee proves that! A puppet is what you were as chairman.

Senator Hastings: He was a good chairman!

Senator Murray: He was a puppet!

Senator Hastings: He was a good chairman—a hell of a lot better than you.

Senator Murray: That is not true. I was a good chairman.

Senator Buckwold: That is better than being a Charlie McCarthy to the Prime Minister, that is for sure. In my office I have literally hundreds of petitions; and the honourable senator, in his discussion, has seen fit to recommend that these not be heard. You can dump them somewhere, but not hear them. I looked at the way the official petition to the Senate is worded, and I would like to read it into the record.

> To the Honourable Senate of Canada:
>
> The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable house will therefore provide a remedy.

Those words have been printed on every official petition that has been received by the Senate for, I presume, dozens of centuries, and again, I would presume that the wording of those petitions was taken from something that had been prepared hundreds of years ago. I say that the common grievances of the petitioners are being presented in the certain assurance ".... that your honourable house will therefore provide a remedy."

● (2045)

Added to that, then, as a recipient personally of hundreds of petitions, I am very often asked what assurance can I give that these petitions, which have been gathered across the country—sometimes with some difficulty and trouble in reaching out to all the people who wish to sign them—have been presented to the Senate, and that I just haven't piled them in a box somewhere, which is what I gather Senator Ottenheimer is suggesting. These people are requesting of me—and I gather of others who have received petitions—that their word be heard, and they want the assurance that we have, in fact, done our duty and presented them to the Senate.

To the honourable senator, then, my question is: How do you relate or reconcile that aim with the type of suggestions that you have made?

Senator Ottenheimer: I think I have answered that question, maybe not to the honourable senator's satisfaction, but I did answer previously. My views are therefore on record, and I am not a proponent of repetition *ad nauseam*. The honourable gentleman knows my views. He does not have to agree with them.

Senator Buckwold: It seems to me that you just cannot wait to get out of the chamber. You are practically at the door already. Can you not take, perhaps, two minutes and try to explain to me a little bit why you say that I can respond in that fashion to the people who ask me, "Have you presented these petitions to your honourable colleagues in the Senate?" They ask me that in order to be sure that I have not just received the petitions and thrown them in the waste basket, as perhaps Senator Murray does. However, I think I am entitled to a response, rather than a Ben Johnson dash to the door. Let us hear from you.

Senator Ottenheimer: I thank the honourable senator if he is comparing me to Ben Johnson.

But you have heard my views and they are on the record. I know some honourable senators feel that repeating and repeating is conducive to, perhaps clarity or precision of thought. But I think it must be boring for people who have to listen to it. I know I find it boring to repeat myself. Therefore I do not wish to inflict the boredom on myself, quite apart from others—and I am no Ben Johnson, I assure you.

An Hon. Senator: Where are you going?

An Hon. Senator: To the men's room.

Senator Kirby: Honourable senators, I rise very briefly to make just a very few remarks on the point of order which is being debated; the point of order raised by Senator Frith in connection with Senator Doody's motion. I do so, not with a great deal of familiarity with rising to speak on technical issues facing the Senate, because there are far more people on both sides of this chamber who have had more experience with the rules than I have. I do so because I suspect that, if truth be told, there are many people in this chamber, on both sides of this aisle who are deeply troubled by what has gone on today.

I say that because we are being cut off from reading such petitions the day after we have seen a well-publicized national public opinion poll which makes it very clear that Canadians believe that their institutions are failing them; that Canadians believe their views no longer count; that Canadians believe they are isolated and, indeed, alienated from the national government. To have members on this side of the house told that it is wrong for us to read into the record the names of people who have signed petitions and sent them to us; that it is

wrong for us to take petitions which were sent to us by ordinary Canadian citizens. These are not petitions which we went out and sought, nor petitions signed by people on our payroll, as was the case with the petition that Senator Doody tabled. These are petitions sent to us by people who clearly have a deep and serious concern with Bill C-62—to be told this is wrong is ludicrous.

Yet, when people go to the trouble of doing this and doing it in numbers that far exceed anything that I have seen in my more than 20 years in government and in politics, to be then told by Senator Doody and members opposite that, in effect, they have no interest in allowing us to put on the record in this chamber what Canadians think about Bill C-62. This, at a time when we already understand that the institutions in this country are seen by more and more Canadians to be failing them, is in fact a very sad comment on the complete lack of understanding and appreciation of the feelings of Canadians on the part of the Leader of the Government in the Senate.

I say to the Leader of the Government in the Senate that it is clear that what we are seeing here in this chamber tonight is a strategy which in fact the leader tried to put in place a couple of weeks ago but failed, and which in fact he is trying again tonight. I will make some comments on that strategy in a minute, since it focuses directly on the issue of whether or not we should be allowed to continue to present our petitions.

Before doing that however, I cannot resist making the observation that, in proceeding in the way Senator Doody did, and no doubt following the instructions of Senator Murray—I have seldom in my 20 years in government and in politics seen such a truly amateur performance. It is absolutely unbelievable, when you think about it, that the only people the government could find, the only three Canadians they could find to sign a petition against the GST were three people who are on Senator Murray's payroll.

I understand the enormous difficulty the government might have in finding three Canadians to do that. I understand that it would have taken a long time for them to do so. But one would have thought, in the interests of at least a modest degree of professionalism, that Senator Murray, as a cabinet minister and as the manager of a group of government forces, might have proceeded with some degree of decorum.

I was reminded of the time—I think it was on December 13th, 1979—when Senator Murray was involved in a fairly amateur performance for which many of us—indeed, I think all of us—on this side of the house will be forever grateful to him. It was on that day that his inability to count lead to the collapse of the Conservative government of Prime Minister Clark.

That is the same kind of amateur performance we saw again tonight, and I must say that we may learn to think of it as a good thing.

However the people of Canada will not think of it as a good thing, and that is what truly troubles me. The message going out of here tonight will be a message that, once more, the views of the average Canadian do not matter; that once more the rules, which make it very clear, even to a non-lawyer like myself, that senators are allowed, whether we are on this side of the aisle or the other, to present petitions which are sent to us. These are petitions, might I say, that which express the views of the average Canadian; petitions which, as I have said repeatedly, we ourselves did not formulate, unlike the petitions which Senator Doody tabled. This is something that the rules now allow us to do. However, we are now being told in effect that these rules are subject to change by the majority whenever they want and whenever they feel like it.

The reason I say that is because the entire strategy on the government's part with respect to this issue has been very simple. The strategy has been, number one, to ensure that Senator Doody had the floor and had a chance to speak, and it was arranged that the Speaker would recognize him.

The second step was to introduce a motion that members opposite, including Senator Murray, knew well was out of order. However, they do not really care whether it is out of order, because their strategy is to ultimately have the Speaker rule on the point of order that Senator Frith raised. Then, if the Speaker supports us, members opposite will simply call a vote in an attempt to overturn the Speaker's ruling, knowing that they have the largest number of members. Therefore, in effect, what they will do is change the rules arbitrarily to ensure that at no point will we get back on petitions.

Frankly, and I say this to Senator Murray quite honestly—none of us were surprised at what you did, but that you did it after only one person had read petitions. Most of us had thought, obviously incorrectly, that you would have exercised somewhat more discretion, somewhat more judgement, somewhat more patience, recognizing that the petitions existed and that we on this side had clearly committed ourselves, in the provisional rules, to getting to debate on third reading on Bill C-62. We had clearly accepted that principle; it is written into the rules. Therefore we thought—clearly unwisely—that you would have shown some modicum of patience and allowed some petitions to be read, rather than moving as precipitously as you did.

I must say, over the dinner break it occurred to me that we were clearly wrong to have assumed that. I realize that we should have seen what Senator Murray was doing, because I recall those two weeks in June when Senator Murray was on the national television news night after night. Each time Elijah Harper managed to delay proceedings in the Manitoba Legislature, there was Senator Murray on television, saying to the legislators in Manitoba and to the Government of Manitoba, "Ignore Elijah Harper's rights. Change the rules. Don't follow your own rules. Don't have public hearings. Don't have the hearings that your rules call for. Cut him off. The rules don't matter. What matters is that I get my way." That was essentially Senator Murray's position in June, and it is once again an example of his position here today. At least he is consistent—consistently wrong.

I suppose some of us thought that, given the disastrous effects which his performance had had on the Meech Lake issue, he might have learned at least some modicum of

patience over the last six months and might have, in fact, allowed the debate to proceed in an orderly fashion.

● (2100)

Clearly, that did not happen. Clearly, we are in a situation now, however, in which, regardless of which way the Speaker rules, Senator Murray would use his majority to ultimately move the debate along rapidly. What we have just witnessed and what we will see in newspaper coverage and in radio phone-in shows and in other means of public feedback across the country are more editorials along the line of the one in the *Toronto Star* on October 6th, headlined, "An Abuse of Power", and concluding with the following lines: "The Parliamentary Rule Book allows ample room for skilful manoeuvres by all members. They can be frustrating at times, but take away the rules and laws, we'll have no moral authority at all." And it seems to me that what we have witnessed here tonight and what we are going to see across this country, as Senator Murray proceeds with his tactics day after day, will be a situation where more and more Canadians will wind up thinking of this government as a government that abuses power; that will wind up thinking of this government as a government that has no interest in what people say. That is exactly why they are not allowing petitions to be tabled. That is a government that doesn't recognize that, however frustrating democracy may be, one has to tolerate that frustration if one is going to preserve democratic institutions. The public will think, as the editorial says, that the laws that are passed under this government, including C-62, if whenever it gets to the point where we have a final vote on the third reading, that in fact that law as the editorial says, will have no moral authority at all. It seems to me, honourable senators, that the troubling issue for people on this side of the House, and on the other side of the house ought to be what is happening to the institutions of this country. We have witnessed a massive abuse ofpower by this government. A situation is developing in which the views of individual Canadians are simply to be ignored.

It is for that reason—not for reasons that are detailed and relate to the specific numerical sections of various parts of the Senate rules, although reading the rules it appears crystal clear to me that in fact the motion of Senator Doody is out of order—it is for that reason, it seems to me, that we are in serious danger of furthering the alienation that the people of this country feel towards our institutions, and, in particular, towards this government. It is for that reason that I think it is extremely important we support Senator Frith's position, that we support his point of order, and that in fact we ultimately end up with Senator Doody's motion ruled out of order. Thank you.

Senator Murray: Honourable senators, in a word, the honourable senator who has just resumed his seat insists on the right of honourable senators in the Opposition to read petitions, to read the names of petitioners endlessly and without limit in this place, and he alleges that it is an abuse of the government's power for us to insist at any point that the Senate ought to move off of petitions and onto the agenda, that is before the Senate. That is really the nub of the speech that he has just made. I just want to ask, rhetorically, if I may, how many hundreds of hours, how many hundreds of hours in the past month or so have we spent listening to petitions from honourable senators opposite? Not petitions presented in the normal way as in this and other houses, but petitions presented name by name by name by name, and we were told today by the Deputy Leader of the Opposition, Senator Frith, he gave us the figures, he said, "We have done 2,000 in 28 days and we have 48,000 to go." I suggest to the honourable senator that it is utterly mindless, irrational, and irresponsible of him to suggest such a thing. That is not the purpose of Parliament regardless of what he or Senator Grafstein may say. The idea that honourable senators can tie up one of the Houses of Parliament indefinitely, which he defends, paralyses the business of Parliament and the Senate. That the government should have no recourse, that the majority should have no recourse to move the Senate off of petitions and onto the orders of the day is absolutely mindless and irresponsible, and he knows it.

Senator Kirby: Honourable senators, since I believe that Senator Murray directed that question to me, I would like to correct him on a key point that he made. I said in my remarks—and indeed the Provisional Rules and the House Order which members on this side agreed to, ten days ago, were crystal clear, because after all they talked about the eight amendments that would be debated, they talked about a limited length of time for those amendments and about periods of time during which votes could be taken. I said in my remarks that we were absolutely clear from those Provisional Rules and the House Order that it was crystal clear that we did not contemplate—to use your words a minute ago—an infinite extension of the thing; we contemplated that those rules constituted a situation in which debate on third reading and on amendments and indeed ultimately on the bill itself would take place. Therefore, it is clearly false for you to say what you said, because in fact I said the exact opposite, I don't mind if you want to twist my words, but don't turn them around 180 degrees. The fact of the matter is that what we saw here today was your unbelievable intolerance for anybody that ever disagrees with you. That is what we saw.

Senator Murray: We heard 2,000 petitions in 28 days and we have been told by Senator Frith that there are 48,000 to go. That is where we are.

Senator Kirby: There have not been 28 sitting days on this bill. They may be weekdays, but I think if you go back and have a look see, there are not 28 sitting days.

Senator Murray: Count them up. How many hundreds of hours have we spent sitting here doing nothing but listening to petitions name by name by name.

Senator Kirby: Millions of Canadians send us their names. That is not our fault.

Senator Murray: This is not the business of Parliament to sit hundreds of hours doing nothing but listening to names right out of the telephone book.

Senator Kirby: Canadians want to send us their names and all you can do is find 3 flunkies to sign yours. That is not our fault.

Senator Murray: This is an abuse of Parliament. This is a prostitution of Parliament to behave the way you have been behaving with these petitions. Two thousand done, two thousand done over how many hundreds of hours and 48,000 to go. That is what Senator Frith said, 48,000 to go. That is what he promised us, and yes, we did come to an agreement, and yes, sir, we now have provisional rules, and yes, sir, we have a House order on legislation. We did all that some days ago, and where are we today? We are right back where we were when the Speaker summoned Senator MacEachen and me to his office to try to get out of this mindless situation in which we are in with honourable senators reading the telephone book and the Bible and everything else into the record. We are back to where we were.

Senator Kirby: Senator Murray is using ridiculous examples. The fact is nobody read the telephone book. Nor did we go looking for all those petitions. Those petitions came to us for a very simple reason. Canadians think that this is the worse piece of public legislation they have seen in the entire period of anybody in this House. That is your problem, not my problem.

Senator Hastings: Wait, wait, wait.

Senator Grafstein: This is a question not privileged, but just as a point of information. I have a short letter that I would like to read, just a short letter in response to the leader of the government who apparently referred to my name in my absence. I just want to read a brief two-paragraph letter to him that deals with his comments on the nature of petitions, because in my view, these petitions are timely.

Senator Barootes: You are out of order.

Senator Grafstein: You might be interested, Senator. It is just two short paragraphs. It is a letter dated October 29, 1990, and it has a seal, the seal is the City of Toronto. It says:

> I hereby petition you to inform the Senate that on October the 22nd and October the 23rd—which is the past few days—Toronto City Council took the enclosed actions regarding the proposed Federal Government's Goods and Services Tax.

The City of Toronto Council, which includes NDP members, Liberal members and Conservative members, passed a resolution respecting the GST. The letter goes on:

> I also petition you to inform the Senate on behalf of the City of Toronto of the other enclosed documentation regarding the City of Toronto's position on the GST.

This is not, with all due respect, mindless names from a telephone book. This is the Mayor of the City of Toronto requesting that we bring this resolution forward to the Senate, that we bring this petition forward to inform all senators, many of whom are sitting in this place, who represent the province of Ontario and come from the Toronto region. Now, surely this is not a mindless gesture on behalf of the City of Toronto.

Senator Barootes: It is stupid, not mindless.

Senator Grafstein: In addition to that, the Mayor of Elston, Saskatchewan, joined in a press conference with the Mayor of the City of Toronto today, together with the Mayor of Dartmouth. So 4,000 letters were sent to mayors across the country today asking their particular views on this issue. I was requested to bring those results, if there are any, forward to this chamber. Now, I don't consider that to mindless names from a telephone book. I consider that to be responsible public officials who are seeking, I think in a very formal fashion, to bring their concerns, and the concerns of their cities and the City of Toronto, to the attention of the Senate. Now I only raise that—-

Senator Murray: 47,999 to go.

Senator Grafstein: This resolution represents—I am not sure what the population is, under a million people.

Senator Murray: Senator Frith says you have 48,000 to go, 48,000 petitions.

Senator Grafstein: Today, we received a petition from the Canadian Manufacturers Association. Enclosed in this petition and capsulated in this resolution are representations from practically every sector of the working community in the City of Toronto. I would like an opportunity at the appropriate time to be able to bring the details of their concerns to the attention of the senators. And I just say to the leader of the Government of the Senate that this is not a partisan gesture; this not a partisan brief.

Senator Barootes: Don't insult our intelligence.

Senator Grafstein: Talk to the Conservative members, talk to the Conservative members on the Council of the City of Toronto who are well known to members opposite and ask them whether or not they were inspired by partisan motivation to support the city's resolution; or was it inspired because those members were receiving tremendous pressure from the voters to do something about the GST, and the only thing they could think of doing was pass a resolution and bring it forward to this place. Now, I don't consider that to be a partisan measure at all.

Senator Barootes: Wait for the other 48,000.

Hon. Gildas L. Molgat: Honourable senators, I would like to say at the outset that I am disappointed to hear Senator Murray refer to the names that we list on petitions as simply reading the telephone book. I think he is insulting those Canadians who have voluntarily signed these petitions. He may not like to hear it, but I think it may be an example of how out of touch he is and how out of touch his government may be in terms of what is going on in Canada. The people who signed those petitions are real, live Canadians and they signed them on their own. These signatures are not taken from lists in the telephone books, as Senator Murray has described them. If he wants to characterize Canadians who signed petitions as having been taken from lists in telephone books, that is fine, but—

• (2115)

Senator Murray: There are 48,000 of them. How many more are there to go?

Senator Molgat: Senator Murray is refusing to listen to what is going on in this country. He is refusing to listen to what Canadians are desperately trying to tell him: that they do not want this tax.

However, let us come back to the point of order. My original intention was to discuss this point of order on the basis of the rules. However, that has been done to a considerable extent. I gather that we may be on this point of order for some time and I will be able to come back at a later time in the debate to the specific rules. I am rather tempted, though, after listening to Senator Ottenheimer, who appealed to us to deal with this on an empirical basis, to deal with that aspect of it, and to start off with what happened this afternoon.

I think that Senator Doody had a very good point—and, by the way, I regret that he is not here. He is a delightful individual with a great sense of humour. I think he exhibited his sense of humour this afternoon in a marvellous Newfoundlandish way. Those people really have the best sense of humour of all Canadians.

Let me go over what happened this afternoon. When we came to the moment when His Honour called for the doors to be opened and we were ready to proceed—

Senator Barootes: To start the filibuster again, you mean.

Senator Molgat: No, no.

Senator Hastings: When?

Senator Molgat: No, Senator Barootes; you may think that, but what happened was that Senator Hébert got up first to proceed with petitions—

Senator Murray: He got up to filibuster.

Senator Molgat: —petitions being the first item of business. In fairness—

Senator Barootes: When before September did senators opposite ever read the names on the petitions?

Senator Molgat: But, Senator Barootes, we have been through this discussion at least six times. It is perfectly proper to read the names on a petition. You may not like it, Senator Barootes. I regret that so many of your Saskatchewan residents are writing to tell us that the tax you want to impose on them is no good. It is too bad that you do not like that and I appreciate that. What I am telling you is what your Saskatchewan residents are telling us.

However, honourable senators, let us go on. Senator Hébert spoke. I might mention that we have always in the past conducted business so that there would be a speaker from one side and then a speaker from the other side. I think that is a perfectly proper practice that we have to continue. I think we have to have those kinds of easy relationships.

Senator Doody then rose to his feet, and I will admit that there was a bit of a ruckus at that point. There was the assumption that Senator Doody was going to do something else, which was to move a motion which, in our view, was out of order. Senator Doody said, "No, I want to table some documents," which is perfectly in order. If senators look at what our rules say in that regard, they will see that documents are tabled by the Leader of the Government or by a senator on his behalf. No debate is allowed at that stage except with the consent of the Senate, but a brief explanation may be given of any document. In fairness, then, Senator Doody had every right to table those documents. Perhaps he should have been allowed to do that first. I do not deny that it was perfectly proper. But the next item then states—

Senator Barootes: Senator Hébert was out of order, then, was he?

Senator Molgat: No, I think we were on petitions and anyone could present petitions. If Senator Doody had indicated that he wanted to table documents, I think we should have been prepared to do that. When he did indicate that, we said, "Yes, if you want to table documents, go ahead. That is in order."

The next item of business is such that a senator may present petitions entrusted to him. So what happened? Well, Senator Doody got up and did indeed table a couple of documents, but there is where his Newfoundland sense of humour—really, his con-artist operation—came into effect. What did he do? He tried to bootleg in a motion. That is exactly what he did.

Senator Ottenheimer asks for empirical evidence. There it is, precisely. Senator Doody got up and said that he wanted to present a petition. What petition did he have? Honourable senators, this is typical Newfoundland humour. There were three names on that petition—three names from Senator Murray's office. I think perhaps one could claim that that was done under duress. Has Senator Murray thought that this was perhaps done under duress? Perhaps he could be arraigned on the basis of duress placed upon his staff. He imposed upon his staff the obligation to sign a piece of paper that Senator Doody could present in this house. When you think of it, this is empirical evidence. What a great piece of humour on the part of Senator Doody. It is too bad he is not here to appreciate how much we have all enjoyed it.

Then, of course, his other document was one put together by that great group of populists, the people who are really out to protect the Canadian public, the Canadian Manufacturers' Association. On that point, I wonder whether Senator Doody checked rule 52, which states that a petition should not be received from a corporation unless it is duly authenticated and under the seal of such corporation. I wonder whether Senator Doody verified that indeed it was authenticated and under the seal of the corporation. Perhaps it was a faxed document. If it were—

An Hon. Senator: The Manufacturers' Association is not incorporated.

Senator Molgat: It is not an incorporated body? I am sorry. I am sure that senators across the way know more about this than I do. Whatever senators opposite tell me about the Canadian Manufactures' Association I will readily believe.

Senator Barootes: Go on to the next point. Try another one.

Senator Molgat: Obviously, then, it is not necessary to have the seal of the corporation. However, I want to come back to Senator Ottenheimer's request that there be empirical evidence. If there is any clear evidence, it is that Senator Doody was being facetious in what he was doing. He was presenting bogus petitions. He presented a cooked-up petition from Senator Murray's office and another cooked-up document, and for what purpose? It was to smuggle in, against the rules, a motion. I ask honourable senators this: If Senator Doody were really convinced that his motion was sound under the rules, why did he need to try to bootleg it in behind two phoney petitions? Senator Doody knew himself that what he was trying to do was not according to the rules. Why would he go through that subterfuge otherwise? It makes absolutely no sense.

If Senator Ottenheimer is asking for empirical evidence, I think Senator Doody gave it to us this afternoon. Obviously, in his own mind, the motion that he was proposing did not stand on its own right.

Senator Barootes: That is not empirical—that is inferential.

Senator Hastings: What is that?

Senator Molgat: Why, then, didn't Senator Doody get up and move the motion? Why did he start off by reading two petitions and then, *sotto voce*—in fact, my hearing is so poor that I did not hear him at that point—proceed to smuggle in a motion? He had no trust. He did not believe in himself.

Senator Lucier: He could not keep himself from laughing.

Senator Molgat: That is the basis on which that motion was introduced.

Be that as it may, honourable senators, this being a point of order, the Speaker will have to rule at some point. I do not know when, but at some point he will have to rule on the point of order. All I can say in that respect is that we know that the Speaker of this house is a partisan appointment. I think it is important, however, for the sake of this house, for the sake of the Senate and for the sake of the whole of the parliamentary system that, once the Speaker is appointed to this place, he rise above partisan considerations. I submit that rulings must be based on the *Rules of the Senate*, on the precedent of the Senate and on how we have run this establishment in the past.

Senator Balfour: Yes, subject to appeal.

Senator Molgat: When I was in the Chair, my ruling was overruled by the people on my side of the chamber. I can assure senators that, if I were ever in the Chair again and the same thing happened, I would rule according to the rules. No one is ever happy to be overruled on a ruling, but my ruling would be based on precedent and what has gone on in this house.

I have to ask that, whenever the ruling is given on this point of order, it be based not on partisan considerations, not on what goes on in the House of Commons, but on what goes on in the Senate. That must be the basis of the ruling. If we do not do it that way, we are harming this house immensely for now and for the future.

Hon. Orville H. Phillips: Honourable senators—

Senator Buckwold: Here is another country to be heard from.

Senator Phillips: My honourable friend says, "Here is another country to be heard from." That may be true, but I make no apologies for my country. He may belittle it if he likes, but I am quite proud of it.

Honourable senators, lately we have developed a concept in the Senate that petitions are the ultimate, that everyone has a right to present a petition, have it read, and develop, thereby, the paralysis of Parliament.

Hon. Allan J. MacEachen (Leader of the Opposition): Last week Parliament was not paralysed. We passed four bills last week.

Senator Phillips: When Senator MacEachen was Deputy Prime Minister, this place would be given about four hours to pass a bill. When he sent a bill over, we had a four-hour deadline on it. He should not talk to me about paralysis of Parliament.

Senator MacEachen: That is fiction.

Senator Phillips: Honourable senators, we have gone back to the Medieval idea of presenting petitions. I would like to remind the Senate that after the remains of the unknown warrior were interred in Westminster Abbey, a newspaper man on a bet went out with a petition asking for the Government of the United Kingdom to grant a pension to the widow of the unknown soldier.

• (2130)

No one knew the name of the unknown soldier, no one knew whether he had a widow or not, but this individual collected over a million names on that petition. Now, we have had similar ideas here. If you want to collect petitions, I could go out, and in a period of three weeks, get 15 million signatures asking for the resignation of all you senators over there. Are you going to pay attention to that? Are you going to have every one of those names read? Are you going to resign as a result of that petition? No, not one of you is going to resign. And then we have developed a paralysis of power, a paralysis as a result of these petitions.

Now, I have here in my hand, honourable senators, one of the petitions. I don't know who presented it, who read the names into the record, but it's marked page 26, page 26, page 27, and it comes from Peterborough, Ontario. I was rather intrigued to see names from places like Lloydminster, and then I go down the page a bit further, and I see one marked, "John Eaves, 2929 Linden, Oniontown, Ohio". And then the man's American postal code follows.

The next page is even more interesting. We have here a petitioner, Elaine E. Bambly, from 23184 Oakwood East, Detroit, Michigan, and she puts on an American postal code. In the meantime, you fellows over there are squawking about

free trade. My God, it didn't stop you from going to get names from the United States, did it? I would have thought you would be ashamed to come in here with all these American names after all you have had to say about free trade, but, no, you insist on tying up the business of Canada with petitions from American citizens.

Honourable senators, we have also heard recently a great deal about an elected speaker in this chamber. I would just like to refer you to some remarks of Mr. Speaker Fraser. And of course I do not have to remind you that Mr. Speaker Fraser is elected. He says the House is nevertheless facing an impasse which it has been unable to resolve for itself. There comes a time when a Chair has to face its responsibilities. When circumstances change and the rules of procedure provide no solution, the Chair must fall back on its discretions in the interests of the House and all its members. And with the greatest of respect for the Chair—I always have respect for the Chair, I would suggest, honourable senators, that in this case the Chair has to take into consideration the necessity of proceeding with the business of this legislature, of this chamber, of this nation.

Therefore, I would again, with the greatest of respect, sir, ask you to give a ruling on the point of order.

Senator Stewart: Will the honourable senator permit a question? No. Senator Phillips, may I make a suggestion then? I have here a copy of the petition presented by Senator Doody from the Canadian Manufacturers' Association and a copy of the petition presented to the Senate of Canada in Parliament assembled signed by Adele Desjardins, Greg MacDougall and Peter G. Webber.

Will Senator Phillips agree to have these two petitions appended to the *Hansard* of this day and reproduced in the *Minutes of Proceedings* so as to be a permanent part of record of this place. These are memorable petitions; they deserve that kind of special treatment.

Senator MacEachen: Honourable senators, inasmuch as a point of order has been raised by Senator Frith and inasmuch as I believe that we on this side have concluded our comments, I would not like it to be left on the record that the Speaker rules at the request of the Whip of the Conservative party. That is a bit too much to take in this atmosphere.

The Hon. the Speaker: Honourable senators, we will suspend the sitting for about ten minutes, and I shall be back with a ruling.

The sitting of the Senate was suspended.

The sitting of the Senate was resumed at 9:45 p.m.

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I have been asked to rule upon a point of order raised by Senator Frith.

[Senator Phillips.]

Earlier today, a point of order was raised that the motion to proceed to the reading of the Orders of the Day can only be moved when a question is under debate and not when the item "Presentation of Petitions" has been called. In *Beauchesne*, Fifth Edition, citation 417(2)(b) states:

> Superseding motions, though independent in form, are moved in the course of debate on questions which they seek to set aside. They may only be moved when a question is under debate, and cannot be moved by a Member rising on a point of order.

This citation has been the object of some controversy, not only in the Senate but in the other place as well. *The Annotated Standing Orders of the House of Commons* states the following on page 201, with respect to Standing Order 59, which reads:

> A motion for reading the Orders of the Day shall have preference to any motion before the House.

I continue quoting:

> This Standing Order, derived from an earlier British rule, has been used frequently throughout successive Parliaments, and although its wording has not changed since Confederation, it has been the object of several interpretations. The most consistent issue raised in regard to the motion this Standing Order allows has been whether it may be moved at any time (before Orders of the Day), or whether it can be moved only when debate on another motion is currently underway.
>
> Precedents vary. In 1956, the Speaker ruled out of order a motion to proceed to the Orders of the Day on grounds that there must be a motion before the House before this second motion can be entertained; a similar ruling was rendered ten years later. In 1970, the Speaker accepted the motion moved during Question Period, and in 1983, the motion moved during Routine Proceedings under "Petitions" was similarly accepted. In February 1987, the Speaker put the question on the motion moved at the commencement of the sitting. The following day, a Member's right to move such a motion when there was nothing before the House was the object of a point of order. The weight of recent precedents favours the admissibility of motions to proceed to the Orders of the Day, if moved before Orders of the Day, whether or not debate on another motion is currently in progress.

It should be noted that the Senate does not have a rule equivalent to Standing Order 59 of the House of Commons. A motion for reading the Orders of the Day is permitted in the Senate, however, pursuant to Rule 46(*e*), which states that such a motion may be moved without notice. If this motion could only be moved when a question is under debate, the effect would be that the motion becomes, for all practical purposes, non-operational, since no motion is normally moved under the items which precede the Orders of the Day, specifically "Presentation of Petitions", "Reading of Petitions", "Reports of Committees", "Notices of Inquiries", "Notices of Motions", and "Question Period". It is not the opinion of the

Chair that the Senate would want as part of its procedures and practices a motion which can never be moved.

It seems that a motion for reading the Orders of the Day, therefore, is in order if moved under the item "Presentation of Petitions" and whether or not debate on another motion is proceeding. The Chair therefore rules against the point of order.

SPEAKER'S RULING APPEALED

Hon. William J. Petten: Honourable senators, I appeal the ruling.

The Hon. the Speaker: Honourable senators, according to our provisional rules, rule P-3(c) says:

> When a division is requested pursuant to Rule 49(3) in relation to a motion that the Speaker's ruling be sustained, the said division shall be deferred for a period not to exceed 12 hours whereupon the bells to call in the Senators shall be sounded for not more than 30 minutes, whereupon the vote shall be taken.

Therefore, the bells will ring at 10 o'clock tomorrow morning, and the vote will be taken at 10:30. In the meantime, the sitting of the Senate is suspended.

At 10 p.m. the sitting of the Senate was suspended until Wednesday, October 31, at 10 a.m.

[*Editor's Note: For continuation of proceedings see Issue No. 105C.*]

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105B.*]

The sitting of the Senate was resumed at 10:30 a.m., Wednesday, October 31, 1990, the Speaker in the Chair.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62—POINT OF ORDER SPEAKER'S RULING SUSTAINED

The Hon. the Speaker: Let the doors of the chamber be locked.

Speaker's ruling carried on the following division:

YEAS

THE HONOURABLE SENATORS

Atkins	Keon
Balfour	Kinsella
Barootes	Lavoie-Roux
Beaudoin	Lynch-Staunton
Beaulieu	MacDonald
Bélisle	(*Halifax*)
Berntson	Macdonald
Bolduc	(*Cape Breton*)
Buchanan	Macquarrie
Carney	Marshall
Castonguay	Meighen
Chaput-Rolland	Molson
Cochrane	Muir
Cogger	Murray
Comeau	Nurgitz
David	Oliver
Deware	Ottenheimer
Di Nino	Phillips
Doody	Poitras
Doyle	Robertson
Eyton	Ross
Forrestall	Rossiter
Grimard	Simard
Hatfield	Spivak
Johnson	Sylvain
Kelleher	Teed
Kelly	Tremblay
	Twinn—53

NAYS

THE HONOURABLE SENATORS

Adams	Lewis
Austin	Lucier
Bonnell	MacEachen

NAYS

THE HONOURABLE SENATORS

Bosa	Marchand
Buckwold	Marsden
Cools	Molgat
Corbin	Neiman
Croll	Olson
Davey	Perrault
De Bané	Petten
Fairbairn	Rizzuto
Frith	Sparrow
Gigantès	Steuart
Grafstein	(*Prince Albert-Duck Lake*)
Graham	Stewart
Haidasz	(*Antigonish-Guysborough*)
Hastings	Stollery
Hays	Thériault
Hébert	Turner
Kenny	van Roggen
LeBlanc	Waters
(*Beauséjour*)	Wood—43
Leblanc	
(*Saurel*)	
Lefebvre	

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: Honourable senators, the appeal of my ruling is lost. Let the doors be opened.

THE HONOURABLE PAT CARNEY

ALLEGED INSULT TO ITALIAN COMMUNITY—QUESTION OF PRIVILEGE

Hon. Peter Bosa: Honourable senators, I rise on a question of privilege. Last week during Question Period I asked the Leader of the Government in the Senate if he could find out from Senator Carney whether the interview with Mr. Schneider took place in which the Italian community was denigrated, in what context Senator Carney mentioned the words "Italian community," and in what context she mentioned the words "Parliamentary bathrooms."

● (1040)

I have not yet received an answer. I would like you to put this matter to bed once and for all, and until I receive satisfaction I will keep on raising it.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, with great respect, I did not undertake to obtain for my honourable friend an answer. First, what I said, and I

think the record will bear this out, is that this is not a matter that comes within my ministerial responsibility; and secondly, that my honourable friend had brought up this matter, or a related matter, some time ago; that Senator Carney, on her responsibility as a member of this place, had made a statement which we accepted, obviously, and that there the matter rested. If he has another quarrel to pick with Senator Carney, then it is his business and hers, but it is not a matter that can be raised, it seems to me, during the oral Question Period, as it is not a matter within my ministerial responsibility.

Senator Bosa: This is not the Question Period. I rose on a question of privilege. I know that the honourable leader cannot answer that question, but I am constrained by the *Rules of the Senate*. I can only put a question to the honourable gentleman, and not to a member of this chamber. I know that we have not been receiving the *Hansard* reports on a regular basis, and perhaps the Honourable Senator Carney might not have read the intervention I made last week. I am making it to you verbally. She is within hearing distance and could stand up and say: "Yes, the interview took place." I have raised these two questions in this context. Or she could say: "No, the interview did not take place," in which case I will consider other measures with Mark Shneider.

Senator Murray: Honourable senator, let us leave it at that for the moment. I will examine the record to see whether I have left undone anything that I should have done, and Senator Carney can examine the record to see whether there is something further she may wish to say on the matter.

Senator Bosa: It is a very simple answer that the Honourable Senator Carney could give me. She could say, "Yes, the interview took place and I mentioned the expression 'Italian community and parliamentary bathrooms' in this context." Or she could say: "No, the interview did not take place," in which case I will go after someone else.

● (1050)

I am not going to let this matter die until the Italian community has received an apology for the insult given on that occasion.

Senator Murray: Honourable senators, once again, I suggest that my honourable friend give both Senator Carney and me an opportunity to examine the record.

BUSINESS OF THE SENATE

MOTION TO CALL ORDERS OF THE DAY—DEBATE SUSPENDED

The Hon. the Speaker: Honourable senators, it has been moved by Senator Doody, seconded by Senator Ottenheimer, that the Orders of the Day be now called. Is it your pleasure, honourable senators, to adopt the motion?

Senator Frith: Let us hear some debate on this question.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I will be very brief, because I think the importance of this motion and its purpose does not require much elaboration from this side.

On numerous occasions in the past month or so we have been reminded that the practice of presenting and receiving petitions in Parliament, and the right to send petitions to Parliament, is an ancient and honourable practice and right.

Senator Olson: It is not honourable anymore.

Senator Murray: I am coming to that.

Senator Frith: It is not being honoured.

Senator Haidasz: You want to dishonour it.

Senator Murray: Honourable senators, anyone who examines the voluminous *Hansard* of the past month or so will see that the ancient and honourable right and practice with regard to petitions has not been honoured in this house; rather, it has been abused and indeed prostituted by honourable senators opposite.

Senator Olson: By the Conservatives.

Senator Murray: I hope that honourable senators themselves will read the volumes of *Hansard* of the last month to see if they can find there anything they might be proud of. I do not think they can.

Senator Olson: Just defending Canadians rights to petition the government, that is all.

Senator Murray: I hope that some of the media will take the trouble—

Senator Haidasz: Are you trying to forbid Canadians to petition Parliament and to seek redress for grievances?

Senator Murray: I hope that some of the media will take the trouble to glance through the volumes of *Hansard* of the past month.

Senator Thériault: Why don't you get your Prime Minister to tell the media what to do?

Senator Haidasz: Let the people speak.

Senator Murray: My goodness, we are chirpy this morning aren't we, Senator Haidasz?

Senator Gigantès: We have a clear conscience.

Senator Olson: Let the record show that the Conservatives are smiling after they have killed people's rights to petition Parliament. Let the record show that.

Senator Murray: I would hope that many people would examine the *Hansard* of the past month or so to see what has been done under the guise, under the rubric, of petitions. What will Canadians of the present generation think—

Senator Frith: They will be looking for their names.

Senator Murray: —reading the verbal excesses of the past month from the other side and see attached to some of those interventions names that are well-known in politics and public life and the various professions in this country. What are people to think reading *Hansard* and finding Senator Stanbury, under the guise of petitions, reading verbatim into

Hansard the biographies of honourable senators from the *Parliamentary Guide*? Is that petitions? Of course not.

Senator Olson: They will understand. They know why we are delaying it.

Senator Murray: Understand, Senator Olson, they never will.

Senator Olson: People understand why we are delaying.

Hon. L. Norbert Thériault: On a point of order, I would ask the Leader of the Government in the Senate to have the decency, before mentioning people, to look across the floor and see if they are present.

Senator Murray: Honourable senators, I regret Senator Stanbury's absence, but I do not think he can possibly take objection to my statement of fact that, under the guise of petitions, he read verbatim extracts and biographies of senators from the *Parliamentary Guide*. He read the biographies of honourable senators holus-bolus into the record under the guise of petitions.

Senator Thériault: Ask Premier Hatfield and he will tell you about that experience.

Senator Murray: I was here and I heard it. Senator Fairbairn read lengthy extracts from a book under the guise of petitions.

Senator Fairbairn: A very good book.

Senator Murray: A good book, yes. In some cases, The Good Book was read under the guise of petitions.

Senator van Roggen read verbatim into the record a speech that he first delivered in 1971 under the guise of petitions; and Senator Sparrow made, at the wrong time, an otherwise excellent speech on soil conservation under the guise of petitions.

All this, honourable senators, under the guise and the rubric of petitions. These are not petitions. This is time wasting, obstruction and filibustering.

Senator Olson: It is called delay.

Senator Murray: Delay, yes. What are people to think when reading the speeches in the record—

Senator Thériault: Why don't you go and ask them. Get out of here and ask them what they think.

Senator Barootes: Abuse of parliamentary privilege.

Senator Olson: According to Barootes.

Senator Murray: —attached, as some of them are to quite distinguished names in the political and public life of this country? All this at a time when Canada faces very serious economic challenges that we all know about.

Senator Haidasz: Because of the government's mismanagement of our affairs.

Senator Murray: What are people to think when reading those speeches and seeing how the Senate of Canada passed its time in those days?

[Senator Murray.]

Hon. Peter Bosa: Would the honourable gentleman permit a question? I would like to ask him what Canadians think of the 220 speeches that were made by his Conservative colleagues, including his former leader, the Right Honourable John Diefenbaker, during the flag debate which commenced in June and ended in December?

Senator Frith: A good precedent.

Senator Murray: I remember it well.

Senator Frith: A ploy not unknown to Conservatives.

Senator Bosa: We are amateurs when it comes to filibustering. We are just beginning to learn.

Senator Murray: I remember it well and the fact that it was ended by closure.

Hon. Jerahmiel S. Grafstein: Could Senator Murray explain why the number of petitions all senators have received have increased in the last week from all parts of the country? Why is it that petitions have increased in the last week by hundreds and thousands?

Senator Murray: Honourable senators, the number of petitions may have increased, but these things are hung up in various public places and signed by people from Michigan. In the case of our friend, Senator Hébert, he has subscribers to that well-known Liberal publication *Vers Demain* in Quebec coming to his assistance in bringing these petitions in.

Senator Haidasz: On a point of order the Leader of the Government in the Senate has been criticizing us for bringing forth the petitions of citizens representing their grievances. I want to ask him what has the government done to this day with those petitions?

Senator Murray: Honourable senators, they are filed, as I understand it, with the Table.

Senator Frith: And ignored.

Senator Murray: I am not complaining about honourable senators bringing petitions to the house—not at all. We know how it should be done. Senator Hébert showed us some months ago how it should be done. The honourable senator should stand up and say: "Honourable senators, I have a petition signed by 200 people," or whatever it is, "in such a place on such and such a subject, and it is tabled."

Senator Hébert: You didn't like it then.

Senator Murray: Senator Hébert, I put your name forward as a paragon of proper parliamentary procedure in a former time.

Senator Hébert: I tried to do it in the way you seem to like, but on the day I was doing it you didn't like it at all; so I tried it another way.

Senator Murray: I like it less.

Hon. Stanley Haidasz: May I ask a question of the Leader of the Government? What has he and his colleagues in the Senate done with the petitions they have received from citizens criticizing the GST?

Senator Murray: Read them very carefully, honourable senators. Again, my point in this debate is not that honourable senators might wish to bring petitions here, but that under the guise of petitions we have had readings from the *Parliamentary Guide*, readings from books, readings of old speeches dating back to 1971.

Hon. George van Roggen: I should like to correct the record. At the time I read that "old speech," it was not under petitions.

Some Hon. Senators: Oh, oh.

Senator Murray: The honourable senator read the old speech under privilege. Even worse.

Senator van Roggen: I might say—and I won't embarrass him by naming him—that a senator from your side came up to me afterwards and said: "My, that was interesting."

Senator Murray: I am sure it was. I have no objection at all to petitions being presented in the way they should be presented according to the rules; but you have broken every rule in the book on petitions in the way that you have brought them in.

Senator Frith: We have observed it strictly and carefully.

Senator Murray: Honourable senators, the country faces tremendous economic challenges, and people reading *Hansard* or examining the record of these days as to what is happening in the Senate of Canada will have to conclude that it was time wasting, it was obstruction, it was filibuster and delay.

Here we have in the Gulf the most serious international crisis since Korea, and what are they talking about in the Senate? They are obstructing, they are filibustering, they are delaying, they are time wasting. That is what has been going on in this place.

Now, honourable senators, on two occasions we tried to move the Senate off this and on to the business of the country.

Senator Frith: Your business, not the people's business.

Senator Murray: Twice mob rule took over, drowning out an honourable senator on this side, refusing an honourable senator permission to speak. For four hours on one occasion I was on my feet, two hours on another occasion, trying to make myself heard—

An Hon. Senator: Let the record show what you were trying to do.

Senator Murray: —through the din.

Senator Frith: The din of the people that responded to the action of a tyrant.

Senator Murray: It was to try to extricate the Senate from this disgraceful situation that the Speaker of the Senate invited Senator MacEachen and myself to his office some days ago.

Over a period of days, four of us, Senator Roblin and I on this side, Senator MacEachen and Senator Frith on that side, negotiated a house order on legislation and provisional rules to get the Senate back to business.

With regard to Bill C-62, there was a commitment to a process, an agreement that no motion to move the previous question would be receivable until after eight Liberal amendments had been disposed of. A commitment to a process that necessarily involved getting into third reading debate on Bill C-62.

On the day when third reading should have been called, what did we have? We found ourselves right back where we were on that day when we were invited out of here to meet in the Speaker's chambers. Back to time wasting. Back to obstruction. Back to filibustering. All under the guise of petitions.

We have twice heard from the Leader of the Opposition that petitions are eternal.

Senator MacEachen: Exactly.

Senator Murray: We heard yesterday from Senator Frith that in one month they have brought in 2,000 petitions and they have 48,000 to go.

• (1100)

Senator Frith: Doesn't that tell you anything?

Senator Murray: Yes. It certainly raises the question: Are honourable senators opposite dealing in good faith or not?

Senator Frith: Our good faith is with the people who sent us the petitions.

Senator Murray: We have come to an agreement. There is a house order on legislation.

Hon. Herbert O. Sparrow: I am sorry to interrupt you, senator, but I was just wondering what you would be doing with the petitions your office would be getting in opposition to the GST? I am assuming that your office will be receiving petitions. Are you presenting them to the Senate, or what are you doing with those?

Senator Austin: He is ignoring them.

Senator Sparrow: In your office and others: are they presenting them to the house?

Senator Murray: No petitions that have come to my office have been drawn to my attention. I have not seen any.

Some Hon. Senators: Oh, oh.

Senator Hébert: Except for the two yesterday.

Senator Murray: Yes. I think it was quite important yesterday to demonstrate what a joke my friends have made of the whole petitions process. They made a mockery of the petitions process. They have not been presenting petitions, they have been making speeches, reading the Bible. Everything under the sun.

Honourable senators, we came to an agreement which, at Senator Frith's insistence, involved a house order on legislation and new provisional rules which we passed as one motion. They have committed themselves to the third reading process, or so one would have thought. But if we can't get to the Orders

of the Day, if we are not getting to third reading, then the house order is surely a dead letter. It is a nullity, isn't it?

Senator Frith: What do you mean?

Senator Murray: If we can't get to Orders of the Day, it's a nullity. You will make a nullity of it.

Senator Frith: The rules are a dead letter.

Senator Murray: Surely, if honourable senators are going to prevent us from getting to Orders of the Day; if we are going to have 48,000 more petitions, and I don't know how many hundreds of hours that will take, then the intent of honourable senators must be obvious. It is to prevent us from getting to Orders of the Day. It is to prevent us from getting to third reading. It is to prevent Parliament from voting. We would be left to confront the prospect of the utter paralysis of Parliament because of the actions of honourable senators opposite.

Honourable senators, this motion to move to Orders of the Day is the only motion that can save the Senate from total paralysis and possibly from self-destruction. Therefore, I commend this motion that we move to Orders of the Day and get on with the business of the country to the support of all honourable senators.

Some Hon. Senators: Hear, hear!

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I also intend to make my remarks brief. One thing I have concluded from listening to Senator Murray is that he is very unhappy. He is quite unhappy with the way the Senate is proceeding. He is quite unhappy that legitimate rules are used by senators on this side to delay the business of the Senate. He almost appears scandalized that this should happen.

He should not be scandalized at all, because it is a familiar parliamentary procedure. It has been used more extensively by the party which honourable senators opposite support than this party. It has been the stock in trade of the Conservative Party in the House of Commons in the years when I was a member of that house. I lived through, for example, the debate to which Senator Bosa referred, the filibuster led by that master of delay, the late John Diefenbaker. The House of Commons was hung up, as Senator Bosa said, from June to December. All that time, Mr. Pearson did not go like a crybaby to the Speaker or to the Governor General or to the Queen. He put up with it.

Some Hon. Senators: Hear, hear!

Senator MacEachen: We put up with it. Mr. Pearson put up with it, and I think you people had better put up with it too, because it is not over yet.

Some Hon. Senators: Hear, hear!

Senator MacEachen: It is not over yet. When we both spoke on the house order and the provisional rules, Senator Murray said—and I thought it a very revealing and commendable comment—that the provisional rules provided to the minority—in this case us—tools for legitimate delay. Delay has been a long-accepted parliamentary technique. Governments do not like it; they never do, but they have to put up with it, and Senator Murray—

Senator Teed: You didn't put up with six months of it.

Senator Perrault: What are you talking about?

Senator MacEachen: Senator Murray is quite unhappy about the reality of parliamentary delay.

It is clear that this government, as a whole, has very little patience with opposition parties. We know that closure in the other place had never previously been used as much as it has been under the present Prime Minister. It is now almost a weekly occurence. It is closure.

Senator Frith: Abuse.

Senator MacEachen: Closure was a dreaded technique. I was Leader of the Government in the other place for at least three sessions, and I do not think I ever moved a closure motion—well, maybe one, but I don't think I did.

Senator Doody: One at a time.

Senator MacEachen: However, this government has exceeded all records in moving closure in the other place. They just do not want the Opposition to function in the normal way—and it has been a numerically weak Opposition. It is not as if the government was numerically weak. But despite the fact that, since the election of 1984, the Prime Minister has had a huge parliamentary majority and a numerically weak Opposition, nevertheless, closure and time allocations have been pounded into the system, week after week. In fact, this bill is here because it was pounded through the system by closure and time allocations.

Some Hon. Senators: Hear, hear!

Senator MacEachen: Senator Murray has, I think, considerable gall to get up and complain that we on this side are using the rules that are available to delay the government. It is too bad.

Senator Perrault: On which they all voted.

Senator MacEachen: You cannot have everything your own way. You have created your dubious majority. You did not have a majority. You could not get your bill through if you played by the rules of the game, so you have created an artifical and dubious majority in the Senate.

Some Hon. Senators: Hear, hear!

Senator MacEachen: Then you have the nerve to complain that a number of senators are reading petitions, while you have the capacity, because you are God's gift to Canada—

Senator Frith: Or 15 per cent of it!

Some Hon. Senators: Hear, hear!

• (1110)

Senator MacEachen: —to bring in—

Senator Perrault: They are sliding. It is 13 per cent now.

Senator MacEachen: —to bring in an artifical majority. So do not complain. Just relax and enjoy it. It is part of the

process of growing up, if that is what you want. It is part of the process of growing up in Parliament to understand that delay is at times the weapon of the Opposition which will be used time and time again. Nobody used it better than Mr. Diefenbaker. Nobody used it better than Mr. Clark when he rang the bells. For twenty-one days we heard those bells ring.

Senator Austin: And Senator Murray was his advisor.

Senator Frith: The villain who now whines and complains.

Senator MacEachen: The Speaker of the House of Commons refused to intervene and the government finally accepted the splitting of the energy bill into several different parts. So the Opposition had its way and the government bowed to the Opposition.

Senator Bosa: The majority government.

Senator MacEachen: However, this government has never bowed to the Opposition in the other place. I do not know whether this government, in its history, has accepted an amendment of any consequence from the Opposition in the other place. They just brush them off through closure and through time allocation.

Why, then, do you complain that petitions were used for delay? It is an accepted technique. Perhaps some of the speeches were not great. Perhaps they will not be listed among the world's greatest speeches.

Senator Frith: They can always leave and have coffee.

Senator MacEachen: Presumably, however, they have attracted the interest of Senator Murray, because he followed them avidly and he knows every one of them, presumably by heart. I cannot think why he should be so unhappy today. Why should he be so unhappy? We did have a meeting of several day's duration between the two parties and we produced a legislative package and a new set of provisional rules. The legislative package has been completed. We followed the house order meticulously and we passed Bill C-28, which had been much requested by the government. We passed Bill C-21, also much requested by the government. We passed the report stage of Bill C-62, or we had a vote on it as we said we would, and on Monday we completed the proceedings on Bill C-44. So we conducted ourselves with meticulous adherence to the house order. However, after we had done all of that, Senator Murray went before the television cameras yesterday and said that we had violated the spirit of the agreement.

Senator Perrault: For shame. For shame.

Senator MacEachen: I thought it was rather, shall I say, inappropriate for Senator Murray to complain—

Senator Bosa: Cheap.

Senator Perrault: Shoddy. Sleazy.

Senator MacEachen: —after he had reaped all the benefits for the government. After they have tucked away all of these important bills, he then goes out and cries foul. There is nothing in it for the Opposition, apparently. It is all for the government.

An Hon. Senator: I cannot believe what you are saying.

Senator Perrault: Stay there awhile and you will learn something.

Senator MacEachen: It is true, senator. Were you in the Senate when we passed the Unemployment Insurance Bill? Were you here when we passed the "Clawback" bill and when we passed the bill on Hibernia or were you someplace else? If you were here, then you must have been asleep.

Senator Perrault: Spaced out.

Senator Frith: And fast asleep. Stay awake.

An Hon. Senator: You are not getting on with the bill.

Senator MacEachen: Because that is what we did. We are talking about the legislative package.

Senator Perrault: You are facists.

Senator MacEachen: When the government reaped all of its benefits—I know that the honorable senator can't take it. He just can't take it.

An Hon. Senator: Can you?

Senator Frith: Yes.

Senator Perrault: Sit down. I can't understand what you are saying.

An Hon. Senator: Speak from your seat.

Senator Frith: You will have a chance to make a speech.

Senator MacEachen: Perhaps one of the new senators will get up one of these days and defend the GST.

Senator Frith: Yes. Let's hear from them.

Senator Perrault: Let's hear them in defence of the GST.

An Hon. Senator: We will get up.

Senator MacEachen: What are your views, senator?

Senator Frith: Let's hear about it, yes.

Senator MacEachen: You do not have any views. You are just another person brought in here—

Senator Perrault: Blathering.

Senator MacEachen: —to do a job, and that job is to rubber-stamp what the Prime Minister wants. And we will not permit that, even if you do not like it, senator.

Senator Perrault: You are just a hired gun. That is all. You are part of the Tory wrecking crew!

Senator Simard: Come on!

Senator MacEachen: Honorable senators, I wonder why the people on the other side are so agitated, after getting those four bills which we passed in accordance with the house order.

Senator Perrault: Yes.

Senator MacEachen: Yesterday, after four hours in the house on a point of order, Senator Murray goes out and cries foul. I think he is a crybaby and this debate is no place for

crybabies. Just get used to it, because we intend to use every legitimate method provided by the rules.

Senator Frith: That is what "legitimate" means.

Senator MacEachen: We will use every legitimate method available to us to thwart the passage of the GST.

• (1120)

Senator Murray has complained about the use of petitions, and that it is a terrible abuse of the rules. Honourable senators, I think something much more fundamental is at stake, and that is whether the rule of law in the Senate will be observed. Senator Murray talked about the outbreak of mob rule in the Senate occurring twice. Why did that happen?

Senator Murray: Almost a third time.

Senator MacEachen: It happened because the rule of law had been abandoned. The question for the Senate is whether the rule of law is to be restored to the Senate.

Senator Sylvain: How about the spirit of the agreement?

Senator MacEachen: The question is whether the established customs of the Senate are to be respected and whether the clear words of the rules are to be taken at their face value. Honourable senators, let there be no doubt about it — there is a clear and fundamental disagreement between those on that side of the house and we on this side of the house on Bill C-62. Senators on the other side want to pass it and we want to prevent its passage. There is a deep disagreement. It is a classic conflict situation.

Senator Sylvain: Then let us debate and vote.

Senator MacEachen: That conflict, honourable senator, will be resolved one way or the other, but will it be resolved in accordance with the rule of law?

Senator Sylvain: Only when we debate and vote.

Senator MacEachen: Will it be resolved as we go through this process? Honourable senator, we are going to get to third reading and we are going to vote.

Senator Sylvain: We will be too old then.

Senator MacEachen: We will reach the third reading stage of this bill, but are we going to see the Speaker used as an instrument to secure the passage of this bill?

Senator Frith: Again?

Senator MacEachen: Is the Speaker going to be used as a means of accelerating passage of the bill? Are the rules going to be observed? Senator Murray, after putting his blessing upon this new provisional rule, says, "It is a dead letter."

Senator Murray: If we want to get to third reading . . .

Senator Frith: You cannot have it your way.

Senator MacEachen: Is he now backing away from that rule of the Senate, or does he have some other subterranean method by which he will attempt to destroy —

Senator Murray: Debate and vote is all I ask.

Senator MacEachen: —the implications of these rules?

[Senator MacEachen.]

Senator Sylvain: The spirit of these rules.

Senator MacEachen: What about the spirit of the rules?

Senator Sylvain: Let's get on with the debate and vote.

Senator Frith: The spirit of the rules is in the rules.

Senator Sylvain: Oh, oh.

Senator Frith: The Honourable Senator considers that to be a joke. Does he consider that the rules do not apply because he has had some spiritual message or some such thing?

Senator Sylvain: I have not had a spiritual message, but the rule has a spirit behind it.

Senator Corbin: You must have had a liquid breakfast. What's wrong with you?

Senator MacEachen: Honourable senators on the other side have to understand that there are certain realities at work in this country, realities that are dominating this debate and that are behind the debate. Senator Murray is unhappy, and all of his unhappiness seems to be attributed to us. However, it is true that almost all Canadians are unhappy with the government. They have very little confidence in the Prime Minister; they have very little confidence in the policies of the government; and they have damn little confidence in this bill, Bill C-62. They do not want it to be passed.

Some Hon. Senators: Hear, hear!

Senator MacEachen: That is a reality.

Senator Austin: That is why they want us to kill the debate.

Senator MacEachen: There is another reality, and it is that the Prime Minister, in order to secure the passage of this bill, did something that no other Prime Minister ever did, which was to pull out of the British heavens eight new senators in order to pass the bill. The people loathe that. In Atlantic Canada, 92 per cent of the people disapprove of the appointment of these eight senators in order to have the bill passed. Ninety-one per cent of the people on the prairies disapprove of what has happened. Honourable senators think that this debate can be conducted in a political vacuum, but it is being conducted in a real Canada where discontent with the government and with the new senators is rampant. We intend to express that discontent as we conduct this debate.

Hon. John Sylvain: Honourable senators—

Senator Frith: Let's hear from this man.

Senator Sylvain: Would the Honourable Senator please explain that remark about being British. I would like to hear how they came to be British.

Senator MacEachen: Oh, Oh.

Senator Perrault: That is a profound question.

Senator Haidasz: What is wrong with being British.

Senator MacEachen: Perhaps the honourable senator is not aware that the letters patent creating these senators had to be signed in Buckingham Palace, and I understand that is in the United Kingdom.

Senator Frith: That is in Britain.

Senator Sylvain: Would the senator please tell us who signed them? Was it the Queen of Canada?

Senator Frith: Read the newspapers.

Senator MacEachen: I believe she signed as Queen of England.

Senator Austin: Exactly.

Senator Frith: They were signed in England, unlike yours, sir, which was signed here. That is what makes them British.

Senator Olson: Hang your head in shame for a while.

Senator MacEachen: When Senator Murray makes a big thing about the reading of petitions as the principal problem, he seems to have his head in the sand, because the reading of petitions is not the major problem. The major problem at the present time is that the Government of Canada is pressing forward with a tax bill which at least 75 per cent of the Canadian people oppose. That is the first part of the problem. The second part is that the bill was forced through the House of Commons under closure.

Senator Bosa: What about the provinces?

Senator MacEachen: It was forced through under time allocation. The third part of the problem is that the provinces and the municipalities oppose this bill.

Senator Perrault: And the churches.

Senator MacEachen: There is but a small percentage of people in the country that want the bill to be passed. That is the source of the problem, and what compounds the problem further is the fact that the rules of the game, as we knew them, were not permitted to be played out. The Prime Minister interfered in a most blatant, unfair and offensive fashion and plucked eight senators out of the blue in order to make the difference in getting this bill though. Their credentials are before the courts of Canada.

• (1130)

If you worry, Senator Murray, about the reading of petitions, I worry about what happened on October 4.

Senator Frith: Hear, hear.

Senator MacEachen: I worry whether there are any rules left in the Senate, and whether there is any objectivity or impartiality left.

Senator Simard: I thought that was behind us.

Senator Frith: Yes, so did we.

Senator MacEachen: I worry about Senator Murray's statement yesterday in which he said the new provisional rules are a dead letter and that he intended to back away from them. They are the rules of the Senate, and the senator is talking about backing away from them. Are we going to live in the Senate under the rule of law as we carry out this debate? I assure the senator who interrupted several times, Senator Sylvain, that we will get to the third reading debate and we will have amendments, and I hope that he will stand up in an orderly way and give his views about these problems and not shout from his seat.

Senator Sylvain: Honourable senators, I would just like to say that if I am disorderly, I have had great people in the Opposition show me how to be.

Senator Perrault: Sit down! You are not up on any point at all.

Senator MacEachen: I hope, honourable senators, that as we conduct this battle we can count on fairness and impartiality in the administration of the rules. Can we count on that? Can we count on that?

Senator Sylvain: Let's get to the debate.

Senator Frith: Will it be the rule of law or the "crybaby" rule?

Senator MacEachen: Yesterday—or this morning—we had the majority again asserting its dominance over the process of the rules.

Senator Murray: How many times did you do it yourself?

Senator Simard: And for partisan purposes.

Some Hon. Senators: On your feet, Murray!

Senator Murray: How many times have you done that since 1984?

Senator MacEachen: Honourable senators, Senator Murray has asked how many times we have appealed a Speaker's ruling.

Senator Murray: When you were in the majority.

Senator MacEachen: And we did, of course.

Senator Murray: Routinely.

Senator Perrault: Very seldom.

Senator MacEachen: But I do not think we ever appealed a ruling when such a shadow hangs over the Speakership, as it does today in the Senate.

Senator Austin: Total darkness.

Senator MacEachen: A cloud and a shadow. Honourable senators, you should not forget that any one of you could search the annals of the parliamentary system anywhere and you will never find an occasion when a vote was taken in the absence of the Opposition, when the doors were locked so they could not enter the chamber.

An Hon. Senator: And locked early.

Senator MacEachen: You can search but you will find no place where the literal rule of Parliament was flagrantly denied in the administration of a vote.

Senator Austin: It was a shameful day.

Senator MacEachen: You should not think that that is not very much in our minds, and it must be in your minds, too.

Senator Buckwold: They have no minds.

Senator MacEachen: Every time there is a crucial decision to be made by the Speaker, what do you think Liberals on this side will be thinking? What do you think will be on our minds? I think you had better understand that, honourable senators.

Senator Simard: This is about reading petitions.

Senator MacEachen: We have shown, I think, considerable restraint—

Some Hon. Senators: Oh, oh!

Senator MacEachen: —in the last few days, but don't push it too hard; let me tell you that.

Some Hon. Senators: Hear, hear.

Senator Simard: We don't need your threats.

Hon. H. A. Olson: Honourable senators, I want to begin by telling you that I intend to give notice now of a question of privilege. I think that what the person who was occupying the Chair, Senator Charbonneau, did to this institution and to the rights of people to petition this institution was disgraceful, but I am just going to leave that for a moment.

Senator Murray: Why?

Senator Olson: Because I want to give him a full explanation of how rotten that was and how much damage it has done to Parliament, but I want to do it when he is in the Chair so I can do it right to his face.

I want there to be no misunderstanding over what you have done to Parliament by letting this motion pass, but you have already demonstrated how little regard you have for the rules by even maintaining that this motion is in order. That is the other part of the problem.

Senator Murray: We settled that last night.

Senator Austin: Nothing is settled.

Senator Olson: I hope that I sound indignant because I am. I know exactly the kind of speech that this institution would be getting today if one Honourable John G. Diefenbaker were on this side, because I was in the other place when he made these kinds of speeches about a government trampling the rights of Parliament. By the way, I was in the Opposition then, too, in case you do not remember.

Senator Murray: Come to think of it, you supported the government on that, didn't you?

Senator Olson: We heard from Senator Murray, when he was trying to support this motion this morning, saying that this is a joke. The stuff that is in this red book is a joke now. As Senator MacEachen pointed out so clearly, after four hours, you say that you are going to renege on your agreement. That puts your honour in disrepute. However, it is not only an agreement, it is now a house order, in case you have forgotten. What are you going to do, trample on that again?

Some Hon. Senators: Yes, he will.

Senator Murray: If you make a nullity of it.

[Senator Buckwold.]

Senator Olson: I guess that is the notice you were giving to the press outside: First, your word is no damn good; and second, even if we get a house order, with all the Conservatives and all the other senators voting for it, you are going to trample on that, too.

Senator Austin: Murray has no honour!

Senator Olson: You can decide whether you have any honour or not, but I think it is a despicable attitude, and if there are any further words that describe it more adequately I am going to use them, too, because I think what has happened to Parliament today is the most despicable display of dereliction of duty that I have ever seen. I really believe that. I say very sincerely that you have trampled on the rights of Canadian citizens to petition their Parliament.

Senator Murray: Baloney!

Senator Olson: You can say "baloney" but I tell you that I have two files of petitions left here. It might take me two or three hours, although I cannot get that much time all at once. I know that many of my colleagues have more petitions as well.

Senator Perrault: Hear, hear.

Senator Olson: The people who signed these petitions are all from southern Alberta, where I come from, and they have a right to petition their Parliament if there is something going on in Parliament about which they want to express their views, either in support or in opposition. In this case, they are opposed. You have just trampled that right out of existence with this ruling, with this insistence that you are going to interfere with the routine proceedings and move to another item further down. We know very well that you intend to keep this session going now without any adjournment so that we cannot get back to the top of the Order Paper again. When you get to Bill C-62, you are going to arrange things in such a way that we never get a chance to present these petitions. That is what this is all about.

Senator Simard: So what? Table them.

Senator Olson: "So what?" he says.

Some Hon. Senators: "So what?" Simard. Senator "So what".

Senator Simard: Just table them.

Senator Olson: I want the record to show very clearly that the Conservative member opposite, after I explained the gravity of people's right to petition, just says "so what". Say it again. You said it yesterday, too. You think this is just some small thing we can have a little fun over. I see a few people over there smiling. I also see that their faces are a little crooked because they don't quite like that kind of a smile on their face. They know they have done something wrong. With this action they have violated Parliament, raped Parliament and raped the right of people to petition Parliament.

• (1140)

They have raped the right of people to petition Parliament with this action, and I can tell that they are not very proud of it.

Senator Frith: The smiling rapists.

Senator Olson: Senator Murray says what we have been doing is a joke. Is it a joke to carry people's petitions to Parliament?

Senator Frith: He thinks so.

Senator Olson: That is what he called it. That is some joke. The people of Canada have tried everything they know to get this government to understand that there is a majority of Canadians out there, about 90 per cent, who have a right, and have always had a right, to have some say in the way their government operates. They had some say through the Fathers of Confederation, and other people, to set up the structures.

I see people opposite who think they are great experts on what the rules are, and on what the constitutional structure is.

I will tell you one thing, and do not make any mistake about it, the whole thing has been set up with the consent of the Canadian people. That is the kind of structure they want to govern them, and these people are trampling over it all the time. The people are never going to forget this.

What happened on October 4 and what happened again today is a rape of Parliament, the worst that we have ever seen. I know what you are going to do. You are going to say that is now a precedent. Those are the new rules. Any time the Leader of the Government wants to get up on his feet—I guess this time it was the Deputy Leader, Senator Doody—and move a motion to go to the order paper, he will say, "Well, on October 30," or whatever date it was, "we had a motion. That is a precedent. Now we can do it."

I heard Senator Murray tell us on more than one occasion that what happened on October 4 is a precedent that he intends to use in the future.

Some Hon. Senators: Hear, hear!

Senator Olson: That is violation of everything that is on page 57 of the rule book. Just because you got away with it once, with your "illegits," if you want to call them that, or your swamping senators, now you are going to use it as a method of amending the rules. It is a new system we have here. We amend the rules as we go along. If we do not like the rules or if they do not happen to fit our impatience at any given time we make some new ones. You even got the Speaker into it to a disgraceful degree. Too bad, but that is what you did. You know he is not going to survive this. You may think he is, but he is not.

An Hon. Senator: Where is he now?

Senator Olson: I do not know where he is now. I am not critical of him for not being in the Chair now. As I said a few moments ago, I am going to raise the question of privilege when he is in the Chair, because I want on record what I think of what you, Mr. Charbonneau, and you, Mr. Murray, have done to the people's right to petition Parliament. Then I am going to get a few thousand copies of that and send a copy of it to every one of the names that is on this petition so that they know at least that I tried.

Some Hon. Senators: No, no!

Senator Murray: Who pays for all these copies?

Senator Olson: Are you going to start cutting our funds off too?

Some Hon. Senators: Hear, hear!

Senator Olson: We had better understand that there is no limit to this government.

An Hon. Senator: Does that mean we do not have franking privileges any more?

Senator Olson: Are you going to stop the franking privileges too?

An Hon. Senator: More threats.

Senator Olson: I want to take this seriously, because I had better get it in quick and get it out to these people if they are going to cut off funding too.

Are you serious when you say that? You are going to examine where I get the money to send out copies of *Hansard*?

An Hon. Senator: That is what he said.

Senator Olson: I said I was going to do it, and he said, "Where are you going to get the money?" I am going to get it from the same place I have always got it.

Senator Murray: The public treasury.

Senator Olson: Of course! Are you intending to interfere with that?

Senator Murray: Never! I have not attended Internal Economy meetings in 10 years.

Senator Olson: But you have other ways of sneaking your influence into certain places.

Senator Murray: You are living high off the hog, senator, and I am not interfering with it.

Senator Olson: I want you to know this, but I think I had better be careful and make sure that all these people know before you can get the budget killed too.

The Leader of the Government called it a kind of mockery. Is it mockery for people to let Members of Parliament—in case you do not believe we are Members of Parliament, you had better examine section 17 of the British North America Act and you will find out that senators are Members of Parliament. Is it some kind of mockery that Members of Parliament should be able to receive petitions and present them to Parliament? You know, it is so silly, because if we are not going to present them to Parliament, where does that leave us as Members of Parliament?

Do you want us to just take these petitions in and leave them in our files? That was not what the people intended. They intended those petitions to be presented to Parliament, and

that is what we have been trying to do for days and days. It is kind of laughable in many respects.

Senator Murray: We have had speeches on the Canadian Football League. You have not presented the petitions. You have wasted time.

Senator Olson: Senator van Roggen just got up and told you to your face that you misled the house when you said that he made that speech on petitions. Now back off! Admit that you were wrong. I suppose we can look back on some of these other things too where you have quoted different members. It probably was not on petitions at all.

Senator Murray ought to understand, at least by now, that we are trying to delay Bill C-62. Do you not understand that? Do you not understand that we are going to use every tactic and every technique available to us to delay Bill C-62?

Senator Simard: Under the rules.

An Hon. Senator: A Grit is a Grit is a Grit.

Senator Olson: Perhaps a Grit is a Grit is a Grit, and a Conservative is a Conservative is a Conservative. As far as the rules of Parliament are concerned you can say, along with that, that a rapist is a rapist is a rapist.

Some Hon. Senators: So what?

Senator Frith: So what, Senator Simard?

Senator Olson: I have been here for 34 years, and I have never before seen such long-term, disgraceful parliamentary behaviour in my life.

Senator Simard: No, no!

Senator Olson: The only other comparable act was the great pipeline debate in 1956. I was not here when that happened. I came the next year.

Some Hon. Senators: No, no!

Senator Olson: I know what happened, though, because it was fresh in the minds of all Members of Parliament, including people like M. J. Coldwell, who was a highly respected politician and then the leader of the CCF Party, and John George Diefenbaker. They stormed the Speaker's Chair. That is what they did. Yes, they did. They actually left their seats and went right up to the Speaker's Chair and stuck the rule book under his nose and told him to get the hell out of there.

Senator Frith: Let us try that.

Senator Olson: So if you want to know what your own colleagues did—

Senator Frith: I never thought of that before.

Some Hon. Senators: Hear, hear!

Senator Olson: —and if you want to know what some highly respected Members of Parliament did on that occasion, that is what they did. We have not done that. We have done a couple of things that stopped you from doing further damage to Parliament when you were insisting on making a motion that was out of order.

[Senator Olson.]

Senator Murray: Why would you not let the Speaker decide that?

Senator Frith: No, no.

An Hon. Senator: You decided.

Senator Olson: We have already had a demonstration of how the Speaker decides things.

Senator Petten: The decision was written by you.

Senator Murray: In the words of Senator Frith.

Senator Olson: The Speaker has already demonstrated that he has completely lost his objectivity and fairness. There is nothing left, and I intend to tell him that straight to his face when he is here.

• (1150)

I am not going through that now, but I intend to tell him that straight to his face when he is here.

Honourable senators, it appears that we have entered a new era in parliamentary democracy where we make up the rules as we go along. If we don't like what the rules are to allow minorities and the Canadian people to be heard when they send in petitions, we will make new ones. We got a new rule today. There is absolutely no precedent that anyone can find where a member interceded to make a motion when petitions were being read. That has never happened.

Senator Murray: Senator Doody read the precedent into the record yesterday.

Senator Olson: In this place?

Senator Murray: The precedent in the House of Commons.

Senator Frith: That is where he would like to be where there is closure and all those tools to choke off debate. Of course, he wants to bring the House of Commons rules over here. He delights in the ability to ram laws through with closure.

Senator Olson: Well, that is where we are at and we can make new rules whenever we don't like what is going on.

Senator Perrault: "Instantrule."

Senator Frith: Just add water!

Senator Olson: I looked over that so-called agreement, at least I thought it was an agreement, and it did not state how we were going to handle petitions. There was no commitment on this side about giving up our right to present petitions.

Senator Frith: It has nothing to do with commitments; they are all in the rules adopted by the whole Senate unanimously.

Senator Olson: I understand that it is in the rules. Does it state anything under the provisional rules?

Senator Stewart: Senator Olson, would you permit a question at this point. It would appear that some Progressive Conservative senators believe that the orders made by the Senate provide that at the very beginning of the sitting that began yesterday, the Senate would move to the motion for third reading of Bill C-62. For example, I believe that Senator Sylvain, who was intervening earlier, believes that that was the

significance of the special order made on the motions of Senator Murray and Senator MacEachen.

Senator Sylvain is new here. I presume he was given that false interpretation by Senator Murray.

It was clearly decided by those who made the special order and provisional rules that at the beginning of the sitting yesterday we would go to the first order of business as established by Rule 19. The fact that that was what was intended was shown by what Senator Doody did. He rose on petitions yesterday, which shows that he knew where we were on the order paper.

In defence of Senator Sylvain, is it not quite likely that Senator Sylvain and other members of the Progressive Conservative senatorial caucus were misled when the provisional rules and this special order were put before them? I ask you, Senator Olson, if that is not a reasonable interpretation of the attitude some of them are now showing.

Senator Olson: Perhaps we need a fresh explanation and interpretation of what the new provisional rules mean. It seems to me it would probably be better if Senator Frith and Senator Murray made that explanation. However, I agree with Senator Stewart's interpretation that there was no provision whatever made in those rules as to any limitation expressed or implied with respect to petitions or, in fact, the top of the order paper under Article 19 of the rules. That rule simply states that we start off with presentation of petitions.

If Senator Murray misled his caucus, it is up to him to explain. He may or may not have. If the interpretation was that there was something limiting the use of the first item under Rule 19, that is certainly not the explanation we received in our caucus.

If someone had returned from a meeting where some arrangement had been worked out to restore order to this place and told us that one of the rules was that there would be no more petitions from the people, I would have said no, and therefore it would not have passed anyway. I believe Senator Frith understood that and never made any such commitment. The wording certainly does not state that I cannot present petitions from the people in southeastern Alberta. If it had, I would have said "No, thank you."

I was chairman of a committee in the other place for approximately 16 months in 1964 and part of 1965. I am not sure of the exact dates. The committee was attempting to revise the rules to get more business through this place. I know from long experience, honourable senators, how careful one has to be and not tramp on the rights of the Opposition to delay the government if it is attempting to rush things through. The committee filed 22 reports to the government of the Right Hon. Lester Pearson. He asked me to be chairman of that committee for a special reason. At the time I was the House Leader of the Social Credit Party and he wanted someone who was not a member of the old-line parties so that the committee could have what he thought would be a neutral chairman. It was a good exercise.

What we finally decided was to transfer an enormous amount of the work that was required to be done on the floor of the chamber into the standing committees. It set up a new regime from meaningful debate on more than one subject at a time. In other words, if there was a bill dealing with transport it went to the transport committee, and the members who were interested in transport went there. The same applied to bills on agriculture and other subjects. When the bill was returned to the chamber itself, there were many delaying tactics, but it was absolutely necessary to be careful that the rights of Opposition members to get their foot in the door were not muffled or stifled. There are some senators opposite, I think, who were there. Maybe Senator Phillips was there at the time. He might even remember what happened. However, there was one thing we never did. We never set up a regime or even attempted to set up a regime where you make up the rules as you go along.

Now, there have been some changes made over there since. They have given the Speaker far more power, in my view, than any Speaker ever ought to have. For one thing, there is no appeal from his rulings anymore. I believed it was a serious mistake when they did it. I don't remember what year it was, but if there is anything that has demonstrated that it should never have happened it is the situation now where they use closure over and over and over again and there is no appeal.

The last very important thing I want to say on this motion, although someone will probably heckle me and I will get started again, is that you should not be in such a hurry. You may have tried to make the argument that you waited long enough, that there are economic problems, and so on. Well, 90 per cent of the people in this country do not believe that you need to be in a hurry to pass this bill. They are the ones that are going to be affected by it. I tell you without any hesitation at all that if you want to trample on their rights just because you are in a hurry to get it done by some date in November or December or whenever, you are doing the wrong thing.

I believe that the Leader of the Opposition, Senator MacEachen, explained to you, had you wanted to listen, very carefully and very accurately why you are having this difficulty with opposition in the Senate. It is not because of us particularly. It is because of the malaise in the country. The people do not want the government to proceed with this bill. They do not want this kind of tax regime set up.

Oh, there are a few in the manufacturers' associations who want to be relieved—

Hon. Jean-Maurice Simard: Will you allow me to make a comment at this time? I think you will want to hear it. It will not take too long.

Senator Olson: So what? If you want to make a speech, I really think you ought to make a speech.

Senator Simard: I think it would be useful for you and our colleagues to know what a 19-year-old Quebec student has to say about what has been taking place in the last month.

Senator Frith: Tell us in your speech. You will get a turn.

Senator Olson: I would invite Senator Simard to make his speech when he gets to it.

Senator Simard: You cannot speak out of both sides of your mouth. You either believe in what the people say or you do not. Why do you not allow me to put this on the record?

Senator Olson: Why don't you make an arrangement with your whip so you can make a speech?

Senator Simard: Obviously we are going to be here for several more days listening to you. Why don't you listen to what this 19-year-old student has to say?

An Hon. Senator: Sit down!

Senator Simard: This is just another smoke screen. We know what you are up to.

The Hon. the Speaker *pro tempore:* Senator Olson has the floor.

Senator Simard: I respect the Chair and I will sit down. I hope that you will remember that because you can't respect the Chair at 11:55 a.m. on a Wednesday and say that there is no one in the Chair at 3:00 o'clock in the afternoon. So be consistent.

Senator Frith: He has made a fool of himself.

Senator Olson: Honourable senators, this is absolutely amazing. They have now decided that they can interrupt anyone anytime they want to. Is this part of the new rules?

Senator Perrault: Table it during the petition.

Senator Simard: You are talking out of both sides of your mouth.

Senator Olson: Leave it on the record.

Senator Simard: Why don't you let me then, and hear what other people have to say—

Senator Perrault: Table it.

Senator Olson: It is clear and easy to understand, Senator Murray, that you have to take some of your back bench senators, like Senator Simard, into a room and teach them what is in this book. It says that one senator at a time shall have the floor. Senator Simard, I think, is now the "So what?" senator, but had he got up and asked if he could ask a question—

Senator Simard: I asked you!

Senator Olson: No, you did not. You said "I wonder if Senator Olson would let me put this comment in here at this time from some student." I would suggest that that is a good subject matter for your own speech.

Senator Perrault: Wait for the petitions.

Senator Olson: Senator Simard, we welcome you to make that kind of speech.

Senator Perrault: Put it under petitions.

Senator Olson: Yes, we could read a hundred petitions.

[Senator Frith.]

Senator Simard: I will go to Alberta. I will go to Alberta to tell them what kind of a representative you are!

Senator Frith: Go ahead. Go right now.

Senator Perrault: We will buy you a ticket.

Senator Olson: I will tell you one thing: If you come to Alberta, Senator Simard—and I welcome you to come—when you come to Alberta, please let me know when you are coming, because I want—

Senator Perrault: And you can do a walking tour of the tar sands out there.

Senator Olson: —to go there and be sure that no one finds out that you supported this bill, because you would be in some danger if you did.

If some people in Alberta were to find out that you were part of the breaking of the rules in this place in order to force through Bill C-62, you would not be very welcome.

• (1200)

Senator Simard: I have been there before.

An Hon. Senator: You didn't stay very long.

Senator Olson: In any event, the point I was making, when I was so rudely interrupted, is that there are a few people in Canada, such as the Canadian Manufacturers Association, who would like this bill passed. One of the other organizations that came before the committee and wanted this bill passed was the Business Council on National Issues, the captains of industry, represented by one Mr. d'Aquino. He is also in favour of this bill.

Senator Murray: He used to be in Mr. Trudeau's office.

Senator Perrault: He was an office clerk, for heaven's sake.

Senator Olson: He was in favour of this bill and, of course, he is now the mouthpiece for all of the big commercial and corporate organizations in Canada. At least, that is what he claimed he was.

Senator Perrault: Sure, he is in favour.

Senator Olson: One hundred and fifty of the largest corporations in Canada make up the membership of the BCNI. I have been at many meetings with those people. When I was Minister of Economic Development I used to have meetings with them in Montreal, Toronto, and so on, and they had a specific point of view on almost everything. They wanted their corporations to succeed, to be profitable and to prosper. That is their job. I never criticized them for that. However, I know now why they want this bill to pass, because they know that with this bill there will be a massive transfer of the tax burden from their corporations to other people in Canada. Mr. d'Aquino had the nerve to come before the committee and say, "Those people who are opposed to this bill do not understand it. They are misinformed." I tell you, honourable senators, and Mr. d'Aquino too, the people understand it a lot better than he thinks they do. That is why they are opposed to it. They are not in favour of this massive transfer of the tax burden.

However, I do not want to get into that, because I want to get to the bill sometime so that we can talk about all those things–

Senator Simard: We all do.

Senator Olson: —because there is a lot that needs to be said and I hope that members opposite will screw up their courage and stand up to the leaders of the Conservative Party, both in this chamber and in the other place, and bring into the Senate a reflection of the wishes of the Canadian people. I think it will take a little more courage than most of you have, but at least you should try to screw up your courage and stand up, just once, for Canadians.

Senator Simard: Display your courage and play the kazoo and all of these other things? How much courage do you need for that?

Senator Olson: I am glad the "So what?" senator mentioned that usually what he says is "So what?" about the rules. He does not care about the rules. That is why I call him the "So what?" senator.

Senator Perrault: So what? So what?

Senator Simard: I care about the rules.

Senator Perrault: No, you don't.

Senator Simard: You threw the book away, and the enforcer here, Senator Frith, opened the door. He invited in the press, the people from the House of Commons and everyone else. You showed disrespect for the rules. You threw the book away.

An Hon. Senator: It was thrown away in the afternoon.

Senator Frith: Yes, thrown away in the afternoon, when you came in and participated in this shameful—

An Hon. Senator: Shame.

Senator Olson: I want the record to be clear. It was yesterday, or the day before, that Senator Frith was talking about respecting the rules. He pointed out very clearly one of the rules in the rule book, and Senator Simard said, "So what?" Does he mean, "so what" that that is in the rule book?

Senator Frith: It is a little better than looking at them.

Senator Olson: "So what?" is what he said.

Senator Perrault: That will stay with you awhile.

Senator Olson: As I said -

Senator Perrault: So what?

Senator Simard: That was a sad scene with the media that night.

Senator Perrault: "So what?" Simard.

Senator Olson: We know very well why the BCNI and the Canadian Manufacturers' Association support this bill. There is no mystery about that. They know very well that they will be relieved of a great deal of the tax burden as soon as it passes, because I presume that it will repeal the manufacturers' sales tax. But the people who will pick up the load, and take on the load from here, are not in favour of that.

The other thing they are not in favour of, and I want to make this point again and again, to try to hammer it into your heads—

Senator Simard: Where does Mr. Chrétien stand now on it at this time? We thought that yesterday he was for killing it. He is known to change his mind. He has changed his mind five times in the last month. Where do you suppose he stands now?

Senator Olson: Whom are you talking about?

Senator Simard: On the GST. I am talking about your leader.

Senator Murray: Jean Chrétien.

Senator Olson: Senator Simard, you have so much to say, why don't you get up and make a full speech?

Senator Simard: That is why I invited you earlier to sit down so that I could speak. Please allow me.

Senator Perrault: No. He is not about to give up his place.

Senator Frith: You will get your turn. Let him keep it up a bit.

Senator Perrault: Be patient.

Senator Olson: No, you cannot. The only time that you cannot speak is when some other senator has the floor. If you look in the rules you will find it there. You don't want the rules?

Senator Simard: My rules don't count.

Senator Olson: No; it was you who said "So what?" It was you, not Senator Frith.

Senator Frith: Yes; you don't like it now. They have the label on him now. He is trying to get it off.

Senator Olson: In any event, yesterday we went for four hours, and then Senator Murray lost his patience and switched with Senator Doody. Four hours after we had come to an agreement to change the rules, and that is all; that is all the patience they had. They abandoned the rules, abandoned an order of this house that was so fresh in everyone's mind that I think almost every one of us could recite it by heart, and we would not even need to look in the book under Provisional Rules. I do not know if I would get it word for word, but I know what every one of these words were. Four hours, then throw the book again! Trample on the rules of Parliament.

What they want to do is tramp on the rules of Parliament.

Before I conclude I want to very seriously say that honourable senators opposite have done a disgraceful thing to Parliament. Everyone who supported that action should hang his head in shame. You have denied Canadians the right to petition Parliament on a matter about which they feel strongly.

Senator Murray: Will we move to Orders of the Day today?

Senator Olson: Will you give me an undertaking that we will get back to petitions at some time?

Senator Murray: I am sure you will.

Senator Olson: When?

Senator Murray: It will all depend on when third reading of Bill C-62 will start.

Senator Olson: Will the honourable senator give an undertaking that we will get back to the order of business provided for in Rule 19? That would solve much of the problem.

Senator Murray: It is inevitable.

Senator Olson: I am talking about before Bill C-62 passes.

Senator Barootes: Oh!

Senator Olson: Did I hear Senator Murray make an undertaking that that would happen?

Senator Murray: I think it will.

Senator Olson: That is not enough. If after only four hours you have abandoned the provisional rules, we have to have something in writing. Next time we will get it in writing.

Senator Frith: Let's stick to the rules. We are now debating a Conservative Government motion to choke off the people's views. Let's stick to that.

Senator Olson: If he would give us an undertaking that we will get back to petitions, and if he would sign it before witnesses, that would be worth something.

I know other senators, including Senator Stewart, want to make a few comments on this violation of the right of Canadians to petition Parliament, but in concluding my remarks I want you to understand that any time you trample on the rights of Parliamentarians to present the views of the people they represent, it is wrong. I am not saying, honourable senators, that we fall into the same category as members of the other place, but we do have functions, the most important of which is to provide a check and balance in the whole Parliamentary system.

Honourable senators opposite are progressively and repeatedly violating the rules that make the Senate effective in carrying out its responsibilities. There is still time for them to contemplate that and perhaps to regret it sufficiently that they will not continue to completely disregard the rules. Every time they run up against a rule that may be a little awkward, they try to change it. The problem we have been encountering is that they keep changing the rules and forcing motions that are out of order, having the Speaker dragged into the matter so that his capability to preside over this place is reduced or eliminated. I will deal with that in more detail some time later. The main thrust of what I want to say today is that you are now denying people from making their views known before this House of Parliament, and that is a disgraceful thing to do.

Senator Murray: You have abused and prostituted that process, senator.

[Senator Murray.]

Senator Frith: Listen to who is accusing you of abuse and prostitution. Boy, what words for them to use!

Senator Olson: Honourable senators opposite have wrecked the rules in this place more than anyone has done in the time I have been in Parliament, which is 34 or 35 years. I have never seen a situation where rules have been trampled on when they got in the way. You ought to be ashamed. You still have time to correct the situation if you want to, but if you don't want to, you will have to suffer the consequences. I am going to make sure that the people who sent their petitions to me know that it was Senator Murray and his government, in collusion with the Speaker, who prevented me from presenting their petitions to Parliament.

Hon. P. Derek Lewis: Would Senator Olson mind answering a question? Earlier he referred to the Speaker of the House of Commons and the rights that he has. Could the senator explain to this house the difference between the Speaker of the House of Commons and the Speaker of the Senate? As I understand it, the Speaker of the House of Commons is chosen by all of the members and is completely impartial. Would Senator Olson relate that situation to the situation in the Senate today?

Senator Olson: Honourable senators, I am not quite sure what the appropriate terms are for describing the Speaker of the House of Commons. He is a presiding officer to the extent that all Members of Parliament must address their comments to him. There is no doubt about that. It is to the Speaker and through the Speaker that a member speaks to other members who are present.

That is not the case in this chamber. In this chamber senators address other senators. The function of the Senate Speaker is set out to some extent, but he is not granted the authority to preside over this house as is the case with the Speaker of the House of Commons. I think Speakers who have occupied that Chair recognized and understood that they do not have that authority. That authority has never been given to a Senate Speaker.

• (1210)

I suppose the reason is fairly clear. It is that the Speaker of this house is appointed by the Prime Minister. He is not elected. It is not quite correct to say that the Speaker of the House of Commons has always been elected, because years ago he was nominated by the Prime Minister, and usually his nomination was seconded by the Leader of the Opposition. No votes were taken. I believe they asked for a voice vote and that was the end of it. Now, of course, a far more elaborate process is in place and a true election is held.

While on this subject, I think it is important to note that if the Speaker of the House of Commons had attempted what in fact occurred in this place, he would not have lasted five minutes. He would have been taken out of the Chair and the chamber would have immediately erupted. That happened to Speaker Beauduoin in 1956 when he started to do things that were a violation of what members believed were their rights and privileges. The Speaker's function—and I think this is true

for both places—is to protect the rights and privileges of individual members, not to side with the government or take orders from the government or to make decisions that are sent by the government.

I was not here yesterday, but I understand that there was a really unfortunate situation. I feel very strongly and very deeply about it, so do not make any mistake about that either. Apparently, the Speaker asked for a few minutes to make a decision; he came back ten minutes later with it all written out.

Senator Stewart: Typed!

Senator Olson: I wonder where he got it from?

Senator Buckwold: It was typed the day before.

Senator Olson: I was not here, but I heard that, and I am going to do some investigation. Who decided? I bet Senator Murray knows. I think it was a disgraceful thing to do. There will come a day when the Speaker will be here and it will be appropriate to raise a question of privilege because I have a few hundred names here of people who believed they had a right to petition their Parliament, and now that has been trampled on.

Senator Frith: They are trying!

Senator Olson: They are trying to trample it out of existence. That is why I was so keenly interested when Senator Murray seemed to make an offer that we would get back to the top of the Orders of the Day, as indicated in Rule 19, before Bill C-62 passes.

Senator Murray: I am sure we will.

Senator Olson: You are sure? Well, give us an undertaking that we will.

Senator Murray: I cannot.

Senator Olson: All we have to do is adjourn and start at the top of the order paper again.

I am not going to make any deals with you across the floor. Just give us an undertaking that we will get back there so that my people can have their petitions respected.

This is so silly. Why in heaven's name would we present petitions opposing Bill C-62 after Bill C-62 had been given third reading? That is just ridiculous. It is ludicrous.

That is the undertaking we would like, and if you are seriously and favourably contemplating allowing us to have an opportunity to present petitions again, Senator Murray, we would like to know.

Hon. John B. Stewart: Senator Olson, would you permit a question?

Senator Olson: Certainly.

Senator Stewart: Earlier in this sitting—

Senator Phillips: This is the second time you have spoken!

Senator Hastings: He is asking a question.

Senator Phillips: He made a speech last time.

Senator Frith: No, not on the motion.

Senator Hastings: He has a question.

Senator Stewart: I am asking a question. Earlier, I suggested that there might be some value in having some kind of consultation in an effort to clarify, for the benefit of new senators, the agreement that was made at the end of the sitting of October 9, which agreement appears in our *Debates*, particularly at page 3116. Now, let me read what the Senate then ordered:

> That in relation to Bill C-44, An Act respecting Hibernia Development Project and to amend certain Acts in relation thereto, unless previously disposed of, at not later than 8.00 o'clock p.m., on Monday, October 29, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and shall proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of all remaining stages of the said Bill, and the Senate shall then adjourn forthwith.

Consequently, at the end of the day on Monday, October 29, the Senate, pursuant to that order, adjourned forthwith. That was clear.

Senator Olson: Yes, that was clear.

Senator Stewart: What did that mean? It meant that when the next sitting began the first heading of business was Presentation of Petitions. That is established by Rule 19. Indeed, even the Speaker had no problem with that. The first thing he did was to call Presentation of Petitions. Senator Doody got up and presented two notable petitions.

Senator Olson: "Notorious" is a better word.

Senator Stewart: There was no question about what was prescribed by the special order of the Senate. However, it would appear, Senator Olson, that Senator Murray has been less than frank, less than candid, with new senators on his side. He did not explain to them what he had agreed to.

Senator Frith: Either he must not have or they are very slow.

Senator Stewart: I do not think that is true.

Senator Barootes: You don't come to our caucus. How do you know that?

Senator Frith: Because of the way they behave, sir.

Senator Stewart: It is the only possible explanation, Senator Barootes. It is clear that Senator Sylvain believes that somehow the spirit of the agreement has been violated. His conduct here today leads me to believe that. How would he have got that notion?

Senator Murray: Perhaps he heard Senator Frith describing the 48,000 petitions that one office still has left to present, or Senator MacEachen, on two occasions, saying, "Petitions are eternal." Perhaps he heard that. Perhaps that is why he believes, with good reason, that the spirit of the agreement is being violated.

Senator Frith: Perhaps he did, and as Senator Simard would say, "So what?"

Senator Stewart: Perhaps Senator Murray failed to understand—or if he understood, failed to explain to the members of his own caucus—the implications of the special order, which he helped to write. Perhaps that is the truth of the matter. Perhaps he went in there and said, "Boys, I've got it all settled. I used MacEachen to mop the floor of the Senate. I've taken him to the cleaners. You just watch." Then they discover that what he told them was not true, consequently, they protest.

Senator Simard: Senator Murray never said any such thing!

Senator Frith: We must be getting close to the truth.

Senator Stewart: Senator Olson, would it not be a good thing for the Senate now to adjourn—

Senator Simard: Senator Stewart—

Senator Frith: They are biting! Here is another fish, up to bite!

Senator Simard: Would you allow me a question?

Senator Olson: Ask me.

Senator Stewart: I want to finish my question.

Senator Hastings: He is asking a question of Senator Olson.

Senator Simard: I am trying to ask him a question.

Senator Murray: Talk about abusing the rules!

Senator Stewart: Just as soon as I have put my question, I will be happy to hear a question from Senator Simard.

Do you not think, Senator Olson, that it would be constructive for the Senate now to adjourn so that all the senators could get together, perhaps in the Railway Committee room, to get a candid explanation, for the benefit of new senators, and perhaps indeed for the benefit of Senator Murray, of the implications of the rules and the order that Senator Murray helped to write?

Senator Olson: I think that is a good idea.

Senator Simard: I have a question.

Senator Olson: I am trying to answer a question. Would you wait until I answer it? I also have the impression that some members opposite did not quite understand their agreement. At least their comments from time to time lead us to believe that they do not understand what the new provisional rules are or what the agreement was. What I was trying to explain a while ago—and I think Senator Stewart has drawn our attention to it again—is that, insofar as I am concerned—and Senator Frith and Senator Murray can listen to this—what is written in the provisional rules is the essence of the agreement.

Senator Frith: Of course it is, and it is now a house order.

Senator Olson: There never was any doubt about that in my mind. Now, you can read over those provisional rules, if you like, in great detail, and you will not find one thing that says we are going to limit the presentation of petitions.

Senator Steuart: Not one! Not one iota!

[Senator Murray.]

Senator Hastings: Not one word!

Senator Olson: Senator Barootes is right: we did not go to his caucus. However, the fact is that some members, particularly the new senators, seem to think that Senator Murray got the Opposition to agree to some kind of deal on petitions.

• (1220)

Senator Murray, if you tried to convince your backbench members that that is the case, then you did mislead them.

However, he is shaking his head that he did not, so I will take his word that he did not mislead them. You will have to listen more carefully when you go to caucus if you want to get these things clear, because, as Senator Stewart pointed out, we did not agree to forfeit our right to present petitions.

We have had only four hours to present these petitions—four hours in the life of a nation, when they are going to be burdened with the worst tax they have ever known.

Senator Simard: You had twenty-five hours last week or the week before.

Senator Olson: Maybe we need a little more time than that. Anyway, I think I have answered Senator Stewart. If Senator Simard has a question, I will be glad to answer it, but I do not want him to make a speech on the pretext of asking a question.

Senator Simard: I will not be long, senator.

[*Translation*]

I should like to put a letter on the record because it is important that I and honourable senators opposite listen to the citizens, to ordinary people as they often say and as Senator Hébert in particular likes to remind us—

[*English*]

Senator Olson: Ask your question.

[*Translation*]

Senator Simard: I have a letter dated last week from a student—

Senator Olson: I have a question, please.

[*English*]

Senator Simard: Senator, if there is a senator in this house who knows that the preamble can be long, it is you, Senator Olson. So please allow me to present my preamble here. This letter is from Sarah Montgrain, Ste-Foy, Québec.

[*Translation*]

Among other things, she enquired about the possibility of reforming the Senate and the proceedings of this chamber, and so on.

She raised 14 points in her letter. I will read two as a preamble to the comments I intend to make afterwards.

In point 9 Miss Montgrain says . . . she is a 19-year-old student in a Quebec City junior college. It is amazing how people—students especially—know what is going on.

I am referring to such disgraceful antics as we saw on TV two weeks ago where Senator Gigantès was seen ringing a bell.

It seems that every two or three days the CBC cannot do better than showing that sort of activities.

This only goes to show that a good many students in Quebec and elsewhere want to know what is happening, and I commend them for that.

In point 9, Miss Montgrain has this to say

> Do you think that senators elected by the people would be more efficient and more representative within the government? Perhaps the anarchy now prevailing in the Senate could have been avoided?

A good question on her part. There is more:

> Example: The unemployment insurance reform (C-21) which has yet to be settled and the GST legislation, not to mention the immigration system reform which has been in the works for 309 days, and the measure on refugee status, 272 days . . .

Those are a few examples she gave to illustrate the Liberal senators' conversion to democracy. She goes on the say, under Item 10:

> The Liberal senators who have instigated this inertia in the Senate since 1984, purporting to defend average Canadians against a Conservative majority dedicated to serving the interests of the financial community, were not as always as vigilant under Pierre Trudeau.

This according to our constituent from Quebec City, a student who wonders about your strategies, your filibuster. She goes on to say:

> At the time—

under Trudeau:

> —the Liberal majority in the Senate passed two bills—

The Hon. the Acting Speaker: Honourable senators, it is 12.30 p.m. and I intend to suspend the sitting of the Senate.

Senator Simard: Your Honour, I thank you for reminding me, and I am about to conclude.

> At the time, the Liberal majority in the Senate passed two unemployment insurance bills in the single day. Don't you think senators should be free from any political allegiance?

I wanted to read this into the record, to show that perhaps the time is not quite ripe, consider our problems and also the fact that unanimity is required for complete constitutional reform, which includes Senate reform.

I think the concerns expressed by this eighteen-year-old young lady from Quebec City are an indication that Canadians have had enough. In fact, the polls show that the Liberals led by Mr. Chrétien have been outstripped by the New Democratic Party.

So I would urge you, Senator Olson, and all the others to end your filibuster. You told us earlier that you were anxious to proceed with the substance of the debate on the GST. I would therefore urge you to end this filibuster. I will table this letter at the appropriate time.

Thank you honourable senators.

[*English*]

Senator Phillips: Honourable senators, I am sorry to interrupt a senator when he is in full flight. However, there has been an agreement that the Senate would suspend its sittings from 12:30 to 1:30, and I so move.

Senator Frith: Agreed.

The Hon. the Acting Speaker: Is it agreed?

Some Hon. Senators: Agreed.

The sitting of the Senate was suspended.

[*Editor's Note: For continuation of proceedings see Issue No. 105D*]

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105C.*]

The sitting of the Senate was resumed at 1.30 p.m. Wednesday, Oct. 31, 1990.

BUSINESS OF THE SENATE

MOTION TO CALL ORDERS OF THE DAY—DEBATE RESUMED

Hon. H.A. Olson: Honourable senators, before we adjourned for lunch I was about to reply to a question asked by Senator Simard. I suppose if we wait a few minutes he will perhaps return to the chamber. However, I wish to reply to some of the questions and opinions contained in the letter from a student. He would like me to reply to that and I certainly will. I would like to have the name and address of the student who wrote the letter in order that I can send her a more detailed explanation of some of the legitimate concerns she raised. As a matter of fact, I would like to ask Senator Simard to table the letter. I suppose eventually we will receive Hansard; however, it would be nice to have the original or a copy of the letter so we can be more precise in replying to it.

Senator Simard raised the matter of an elected Senate. Apparently the young lady was questioning whether or not that would be a better idea for the Senate.

Hon. Royce Frith (Deputy Leader of the Opposition): Senator Murray is in favour of that. I was present in Alberta when he announced that on behalf of the government.

Senator Olson: I would like to tell Senator Murray that I would bet a lot of my entire fortune, however small it is, that if there were an elected Senate today Senator Murray would not be doing what he is doing. Even if there was a Conservative majority which had to answer to the people for what it had done to the Senate and what is being done through both the contents of Bill C-62 and its process—

Senator Frith: And the Prime Minister and the Queen would not have been able to stuff the place either.

Senator Olson: They could not have swamped the Senate. The Senate has been swamped, and the people resent that. The people resent anyone who does not play by the rules. I hope Senator Simard tells the young lady that.

There was a recent poll which I believe is fairly accurate. In fact, I am surprised it was so high. People were asked if they supported the tactics—never mind Bill C-62—that the senators used on October 4 and 9. Fifty-five per cent of the Canadian people said, "Yes, we support those tactics in that situation."

I am surprised, because I do not think any senator on either side of the house was very proud of the way the Senate had to act that day when we made all that noise.

Senator Hastings: Forced to act that way. Had to act that way.

Senator Olson: That is the point, and that is what we have to tell the young lady who wrote the letter. We had no choice. We were faced—

Senator Kelleher: That is what John Turner said.

Senator Olson: We were faced with a situation where the Speaker had violated the rules by calling the vote before the whips came in, in spite of what is written on page 57 of the rule book. To add insult to injury, the Leader of the Government attempted to move a motion that we proceed to Orders of the Day. I am sure his idea was to get to Bill C-62 and not to listen and not to follow the rules.

Senator Murray: It was a legitimate motion.

Senator Frith: Absolutely, but not then, and that was its purpose.

Senator Olson: That is interesting; he now claims that it was legitimate for him to trample and change the rules in the middle of the game.

Senator Murray: I could not be heard over the din. Mob rule took over.

Senator Frith: Mob rule against tyranny.

Senator Olson: Change the rules of the game so he could get his way. I was not going to get into this issue very deeply, but I should tell Senator Murray that if he thinks he can manage a parliamentary system with those tactics, he has a lot to learn. Many people have tried that before and none of them ever get away with it over the long haul.

I hope Senator Simard tells the student that when we were using those tactics, which every senator agrees were disagreeable, there was no other way of dealing with a bulldozer that was trampling on our rules. We had to prevent the government from further trampling on the rules of this institution and on the rights of the people to make representation to this institution.

Senator Simard elaborated rather extensively on the matter raised in the letter of an elected Senate. I have heard many senators say they are in favour of an elected Senate. I will tell you why I do not agree with their conclusion. I sincerely believe that if we ever have a Triple E, or an elected, Senate, then that will mean the end of responsible government. The government cannot be responsible to two institutions at the same time. The government at the moment is responsible to

the House of Commons, and if it ever fails to get a majority in the House of Commons it is forced to resign. If the Senate is elected, will it be a duplicate of the House of Commons, with the political party divisions about the same, or will the government have to come to the Senate and demand a vote of confidence or resign? I do not think so.

I have heard many people, even some of my own colleagues, speak about Australia, where there is an elected Senate and House of Representatives, and suggest that it is somehow superior to what we have in Canada. I have spoken to a few Australians who do not believe it is any better than what we have; they believe it is worse. There has been chaos there a few times. That does not disturb me as much, but to hold that up as some great example that we should emulate in Canada is going too far. Only people who do not know any better can be pursuaded that Australia has a better system than ours. Perhaps I had better be careful, because I may be trampling on of the opinions of some of my own colleagues. However, I accept their views sincerely and I hope that they will accept my views sincerely. There will be no further responsible government as we know it, if we have an elected Senate. And that bothers me. I do not think we should abandon responsible government in this country. I like it better than the structure they have in the United States, for example.

● (1340)

I have known quite a few U.S. Secretaries. For example, when I was Minister of Agriculture I became very well acquainted with the Secretary of Agriculture. He told me that he had 45 bases to cover every time he wanted to get a bill through Congress. We have some, but not quite that many. Down there it is a nightmare. They have rules that allow them to make amendments to a bill unrelated to the bill itself. You have to deal with that before you can get it through Congress.

Well, they can have their system; I like ours better—and ours includes responsible government. The Prime Minister, his cabinet and government members have to maintain the confidence of the House of Commons or they lose.

One solution with respect to an elected Senate is that the administration should have its own mandate. That is what the President of the United States has. He goes to the people directly. He is elected for four years. He does not rely on a vote of confidence from either chamber. That is not part of the structure.

So I hope, Senator Simard, that when you reply to this young lady's letter, you explain all of those problems. They are very real indeed.

The honourable senator mentioned a number of other matters that we could deal with. I think some of them were comments that were slightly disparaging of, or an attempt to degrade, what goes on in the Senate. In Canada we respect the right of people to express their opinions in that respect. I do. I believe that young lady and everyone else has that right, and I will stand in their corner demanding that their right to do so be maintained. That does not mean that I agree with them.

I see Senator Chaput-Rolland is having a little problem with me, but I think she agrees with what I have just said.

Senator Chaput-Rolland: You have a problem with me, too.

Senator Olson: No, I have never had a problem with you. Never.

The point is, it is not too late. We do not have to pass this motion. It sounded as though there had been a great loss when we lost the vote on the motion when we were on petitions. That is fairly sad. I think that has done a great deal of damage to Parliament, particularly if it is ever used as a precedent. That is the danger.

Senator Murray won one of those before, when the Speaker intervened and locked the doors and prevented Liberal senators from coming in, and then called a vote. Then, of all things, I could not believe it, the next day he went about the country bragging: "Now we have a precedent." If the bells ring too long, and it does not suit us, we have the precedent of October 4, 1990 that we can use to shut the doors anytime we feel like it in the future.

We now have that, at least for the balance of this session, expunged from the rules and precedents, because we provided in our provisional rules for the length of time the bells are to ring on certain motions. However, honourable senators, that expires at the end of this session. I hope there are no senators opposite who think we are going to go back to a situation where what happened on October 4 is ever going to happen again. I know there are a lot of good, intelligent, reasonable people on the other side who will not support any attempt by the government leader or the Speaker, whoever is sitting in the Chair, ever to repeat that sad experience.

I think it was too bad that the Speaker ruled that the motion was in order, because it is completely clear to me that it was not. But he did, and then they have the majority on the other side, particularly the swamping senators.

Senator Barootes: Plurality, not majority.

Senator Olson: The swampers. You swamped us. However, as I said, and I am being reasonable, it is not too late. All that did was to put the motion on the floor. You can still repent and not pass this motion.

Senator Barootes: The end of the world is at hand. Repent.

Senator Olson: I hope that you will, because passing this motion means that you set another precedent where you can trample on the rights of petitioners anytime you get a little tired of hearing them.

I thought Senator Murray was a fairly patient man. After only four hours he ran out of patience. Senator Doody moved the motion to set aside everything and go to Orders of the Day. We lost the Question Period, too, and senators opposite will know that I like to have Question Period, because I have some very important questions to ask of the government. I have an obligation to ask questions about how many more bankruptcies we are going to have before the government changes course. How many more farmers do you want to run off the land

before you do something reasonable and intelligent about the situation in international markets?

Senator Murray: Farm bankruptcies are down 39 per cent.

Senator Olson: There will come a day when you have no farmers left, and you will not have any more bankruptcies either. That is pretty clear. Ask those people what has happened to their income since 1984. The only thing you had in place since 1984 to help alleviate that situation were the policies put on the books by the previous government, such as the Western Grain Stabilization Fund. I admit that you put some more money in, but the policy was there and there were several hundred million dollars in the fund at the time. But after this government came to power it got so bad it had to put in more.

Senator Murray: We must have a debate on that some day, but the motion is whether we move to Orders of the Day.

Senator Olson: I know. If you do not like what I am saying—and I take it you do not—about some people who are concerned about this, then do not try to pirate in little inaccurate comments. I told you it was the policies that existed before you took office in 1984 which saved you for two or three years. Yet now you have abandoned even those. What are you doing to crop insurance and advance payments?

Hon. William M. Kelly: May I ask the honourable senator a question?

Senator Olson: Certainly.

Senator Kelly: I wonder if Senator Olson can tell me where we are right now? I may have lost track. I wonder if he can tell me precisely how this fits in with where I thought we were?

• (1350)

Senator Olson: I think we are at the point now where we are debating the motion to set aside all business until we get to Orders of the Day. I have a ligitimate complaint: It is that we will be skipping Question Period, and I want to ask a few questions about the plight of farmers in this country. I also want to ask a few questions about monetary policy; but, if this motion passes, I will not have an opportunity to do so.

Senator Kelly: Is Senator Olson saying that for now we are in Question Period?

Some Senators: No,

Senator Olson: I did not say that. I will explain to Senator Kelly very precisely where we are at.

Senator Hon. Corbin: Back to square one.

Senator Olson: We had a motion by Senator Doody that we move to Orders of the Day. There then ensued a debate, because many people on this side of the house, very intelligent people, including myself, believe that motion to be out of order. I have read the rule book once or twice and if honourable senators opposite want to be knowledgeable about the contents of the rule book, they should at least read it. It says in the rule book that there is no way one can move that motion unless there is a question before the house, and there was not.

[Senator Olson.]

Senator Barootes: It is in *Beauchesne*.

Senator Olson: Senator Barootes may want to quote *Beauchesne,* and I will gladly respond to him, but, first, I have to respond to Senator Kelly who asked me where we were at. We were discusssing whether the motion was against the rules. A decision was made and a vote was taken and the Speaker ruled that the motion was in order. A vote was taken and it was decided by a majority, including the swamping senators, that the motion was in order. That is the motion we are now dealing with.

I am pleading with honourable senators, because if we move from Item No. 1, Presentation of Petitions, to Orders of the Day, which is Item No. 7, we would then wipe out Item No. 2, Reading of Petitions; Item No. 3, Reports of Committees; Item No. 4, Notices of Enquiries—and I do have a couple of those to present, but obviously I will not get an opportunity to do that.

Senator Kelly: Item No. 6 is where you are now, sir.

Senator Olson: No, I am not there. Item No. 5, Notices of Motions, would be wiped out, as well as Item No. 6, Question Period. What I am complaining about is that passage of this motion would wipe out Question Period.

If honourable senators opposite will give us an undertaking that we can start at Item No. 1 and go through the "Order of Business," I will be glad to hear that.

I was pressing Senator Murray some time ago to give his commitment that we would go back, but when he realized what he was doing, of course, he backed off. That is too bad.

I must explain to Senator Kelly why I am so disturbed that Question Period is going to be wiped out. Do senators opposite think that farmers in Western Canada, who have been suffering through the terribly severe economic conditions compounded by drought, for the past seven years, are going to be happy if we cannot ask the government to explain the policies that have led them into this disaster? I get letters and phone calls every day and I travel around Southern Alberta to meet those people. They did not do anything. They did not make any drastic changes in terms of borrowing more money that might contribute to the problems they are having. Of course, part of their problem results from the situation with the international grain market. The other part of their problem stems from the monetary policy of this government.

Senator Hastings: Toryism

Senator Olson: That is why I am complaining about not having a Question Period.

Senator Kenny: What questions would you have asked?

Senator Olson: I would have asked that one, and I would have asked when the Minister of Finance and the Governor of the Bank of Canada are going to repent and let people live in this country without being under the usury that is now being inflicted on people because of the high interest rates.

About fifteen years ago— in the mid 1970's—farmers were getting over twice as much for wheat as they are getting today. It was at about $6.00 a bushel by the time they got the final

payment. Today they get less than $3.00 a bushel. Since then, they have had 15 years of inflation on all their cost factors including fuel. They are now having to pay 14 to 15 per cent on all debt service charges. That is the problem about which I want to ask the government during Question Period, and that is why I want to have a Question Period.

Why does the government keep following this monetary policy that leaves interest rates 500 and up to 600 basis points above the United States? I will keep on asking these questions every time we have a Question Period, but apparently we will not have one for several days if the government continues to be as stubborn as it is.

Senator Barootes: As soon as you pass the bill we will have a Question Period. Just vote on it.

Senator Frith: Killing us with kindness.

Senator Hastings: That is your attitude.

Senator Olson: It is like asking a person if he wants his head cut off or if he wants to be shot. The consequences are the same.

Senator Frith: You withdraw the bill and we will forget about Question Period.

Senator Barootes: We love Question Period.

Senator Frith: You withdraw the bill and we will talk.

Senator Barootes: Put it up for a vote now. Bring in your troops.

Senator Frith: Withdraw it right now. Bring in your troops. Withdraw the bill, then we will talk.

[*Translation*]

Senator Chaput-Rolland: Honourable senator, could you give me the floor?

[*English*]

I do not want to speak; I was asking if I may speak.

Senator Olson: If you want to ask a question I would be glad to hear it, but I cannot give you permission to speak; only the Chair can do that.

Senator Chaput-Rolland: I have been in this Senate for two years. Are you going to give me the courtesy of being permitted to say a few words, or are you not?

Senator Frith: We have not yet decided.

Senator Chaput-Rolland: I am going to ask the Speaker for that right.

Senator Olson: You have the right to ask if you can ask a question, otherwise you have to wait your turn like everyone else.

● (1400)

In the meantime, I have the floor.

Senator Chaput-Rolland: I will try to ask a question.

Senator Olson: All right.

Senator Frith: Try.

Senator Chaput-Rolland: That is very kind of you.

[*Translation*]

Today, for the past two hours, Sir, you have been saying that Senators on this side are against petitions. Let me tell you, Senator ("Honourable" got stuck in my throat) that if we had no rights as citizens—

[*English*]

Senator Olson: Don't worry, "honourable" to me means nothing, anyway.

Senator Chaput-Rolland: Not for me, either. Not in this house any more.

Senator Olson: If you don't want to be insulted, don't start it.

Senator Chaput-Rolland: Oh, sir, you are very kind.

Senator Frith: Take your turn and make a speech.

Senator Olson: Take your turn.

Senator Frith: Senator Olson, this is not a question. She should take a turn and make a speech, and then we will listen to her speech.

Senator Olson: The honourable senator can make a speech on this motion whenever she is recognized. If she wants to ask a question, she should put the question.

Hon. Finlay MacDonald: The senator was only—

Some Hon. Senators: Sit down!

Senator MacDonald: She was only trying to ask you a question.

Senator Olson: No, she was not. She started to out to spice up her speech by wondering whether or not she could call me honourable. I will tell her right straight to her face that if she wants to start out with a bunch of insults, then she had better take the heat or get out of the kitchen.

Senator MacDonald: Senator Chaput-Rolland was just starting out with a preamble to her question.

Senator Olson: She was not. Sit down! She said she did not know whether she could call me honourable or not, and if she wants to start out with that kind of garbage, I too know how to dish it out.

Senator MacDonald: Then wait your turn!

Senator Olson: It's my turn now! If you want to ask a question, go ahead, but don't try to make a speech.

Senator Barootes: Senator Stewart's question was 20 minutes long!

Senator Olson: I am used to rather long preambles. That does not trouble me. However, Senator MacDonald had better get his thinking straightened out, too. You may be able to bulldoze Murray and the others over there, but you are not going to be able to bulldoze us one at a time. Just forget it!

Senator MacDonald: I am waiting to hear the preamble to the senator's question.

Senator Olson: You can tell her and everyone else over there, that if you treat us with respect, you will get treated the same way back.

[*Translation*]

Senator Chaput-Rolland: Senator, I did not say you were not honourable. I said that over the past two months I have found it increasingly difficult to say "honourable senators" because I think we have all lost some of the meaning of the word "honourable". Here is the question I wanted to put to you: Why do you, sir, think that we on this side of the chamber are against petitions?

Petitions do convey a message, and over the years I have always been among the first to sign them, to draft them, and to deliver them. You are right to say that you want to deliver the petitions you receive, but I am asking you whether it is necessary to read them one by one, to give such details as addresses, ages, postal codes and so on. I do not think that is what Canadians want.

What the people of Canada want, perhaps rightfully so, this is not for me to decide . . . May I have your attention? I did listen to you for two months. I listened to you very carefully, Senator Frith, and quite often too. I should think that now you might urge your colleagues to do me the same favour, if because I am a Conservative senator—

[*English*]

Senator Olson: Have you got another question?

Senator Beaudoin: She has the right to speak.

[*Translation*]

Senator Chaput-Rolland: I asked you earlier what made you say that Conservative senators on this side of the chamber do not want to hear Canadians explain why they are not in favour of this bill. I can understand their disapproval, I can understand their mistrust, but what I cannot understand is that you would use petitions and abuse the privilege. If you would listen to me, sir—

[*English*]

If I speak to you in English, I can do it very well. However, in this room, from now on, it is neither French nor English that we speak. It is a language of accusation, of dissension, of allegation, and I am fed up with it!

Some Hon. Senators: Oh, oh!

Senator Olson: That's good!

Senator Hastings: You're doing well! Who started it?

Senator Chaput-Rolland: I have every right, as you have, sir, to stand up in this room and have my say. If you want to try to stop me, you will have to try again, because—

Senator Frith: We won't, but take your turn. We will listen. You can speak on this motion. We will wait to hear from you. However, let him finish and then take your turn. We are not going to deny you the right to speak on the motion. In fact, Madam, let us make it clear: Far from denying you the right to speak on this motion, we are waiting and we will be glad to hear from you. We will applaud when you stand up and tell us what you think, but take your turn. Other people want to speak, I am sure, and we hope that you will speak on the motion.

Senator Perrault: And speak at length!

Senator Chaput-Rolland: If you do not want me to speak now—

Senator Olson: No. I have the floor now.

Senator Frith: Take your turn.

Senator Chaput-Rolland: I asked you a question three times. On what kind of principle—

Senator Frith: As soon as he is finished, you're on!

Senator Olson: Do you want to sit down while I answer the question?

Senator Chaput-Rolland: Perhaps I should ask you again, because you did not seem to understand.

Senator Olson: No; I heard the question. I was just waiting for you to complete your preamble. Honourable senators, the question was very clear. I hope the honourable senator will get up and speak, and I am told by my colleagues that they will be very happy if you do get up and make your speech right after me. In the meantime, I will answer your question. You asked the question as to whether we did not believe that you are in favour of the people's right to petition their Parliament.

Senator Chaput-Rolland: That is not what I asked at all.

Senator Olson: It sure sounded like it to us.

Senator Frith: Sure did.

Senator Corbin: Speak clearly!

Senator Olson: Yes, speak clearly!

[*Translation*]

Senator Chaput-Rolland: I beg your pardon, sir. I usually make myself clearly understood in this country either in English or in French. Once again I ask you this: "On what do you, Liberal senators, base your assumption that we, Conservative senators, are against citizens sending us petitions to express their disagreement with a bill"? You have the sacrosanct right to present these petitions to the Senate but not to abuse the process as you have done. Please answer my question.

[*English*]

Senator Olson: Now, that is true. I accept the additional explanation, although I have to tell you that I understood you the first time very clearly. The way you can demonstrate that is to kill this motion. Vote against this motion and then there is no question that you are going to continue to honour and respect the people's right to petition their Parliament. However, if you pass this motion, you will trample on those rights.

Senator Corbin: Hear, hear!

Senator Olson: I do not care how you wish to carry your petitions into the house. Senator Murray told us something today that I found incredible. I could not believe it. He said that he was not aware that his office had petitions in it. That is what he said: He did not have any petitions. Have none of the rest of you got any petitions asking you to delay or kill, or do away with, or defeat—or whatever the right word is—this iniquitous Bill C-62?

Senator Perrault: Of course you do!

Senator Olson: Well, Senator Murray is shaking his head. I know there are a lot of people in southern Alberta who would like you to know they do not want this bill passed. Would you like me to ask them to send you a few petitions?

An Hon. Senator: They are here!

Senator Olson: Oh, we have got a few. Look at that! Honourable senators, I want to conclude, if I may, by saying that it is not too late if Senator Chaput-Rolland wishes to demonstrate her respect for the right of the people—

Senator Murray: Those boxes are why this motion has to pass. That is an abuse of the rules.

Senator Frith: You don't like them?

Senator Perrault: Democracy frightens the dickens out of you!

Senator Murray: That is why this motion has to pass.

Senator Olson: There is a little interference from that side.

• (0410)

Some Hon. Senators: Hear, hear!

Some Hon. Senators: No, no!

The Hon. the Acting Speaker: Order!

An Hon. Senator: Call him to order.

The Hon. the Acting Speaker: Senator Buckwold, would you remove those two boxes? I cannot see you.

An Hon. Senator: There is nobody there! There is no one there!

Senator Olson: I was trying to explain to the senators opposite that it is not too late. If you respect the people's right to petition their Parliament, then all you need do is defeat this motion. If I were convinced at this stage that you were going to defeat this motion, then I would sit down and let the vote come right away; but I am not sure. You did not give that commitment You did not say, "Yes, I am going to defend the people's right to petition Parliament," and therefore I am going to vote against all motions that trample on those rights, like the motion before us now.

Senator Frith: Hear, hear!

Senator Olson: If you want to stand up and say that, so that I am confident that you are going to respect people's right, then I do not need to finish my speech.

Senator Chaput-Rolland: Then, may I speak?

Senator Olson: I am not quite finished yet. I wanted first to give you an answer to your question, and then I have a few more things I want to say. The point I want to make is that it is not too late, that you can repent. You can say, "We were wrong in trying to bulldoze over the rights of people and the right to have their petitions presented." You can still do that, and I hope you will, because if this gets into our books as a precedent, it would be one of the most disgraceful things that anyone could do to the people of Canada and to the respect they have had for their Parliament up until now.

We know that they have been getting away with this kind of trampling of rights in the House of Commons, but the people will deal with that as soon as they get a chance to get at them. There probably will not be even 15 per cent left. If they do not have more than 15 per cent, they will not get any place. Here we have to do things a little differently. What we need from members opposite is an assurance that they will not proceed with this motion, that they will not vote for it. You can shorten the debate a great deal by simply getting up and saying, "Sorry, we have been misled. We were told that this motion would not do all that damage." I will tell you one thing: You are not going to win by being in a hurry. You are willing to trample on everyone, all the rights of the people, on the rights of Parliament, and so on, because you are a little impatient to get Bill C-62; but you are not that naive. I know it. We have told you that what we are doing is trying to delay this bill, and you understood that. Well, I will tell you we are going to keep on doing that.

An Hon. Senator: For the people of Canada.

Senator Olson: For the people of Canada, until you get the message. You apparently have not yet got the message from the people of Canada. It is a long way to an election. I would think that if the polls do not change, you are probably not going to go to the people at all until your mandate runs out. That is November 21, 1993.

An Hon. Senator: Good God!

Senator Olson: That is too far.

An Hon. Senator: Let us have a referendum.

Senator Olson: How about a referendum? How about asking the people? I am not even asking that. How about even listening to the people?

Senator Frith: We do not need a referendum; we have got it right here in the petition.

Senator Olson: Senator David knows very well that 85 per cent or 90 per cent of the people do not want the bill to pass.

Some Hon. Senators: Let us have a referendum.

An Hon. Senator: Immigration, capital punishment, everything!

Some Hon. Senators: Hear, hear!

Senator Frith: Good for you. A real democrat, finally.

An Hon. Senator: Let us have a referendum.

Senator Frith: We could have one on how the *Globe and Mail* conducts surveys.

Senator Olson: The *Globe and Mail*, that great democratic institution that speaks for the ordinary people! We are talking about real people, on real streets, the main streets and residential streets of Canada.

Senator Perrault: They do not know anything about real people.

Senator Olson: I know that the *Globe and Mail* and the Business Council on National Issues, and the Canadian Bank—and I think even the Canadian Chamber of Commerce—backed off. I tell you, they will back off when they find out what happens to their membership, because their members do not support them. I know that we have hundreds of towns in Alberta and British Columbia that are going to send the Canadian Chamber of Commerce a message and tell them, "You do not represent us when you go before the Senate committee and tell them we are in favour of Bill C-62, because we are not." They do not want anyone coming to Ottawa pretending that they represent those businesses and then saying they are in favour of Bill C-62.

An Hon. Senator: A state of war!

Senator Olson: No it is not a state of war. It is just that people come here and pretend that they represent somebody when they do not. That is what they do.

The laughable part about it was that Mr. d'Aquino came before us from the Business Council on National Issues and said that everyone who criticizes this bill does not understand it. That is what he said.

Senator Frith: Like he does.

Senator Olson: Afterwards he wrote me a letter. When he got up to leave, I think I was a little annoyed, because it was a terrible performance, and I said, "It is a complete waste of time listening to you."

An Hon. Senator: It sure is.

Senator Olson: It was. He does not represent anyone who counts. He represents 150 of the big corporations in this country. They count for a little bit, but they are not the ones who elect Members of Parliament. I know what they are going to do; I can see it already. They are going to try to use their clout and their capability either to contribute to parties or to withhold their contributions, to try to force the people of Canada or the political parties to support this tax. I have news for you: We ain't gonna do it! We are not going to submit to that kind of pressure. It has been tried before.

In conclusion, you can remedy the difficulty that we have had over the last couple of days simply by defeating this motion.

Senator Perrault: Hear, hear!

Senator Olson: In the long run I am sure you will be glad that you did. Don't get sucked in by these leaders who say "We have got to have this legislation now." I will tell you something: You never have to have legislation that the people do not want, never!

Some Hon. Senators: Hear, hear!

Senator Olson: What is the hurry? Why have you got to rush it through? Because the Minister of Finance and some of his bureaucrats say that if they do not get it by a certain date—and I think two dates have gone by already—then they cannot implement it on the first of January? I understand their anxiety, but I also understand that the people who will be affected by this have some rights too. Now you are trampling on every one of them, one at a time, in your hurry to bring in Bill C-62, so that you can bring in a tax regime that nobody wants except the big shots.

I know quite a few of these guys, and they are not all that interested in the welfare of Canada the way they say. They are interested in who is going to pay the taxes in this country. That is what they are interested in, and they know bloody well that if Bill C-62 passes and they get this regime set up, there will be an enormous transfer of the tax burden from them to the middle- and low-income people all across this country.

Senator Frith: The people who have written these petitions know what is happening.

• (1420)

Senator Olson: My province is not the worst. Probably Old Crow in the Yukon has the worst problems. It was calculated that those people would pay 158 per cent more tax on the same items than the people in central Canada. Do you want to support that? That is what you are going to do if you move to Orders of the Day and Bill C-62.

It is a little better in British Columbia, but not much. It is a little better in Alberta, but not much. Some Conservatives opposite, especially Senator Robertson, say, "Don't you say that anymore, Olson." Albertans will pay approximately 20 per cent more tax on the same package of goods as people living in southwestern Ontario. Do you think that is fair? The people out there do not think it is fair.

We have been told that it will be a substitute tax. Whatever else one wishes to say about the manufacturers' sales tax, it was paid at the manufacturers' door, or when the manufacturer wrote out the invoice, and everyone in Canada paid the same tax on the same item, and the freight and other charges were not added in before calculating the 7 per cent tax. I know Senator MacDonald was there and he heard people say that, but why senators opposite do not listen now is beyond me. That is why we have to stop this motion.

I will conclude by pleading with senators opposite once more, do not do this terrible thing to Parliament and to the right of people to petition Parliament. There is still time, and perhaps you could listen to a few more speeches until you are really convinced and then defeat this terrible motion. It will do damage not only to Parliament, but to a whole generation—that is, 30 years of damage to the Conservative Party. I can promise senators opposite one thing. We will bring it up over and over again. We will not let the people of Canada forget that you did this to their Parliament. You are doing a terrible

thing and you should stop and think it over. I do not care whether you repent or just feel sorry that you got sucked in the first time. However, whatever you do, do not pass this motion if you have any respect for the democractic institutions we have established in this country over the past 120 or 125 years.

Hon. S. Chaput-Rolland: I thank you, sir, for letting me say a few words. I wish to say a few words about the definition of democracy that I have heard in this chamber over the last month. Democracy does not only rest in the right to—

Senator Cools: Speak to the motion.

[*Translation*]

Senator Chaput-Rolland: I thought, Senator Cools, that I had the right to speak, after Senator Olson, of whatever I wanted to say, according to your rules. In fact, I think I have this right and I will take it. I will ask you to show me the same courtesy I had for you. Please listen to me. I promise I will not keep you here as long as you did. I have heard in this Chamber so many incredible things in the last two months that I feel I must voice my reaction.

The right to submit petitions, like the ones I see stacked up on your table, honourable senators, I fought for this right as much as anyone else. We are gathered here in this Chamber, among people who have been chosen. I asked today that the list of the senators chosen by Mr. Trudeau be sent to me. I could read it to you, but it would take a lot of time.

What I mostly want to tell you, honourable senators, is that we can be against a law, we can fight against it, that also is the democratic way to do things.

[*English*]

That is the name of the game. But the way it is being done in this chamber, it is the shame of the game.

[*Translation*]

I never would have thought I would see people as intelligent, rich and powerful as you and we are—

[*English*]

Senator Haidasz: What about Charbonneau's closure?

Senator Frith: She voted for it and she talks about the shame.

Senator Beaulieu: You were at the door waiting.

Senator Frith: They locked the door five minutes early to make sure, just in case we came in. Shame is the word all right, but it is on the wrong side.

[*Translation*]

Senator Chaput-Rolland: It is difficult to make any kind of intelligent speech after so many frivolous interruptions. I was just trying to say—

Senator Cools, I listened to you for awhile, and I could say the same to you. I think I have the right to say a few words as well, but it isn't easy.

There has been a lot of talk about democracy, and democracy starts with human dignity. You were right, but there was an incredible lack of dignity in the way you attacked the Speaker of this Chamber whom I have known for 35 years—

Senator Thériault: We had reason to!

Senator Chaput-Rolland: —who is a brave man, a man who fought for his country to defend those democratic principles you fail to respect.

Honourable senators, I listened to you, and perhaps you could let me have my say once in a while. After all, this is the first time I have spoken in this Chamber since June 27.

[*English*]

Senator Olson: You should not be so sensitive.

Senator Chaput-Rolland: Sir, after hearing you throw insults at us, I think it is my right not to be sensitive but to be damned angry. If that is not the language of the Senate, you have taught me to use it.

It is all very well and easy to say that this law that the government is passing is not very popular. That is correct, it is not a very popular law.

[*Translation*]

Your Prime Minister Trudeau had more courage than you do because one day, despite the views of most—Come on, gentlemen.

[*English*]

Senator Olson: He listened to the people.

Senator Chaput-Rolland: No, he did not. I was there as a journalist—

Senator Frith: Back in the good old days when you were a Liberal? We remember those good old days and we still hope you will return to the fold after your small sojourn in purgatory and hell.

Senator Chaput-Rolland: Sir, I gave you the right to speak and I think you should permit me the same right.

Senator Olson: Do you know how many seats Trudeau got in the last election in which he ran? He got 74 out of 75.

[*Translation*]

Senator Chaput-Rolland: Honourable senators, that is not what I was talking about. When Mr. Trudeau had the courage—

[*English*]

Senator Olson: You got Roch LaSalle. Only one out of 75 who did not vote for him was the very popular Roch LaSalle. I know them all.

• (1430)

[*Translation*]

Senator Chaput-Rolland: Honourable senators, if I can speak French in this place, even if you understand only a little or not at all, it is because, one day—

Senator Hébert: Stop bemoaning and speak French, will you!

Senator Chaput-Rolland: You spent enough time doing the very same thing, Senator Hébert, that you could show me the same courtesy for ten minutes. What I am trying to say is that, when Mr. Trudeau passed the Official Languages Act, he was not very popular with some people in this country. There were petitions then too. Yet he passed the legislation. That may be what is happening now. Perhaps we are trying to pass this piece of legislation, although some of us—I included—believe that it is far from perfect.

Senator Thériault: Mr. Trudeau always had the support of a majority for his Official Languages Act. What are you talking about? He always had a majority.

Senator Chaput-Rolland: Senator Thériault, I spoke about the courage of Mr. Trudeau. I did not speak against the Official Languages Act, not at all. I simply want to say that there are politicians—like us on this side of the chamber—who know that sometimes the laws go against public opinion because people do not always understand them, but that does not mean the people are wrong because they do not understand them. It simply means that now and then the Prime Minister has to disregard public opinion because he knows that a law is necessary. I think this law is necessary. After all, to whom do we owe the gaps in our finances which this legislation is designed to fill?

You were in office for a very long time. Perhaps you might agree that we have to make sacrifices. You have been talking for months on end, but you know that the legislation will go through. Indeed you may succeed in delaying it for a long time yet, but sooner or later, it will pass.

But the lesson you have given me, the lesson you have given to the woman I am on the way you see democracy, on the way you see what you put this House through by creating an unbelievable commotion I have never seen in my 40 years of political experience, is one of the things I am most ashamed of and not proud of at all. I think you should occasionally have the decency to admit that your ways of passing a law are not the best.

If this House that has an important— Again, I will ask you to listen to me a couple more minutes.

If this House that has a transcending importance in Canada's life was to disappear, believe me, you would be the first responsible and you would go down history for it. This is better than anything I could ever say.

Hon. Gildas Molgat: Would you allow me a question, senator?

Senator Chaput-Rolland: Certainly, Senator Molgat.

Senator Molgat: You said that in your 40 years of public life you had never seen a chamber in such a state as this one was a few days ago. I agree with you. Like you, I deplore what happened. But in your 40 years of public life have you ever seen a situation where a Speaker went directly, absolutely against the very clearly written rules of the House? Where surely the Speaker went undoubtedly against the rules? Have you ever seen that in your 40 years of public life?

[Senator Hébert.]

Senator Chaput-Rolland: Honourable senators, I am not the only one here to have heard some of you asking people to wait and not enter the chamber, and that was before the doors were closed. I am not the only one to have heard that. There might have been mistakes. We do not have on our side qualities like you do. We have not been created like you by God to be always perfect. But nevertheless there are ways—

[*English*]

Senator Olson: I thought you were perfect. Go ahead.

Senator Chaput-Rolland: I am not, but you are. I have listened to you for two years; I have learned how perfect you are.

[*Translation*]

What I am referring to, Senator Molgat, are these shenanigans, this shouting, this constant banging on your desk, this ringing of the bells. You and I must have read the same newspapers. You must realize how the Canadian people are disgusted with your antics and, not because they oppose the legislation, for they have every right to do so. In a democracy, I will fight anytime and anywhere for the people's right to say yes and no to a piece of legislation, whichever the government introduced it. I am not talking about that.

What I am talking about is the demonstration you gave us that you are unable to accept the will of the majority. You insulted here all the new senators. You know by now that the Supreme Court of Ontario ruled in favour of this decision.

The people who are here in the Senate are doing us honour. Having had the privilege to work together with Mrs. Thérèse Lavoie-Roux, Mr. Claude Castonguay and the others, I know that they have every right and are proud to be here.

What have I heard from the other side for the past two months? Nothing but insulting remarks, accusations, innuendos, name calling as in "the Britishers", everything.

Can we not respect an article in the Constitution? If your Mr. Trudeau did not want it, honourable senators, do you not think that he had the proper mandate at the time to remove it? If he decided that Article 26 should remain in the Constitution was it not for someone to use it eventually? Honourable senators, the Constitution of a country is most sacred. If you are against the Constitution, say so. On the other hand, if you support the Constitution, under difficult circumstances, you should have the good grace to accept the other senators who are here and respect their presence as I respect yours, although I do not find it easy today to do so.

Senator Molgat: Senator Chaput-Rolland, you have not answered my question which is clear and simple. Have you ever seen, during the forty years you said you were involved in politics, a situation where the Speaker was in breach of the rules of the House in an attempt to prevent senators from voting? I was deprived of my right to vote. I was not notified that a vote was about to take place.

Senator Chaput-Rolland: Senator Molgat, you should have used that right when it was available to you.

Senator Molgat: Senator Chaput-Rolland, either you did not read our rules or you do not want to understand them. The rules are very clear and I followed them exactly. The Speaker decided to call a vote, which had never happened before, never, not only in my 40 years of public life but in the 123 years of existence of the Senate. This was never done before. It is against the rules. The Speaker has no such right in this chamber. He granted himself rights that he does not have. He deprived me and many others here of our right to vote. Are you suggesting that we should simply take it and sit down? Don't you think we have a right, even an obligation to stand up and defend the most sacred right in a democratic system, which is the right to vote? You have taken away that right.

Senator Chaput-Rolland: Senator Molgat, am I to believe that senator Everett and senator Molson had to break the doors to come in?

● (1449)

Senator Molgat: Senators Molson and Everett received a personal letter. Me, I did not receive any. And you have the guts to rise and say that we should accept that? Frankly, senator, where are you coming from?

Senator Chaput-Rolland: Senator Molgat, your whip had the same position as ours.

Senator Molgat: He received the letter at 5:15; how could he contact everybody? Come on, senator Chaput-Rolland, you are not being reasonable!

Senator Hébert: It is against all the principles of democracy.

Senator Chaput-Rolland: Senator Hébert, it seems to me that you should be the last person to give me lessons in democracy in this House.

Senator Hébert: I would not be the last one, I can assure you!

Senator Chaput-Rolland: I assure you that your lessons in democracy do not impress me very much. We let you do what you wanted. You read your petitions at length. So, I beg you, at least have the decency to recognize that not many people here kept you from talking. Only when you—

Senator Hébert: You keep me from talking and that is serious.

Senator Chaput-Rolland: Was it not your strategy to do exactly what you did?

Senator Hébert: No, senator Chaput-Rolland.

The Hon. Eymard Corbin: Our strategy was—

Senator Chaput-Rolland: What a nice confession admission! It is wonderful, Senator, your admission is splendid. I compliment you and I thank you.

Senator Corbin: I would like to ask you a question.

Senator Chaput-Rolland: No, I have had enough!

Senator Corbin: I am going to make a comment. I have heard you talking drivel on Montreal radio stations for years. I know about your sacrosanct democracy. It is a hypocritical democracy, senator.

Senator Chaput-Rolland: Do you think, senator, that the Montreal radio stations would have hired me if I had denounced them for 25 years? I am friends with some of their reporters. Do you think I would have been fired from Radio-Canada, TéléMétropole, CKAC and CJAD if I had said anything against them? For heaven's sake, at least have the decency to admit against whom it was done!

Senator Corbin: Against whom?

Senator Chaput-Rolland: I have never attacked radio stations, although I, like most Canadian reporters, have criticizd the Senate. I admit it but I certainly had a good reason to do so.

Senator Corbin: You weren't exactly charitable towards certain political figures when you weren't in politics, which doesn't mean you had the God-given right to go on the way you did. You abused your privileges as journalist.

Senator Chaput-Rolland: Never!

Senator Corbin: And today, you are trying to put us in our place, like some Mother Superior. Go and talk to the wall, I am not in the least bit impressed.

Senator Chaput-Rolland: I am already talking to a wall, Senator, so I might as well sit down!

[*English*]

Hon. Anne C. Cools: I believe the honourable senator said that we should accept the appointment of the eight senators with—and I believed she used the word "grace." Would the honourable senator tell us what she means by "grace"? Does she mean "gracefully" or "graciously" or something else?

Senator Chaput-Rolland: I thank you, Senator Cools, for suggesting that I have grace. Sometimes I feel anger; sometimes I feel love; sometimes I feel passion. To say what grace is, I can only say that I know what it is not. It is what you do not have.

Hon. Earl A. Hastings: Honourable senators I welcome the opportunity to participate in the debate this afternoon on the motion by Senator Doody that the house do now move to the Orders of the Day. I particularly welcome the contribution—although I do not know if I totally agree with it—of Senator Chaput-Rolland. She had some fairly disparaging remarks to make with respect to the conduct of this chamber as we sought to fulfil our responsibility to the people of Canada.

I would remind the honourable senator that 56 per cent of the people of Canada support the tactics Liberal senators are using, which is about 41 per cent more than support of the Prime Minister she worships. When she tells me about the minority withholding the will of the majority, let me remind her that for three days in this Chamber it was the minority over there who precluded this house from making a decision. She was part of that, and we learned well from the filibuster that was carried out on that side which prevented the house from making a decision. But now, sanctimoniously, we hear

her tell how terrible it is for the Liberals to do this. She did it for three days. You raised a point of privilege, that you used, and abused in this house, and precluded the report from being tabled. That was fair game. However, on this side it is terrible and we are told we must not do it. We are told that we must not preclude this great Tory majority, including the royal regional representatives, eight of them brought here by the Queen, who appointed them to trample on the rights of the minority and on the rights of Canadians who seek to put petitions before this house with respect to Bill C-62.

We are talking about petitions and the right of all Canadian citizens to petition this Parliament—a right that has existed through the ages. We are talking of the right of the subject to petition the Monarch in an aggrieved situation. Since 1576 it has never been interrupted, until Senator Doody interrupted it today. Now we are going to break any rule to fulfil the program of the government.

Beauchesne has been quoted a great deal as the authority of Parliamentary procedure. What does *Beauchesne* say with respect to the right to petition? He says:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution and has been exercised without interruption since 1867.

Honourable senators, we are going to interrupt it today on the motion of Senator Doody. We will be breaking new ground and changing the rules to fulfil the objectives of the government. I should also like to quote what *Erskine May* has to say with respect to petitions. It states there:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principal of the Constitution. It has been uninterruptedly exercised from very early times and has a profound effect in determining the main forms of parliamentary procedure.

Honourable senators, it has been uninterrupted until today by the Deputy Leader of the government in the Senate. *Erskine May* goes on to state:

> Public petitions may pray for an alteration of the general law or the re-consideration of a general administrative decision, and they may also pray for redress of local or personal grievances . . .

That is the authority, honourable senators, for public petitions.

Another authority is *$%An Introduction to the Procedure of the House of Commons$%* where it deals with petitions as follows:

> The practice of petitioning the Crown goes back beyond Parliament. Procedure on petitions was a large part of the business of Parliament from the beginning. They were submitted in writing and were dealt with systematically by being sorted by Receivers and heard by committees of the council in Parliament called Triers. In the great Parliament of 1305, the records of which are unusually complete, nearly five hundred Petitions were presented and they were heard of by four bodies of Parliament.

[Senator Hastings]

• (1450)

In 1305 they did not decide to put petitions aside for urgent government business. They dealt with 500 of them. However, we are called upon today to put them aside to deal with this urgent government program and priorities. Well, what do I tell the petitioners who have asked me to petition this Parliament? Do I tell them that we filed the petition of the Canadian Manufacturers Association, and that all the others, according to the Ottenheimer principle, will be put in cardboard boxes and stored in the Clerk's office where they can be studied and examined after the bill has passed? What do I tell the following petitioners?

(*Names of signatories read*)

Do I tell them that we read the Manufacturers Association petition and then we threw theirs in a box and sent them to the basement?

Senator Fairbairn: You forgot the three employees.

Senator Hastings: Of course, the three employees. I hope they get a wonderful Christmas bonus. Greg MacDougall's contribution to Toryism went way beyond the call of duty when he signed that petition.

Senator Buckwold: It was the call of Doody!

Senator Hastings: Everyone in Nova Scotia will be proud of Greg MacDougall signing that petition, and I know he is going to be anxious to get home at Christmas to tell them he signed that petition in favour of the goods and services tax for his boss.

What do I tell the next petitioner?

(*Names of signatory read*)

Do I tell him that his petition is in a box in the Clerk's office and we will get around to looking at it after we have passed the bill? What about the next one?

(*Names of signatory read*)

Senator Fairbairn: I would not want to tell her, because she is a good lawyer.

Senator Hastings: No, I would not want to tell her that her petition is in a cardboard box hidden somewhere in the Clerk's office, and that I can go and study it and make notes on it after we pass the bill, if and when we ever pass it. What about the following?

(*Names of signatories read*)

What do I tell the people who sent me this petition? "I'm sorry, we passed the one from the Canadian Manufacturers Association, and all the others were thrown in a box into the Clerk's office and anybody can go and see and study them, according to the Ottenheimer theory, and make notes after the fact"?

Senator Corbin: The CMA's petition was not in proper form.

Senator Hastings: But these people, availing themselves of that right to petition their Parliament, will now be denied that

right by this motion now before us. What about the following petitioners?

(*Names of signatories read*)

POINT OF ORDER

Hon. Orville H. Phillips: I rise on a point of order. We are on the motion; we are not reading petitions.

Senator Frith: What is that motion?

Senator Phillips: The motion is to proceed to the Orders of the Day.

Senator Frith: And not to deal with petitions?

Senator Phillips: No. It does not say a thing about petitions.

Senator Frith: But is that not the effect? Of course it is.

Senator Phillips: That is for you to decide.

Senator Frith: Carry on, senator. You are absolutely right. If you want to debate it, go ahead.

Senator Phillips: The Speaker should give us some guidance. We went through all this yesterday. We are repeating it again today. Let us cut out this nonsense and get down to work for a change.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I should like it to be clear that I am speaking on the point of order and not on the motion. Let us have a debate on this point of order. Anyone else is welcome to join in the debate on the point of order raised by Senator Phillips. Senator Phillips now says that a speech on a motion that deals with proceeding to Orders of the Day while the Senate is under the heading of petitions is somehow inappropriate. Let us have no misunderstanding about that. Let us remember that the house order was voted upon by everyone on the opposite side, including everyone on this side, and I am referring just to the senators in the chamber: Senator Meighen; Senator Bolduc; Senator Barootes; Senator Doyle, about to leave; the person who has raised the point of order, Senator Phillips; Senator Macdonald; Senator Cochrane; Senator Rossiter; Senator Marshall; Senator Tremblay.

[*Translation*]

—and others, including the so-called senators—

[*English*]

They all voted for the house order; and what did the house order say that is relevant to what we are speaking about now?

Senator Fairbairn: Read it out!

Senator Frith: Let us have a look. The senator who raised the point of order has been driven from the chamber! No, no, he is coming back.

Senator Cools: He has just been trying to get a quorum.

Senator Frith: The order says:

> That upon the adoption of this Order, notwithstanding any Provisional or other Rule of the Senate, the following provisions shall apply:

This is the order that was voted on and supported by everyone, unanimously. Every senator supported this. The first thing it dealt with was Bill C-28, the clawback bill. Did we hear any objections or any points of order when we dealt with Bill C-28, when we dealt with it in strict compliance with the order? Did you hear any points of order then?

Some Hon. Senators: No!

Senator Frith: Did Senator Phillips get up and say, "On a point of order"? This provisional order deals with Bill C-28 and it was agreed that we would deal with that and, as it says, we shall:

> —interrupt any proceedings then before the Senate and proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of the said Bill.

Well, is that not what we did?

Senator Fairbairn: Yes!

Senator Frith: Did we not all do that on all sides? No one raised a point of order about that.

Senator Fairbairn: We did it in good faith.

Senator Frith: Yes, we did it in good faith. It was done. They got their bill. Senator Phillips can take that, stick it in his pocket and say, "Good, got the Grits to go along with that." No points of order on that point. Then the order continues:

> That, in relation to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, unless previously disposed of, at not later than 8.00 o'clock p.m., on Monday, October 22, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of the said Bill.

Well, is that not what happened?

Some Hon. Senators: Yes.

Senator Frith: This is the order they voted for. Did they raise any points of order then?

Some Hon. Senators: No!

Senator Frith: Did you raise any points of order?

Some Hon. Senators: No!

Senator Frith: Did anyone raise any points of order?

Some Hon. Senators: No! No one!

Senator Frith: That was fine. They loved it then. They loved this order then. Even Cogger clapped. Good old Cogger. Cogger loved it then. Cogger was crazy about it then. It was his favourite house order. It was at the top of his hit parade. The favourite order of Cogger and everyone else was this order. Remember those days? They were just a few days ago. That was when all the Tories loved this thing.

Senator Buckwold: They claimed victory!

Senator Frith: They gloated, right. After Bill C-21 was passed, did they raise any points of order?

Some Hon. Senators: No!

• (1500)

Senator Frith: Did Mrs. McDougall say to them: "You had better raise a point of order on that. I mean, those Grits are going to give me my bill. Good for you, Senator Murray. You managed to get the Grits to agree to do that. Maybe you had better raise a point of order, though. They are coming along. They are doing exactly what they promised to do. There must be something wrong." Maybe Senator Phillips would raise a point of order and say: "No, we do not want the Grits to do that. Let us hear from Senator Barootes." Senator Barootes, did he raise a point of order?

Some Hon. Senators: No, no!

Senator Barootes: What do you want? An Emmy Award too? We will give you an Emmy as well.

An Hon. Senator: An Oscar.

Senator Barootes: An Oscar. Best performance by a politician.

An Hon. Senator: Withdraw the bill.

Senator Barootes: Best performance by a comedian.

An Hon. Senator: No, no!

An Hon. Senator: A Greek tragedy; it is a Greek tragedy.

Senator Cools: We know that Senator Barootes is going to use his influence to withdraw the bill.

Senator Barootes: Do you want to try for a melodrama award?

Senator Cools: I have never been interested in being an entertainer.

Senator Frith: As we were saying, we were on C-21. Did Mrs. McDougall say: "Those Grits are doing exactly what they promised to do. They respected this order, our favourite order, as it then was." Did Senator Barootes tune up his built-in foghorn and say "Do not pass Bill C-21. Do not do what you are supposed to do?" I guess not. No one raised any point of order; no one shouted; nobody interrupted—because they were getting what they wanted. It was still their favourite order, top one, No. 1 on their list, on their hit parade.

So we then went on to Bill C-62, which is the goods and services tax, and it provides:

> That in relation to Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, unless previously disposed of at not later than 5.45 o'clock p.m., on Thursday, October 25, 1990,—

Do you remember?

An Hon. Senator: Yes.

[Senator Buckwold.]

Senator Frith: "The senator then in the Chair shall, if required, interrupt any proceedings before the Senate." Did he do that? Yes, he did. Did we raise a point of order?

Some Hon. Senators: No.

Senator Frith: Did they raise a point of order?

Some Hon. Senators: No.

Senator Frith: Did anyone raise a point of order?

Some Hon. Senators: No.

Senator Frith: No. They were getting what they wanted. ". . . proceed to put forthwith and successively without any further debate or amendment all questions necessary to dispose of the report stage of the said bill." Well, that is exactly what happened. Did anyone raise a point of order?

An Hon. Senator: No.

Senator Frith: Did Senator Murray stand up and say: "I am renouncing this thing"?

An Hon. Senator: Heavens, no!

Senator Frith: Did he say that earlier? Did he say that when Bill C-21 was going through?

An Hon. Senator: I did not hear that.

Senator Frith: No. I will tell you what he was doing. He was not out there denouncing an agreement. He was out there gloating with Mrs. McDougall. That is what he was doing.

An Hon. Senator: Hear, hear!

Senator Frith: I ask you, what enabled him to go out there and gloat with Mrs. McDougall?

An Hon. Senator: The agreement.

Senator Frith: No, not the agreement. The house order. Can you imagine what would have happened if Senator MacEachen had got up and said: Listen. I do not like the way Senator Murray and Ms. McDougall are out there gloating. I am going to renounce this thing. I am going to say it is a dead letter. Right. Can you imagine? No, of course not. They did not do that. How would they have reacted if suddenly Senator MacEachen had rushed out to the press and said: What are these people doing out here gloating over the fact that we have done what we agreed to do and obeyed this unanimously adopted order, and therefore I am going to call it a dead letter.

Senator Cools: No grace at all.

An Hon. Senator: And it is not in the spirit.

Senator Frith: Then, of course, when Senator Murray had gone over to the press, he would have said: "What is Senator MacEachen complaining about? I mean, that is the order. We had an agreement that there would be a house order and some provisional rules. What is he complaining about?"

Then, of course, reversing roles, Senator MacEachen would say: "Well, it is true. It is very clear, but it is against the spirit of it."

An Hon. Senator: Against the spirit of it.

Senator Frith: Against the spirit of it. Well, you can imagine what Senator Murray would have said in that case.

> That, in relation to Bill C-44, An Act respecting the Hibernia Development Project and to amend certain Acts in relation thereto, unless previously disposed of, at not later than 8.00 o'clock p.m., on Monday, October 29, 1990, the Senator then in the Chair shall, if required, interrupt any proceedings then before the Senate and shall proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of all remaining stages of the said Bill, . . .

That is Hibernia. Did anything happen then? Were there any points of order raised? I was not in the chamber that night, but you can tell me. Did anyone raise a point of order?

An Hon. Senator: Not a word.

Senator Frith: Did Senator Murray say, "That is a dead letter. Do not pass Hibernia. It is a dead letter." He had not quite got his warehouse full. He had had all his bills except that one. So he was not going to complain about that.

Let me draw your attention, honourable senators, to the next words. Remember:

> —shall proceed to put forthwith and successively, without any further debate or amendment, all questions necessary to dispose of all remaining stages of the said Bill,—

Now listen to these words: ". . . and the Senate shall then adjourn forthwith." Now what does that mean?

An Hon. Senator: What it says.

Senator Frith: What it says; but you know why that was there? Because the agreement was that when they had got in their crop and got all their goodies into the warehouse, and the barn door was locked and everything put away for the winter, which is what they had, we would start with a new day. Why would we start with a new day? Because it was perfectly understood by Senator Murray and Senator Roblin, and everybody else who had the wit to understand it—and I hope that he explained it to his caucus, because on the basis of what we have been hearing here today—

An Hon. Senator: And the Cabinet.

Senator Frith: And the Cabinet. On the basis of what we are hearing today, everyone seems to be shocked that we went to the top of the order paper and started on petitions. Everyone is saying, "What are you doing?" Well, now, did he not explain to you, what that means? It was a perfect understanding, a very important distinction between the words "suspend" and "adjournment", because if we suspended the sittings we would be wherever we were. Adjournment means we go to the top of the order paper. Everyone understood that, everyone who paid any attention; and anyone to whom it was explained should have understood it. Then everyone gets shocked about this. Then we start talking about dead letters.

We start talking about dead letters. This occurs only after everything Senator Murray wants out of this house order is "all in and cooled out," as they say at the track.

• (0510)

Did he then raise any point of order? No.

Then, as was understood by everyone, as was provided for by the house order and adopted unanimously, we went to the top of the order paper. We came to petitions and began dealing with petitions, as everyone knew we would do.

All this week and last weekend I was asked by the press what would happen. I said very publicly, as did Senator Murray—what are you whining about, sir?

Senator Barootes: Why don't you put it on tape and we will play it. Then you can go home and rest. We heard it yesterday. We heard it the day before. Just put it on tape and we will play it.

Senator Frith: You don't like it any better than you did then.

Senator Barootes: It smelled then and it smells worse now.

Senator Hastings: You stink.

Senator Frith: Let us understand what it is that stinks. We had a house order which we complied with strictly. We delivered on every bit of our—

Senator Barootes: There was a house motion that was passed today at 10 o'clock and you are defying it. Follow the motion of today.

Senator Frith: What did you say?

Senator Barootes: You are as phoney as a $3 bill.

Senator Frith: What happened, senator? You are getting winded.

Senator Barootes: Not a bit. I am fine. How about yourself?

Senator Frith: What smells to Senator Barootes is the fact that after he and his colleagues and leader got everything they wanted from this house order, we came to the point that was perfectly understood, and we began on petitions. There was no question about it. What sort of olfactory glands does the senator have—

Senator Barootes: Not olfactory.

Senator Frith: I will tell you what they are. They are Tory glands. That is why it stinks to him. Now he has to listen to someone else getting what they are entitled to under the hHouse order, instead of just what he wants.

Senator Barootes: It is the emetic things you are saying that are making me a little sick.

Senator Hastings: What does that mean?

Senator Barootes: Look it up, Senator Frith. You are a master of English. You explain it to him.

Senator Frith: Why don't we take the time to do that? What was the word?

Senator Barootes: Emetic.

Senator Frith: How do you spell that, sir?

Senator Barootes: Now he wants to know how to spell it.

Senator Frith: We will take our time.

Senator Barootes: You do not hear so well. Shall I spell it and bring it over?

Senator Frith: I hear fine. Emetic root is a flowering spurge.

Some Hon. Senators: Oh, oh.

Senator Frith: There are quite a few emetics. Its origin is Greek.

Senator Barootes: You have it at last. The light is on.

Senator Frith: I know why this word is in his vocabulary. It refers to vomit. Of course, he would know that word.

Senator Barootes: That is what is making me sick: your emesis.

Senator Frith: Emetic, relates to Barootes vomiting, relates to inducing vomit. An emetic mushroom is a mushroom with a deep red or rarely white pileus that grows usually in the woods and is violently emetic and poisonous.

Senator Barootes: You can make anybody emetic.

Senator Frith: Violently poisonous is what we might call our friend Senator "emetic" Barootes. Our emetic senator.

We came to the top of the order paper, as we understood, and started dealing with petitions, as we understood. People were asking what would happen. I was saying to the press for the last four or five days, as was Senator Murray, that what will happen on Tuesday after Hibernia is that we will start at the top of the order paper. He said it. I said it. We started at the top of the order paper.

What will happen then? Then we will start reading petitions. Senator Murray will try to move a motion to go to Orders of the Day. We knew that would happen, and it did.

Suddenly it becomes a dead letter. There was no misunderstanding. Why are senators here so shocked when everyone out there knew about it? The press knew what would happen. Everyone who read the papers knew that would happen; and that is exactly what happened.

We then had the motion. He knew perfectly well that we were going to raise a point of order. I told the press and he told the press what would happen, and that is exactly what took place.

As I said earlier, the Speaker is nowout of the closet. There is no longer even a pretence at impartiality. At least it is refreshing that there is no doubt that the Speaker voted with the government, and that the government does whatever it wants. He recognized Senator Doody even though Senator Gigantès was up. That is all right. At least we now know where we stand. We have a Speaker who will do whatever the government wants, will rule always in its favour. At least we know how we stand. That took place and did not surprise us too much.

We then went on to debate the motion itself. What happened? Was there any secrecy? Should there be any surprise about that? The press asked me what would happen, and I said we would start debating the motion. Senator Murray said that we would start debating the motion. Everything happened exactly in accordance with the unanimously supported house order. It was well understood by anyone who had the wit to find out about it.

Then when we were proceeding under the heading of "Presentation of Petitions" there was a motion to go to Orders of the Day, which is what the government wants. At that point he referred to petitions as reason why we should not go to Orders of the Day but should listen to petitions Senator Phillips then rose to raise a point of order. So much for that point of order.

We are exactly where everyone knew we would be. We are doing exactly what everyone knew would be happening. This hypocritical, false shock that is being shown by the senators on the other side, when they knew exactly that this is what would happen, is really very disorderly. Anyone who may wish to join in the debate on this point of order must realize that this is a point of order only, that he is not speaking on the motion. You will not be using your one speech on the motion. I have not used up mine. I was speaking strictly to the point of order.

• (1520)

Hon. Gildas L. Molgat: I rise on the point of order raised by Senator Phillips. I am a little surprised in that it appears there is a serious misconception on the other side of the house as to what was the understanding when both sides agreed some two weeks ago to the new order of business.

It seemed to me that it was very clear at that time that we reserved our right to use the rules legitimately to prevent the forward motion of this bill. We made no secret of that. All along we have stated that our objective is to defeat this bill and to prevent its passage. For honourable senators across the way to be surprised that we would use delay as a tactic is a surprise to me. Delay is a properly acceptable parliamentary practice. It is not a new practice and has been used consistently over the years. In fact, my honourable friends across the way having spent many more years in Opposition than we have, perfected the art of delay. One need only look at the flag debate which went on for months. The Opposition was consistently and deliberately delaying. I am not complaining, because they were using the rules as is proper in a parliamentary system. Part of the parliamentary system is to give to the public, whom we represent, an opportunity to react. It is not simply a case here of spending a lot of time discussing an issue. It is also a situation of permitting the Canadian public, whom we represent, an opportunity to find out about the issue, to get involved in the issue and, quite frankly, to put pressure on senators across the way to change their minds. That is part and parcel of the whole affair.

That is exactly what went on in the flag debate. Mr. Diefenbaker and the Conservative Party decided that they did not want the new national flag; they did not want a new Canadian symbol that was purely Canadian. They were trying to get Canadian public opinion on their side. What mechanism did they use to do that? They used protracted debate in the House of Commons and they kept on with debate for weeks and months; and that was a perfectly proper parliamentary practice.

The other example was the pipeline debate, where again the Opposition made a consistent attack on what the government was trying to do. They objected strenuously, as well they might. I happened to agree with them on that issue. They objected to the closure that was used. They did everything they could within the rules of Parliament to delay, to make sure that the public was involved, and to try to get the media interested in the issue. They used that delaying tactic, and that, quite frankly, is what we are trying to do.

In this particular case there is a different circumstance in that the Canadian public is aroused. The figures vary on whether it is 75 per cent, 85 per cent or 90 per cent of the Canadian public that is opposed to the GST. It is certainly a large majority of the Canadian people. That public reaction has not seemed to have any effect on the honourable senators across the way. Therefore, we are legitimately using delaying tactics so that hopefully our friends opposite will start to listen to the Canadian public. That is the whole objective of trying to get a change and trying to get our friends opposite to withdraw the tax, to start from scratch and to create a tax that will be acceptable to the Canadian people. We all know that we have to pay taxes, but let us at least have a tax that is fair.

I am sorry, Senator Murray, but I cannot see that cartoon. Perhaps you could send it over to me.

Senator Murray: Mr. Chrétien, "Flap, Flap, Flap."

Senator Molgat: I am not quite sure what that is, Senator Murray. However, I can assure you, if you have not caught on yet, that the Canadian public certainly has. It wants you to change the course on which you are engaged, and we are trying to assist in that course. One of the methods available to us is delay.

Some two weeks ago an agreement was made to proceed with the other items of business. There were no illusions in that regard. I well recall Senator MacEachen stating that this will enable us to continue the fight even better than we were able to before. I do not know what Senator Murray told his caucus. Perhaps he told his caucus, "We have a great deal; the Liberals have agreed to pass all these bills and then it will be one, two, three and we will pass the GST." If that is what he told his caucus, then he certainly did not tell them the truth, because that was not the understanding at any time, and there were no illusions in that regard either underhand, overhand or in any way. We were quite consistent and clear in what we were trying to do.

Yesterday we proceeded with petitions. We believe that what we were doing was legitimate. We believe that the motion introduced by Senator Doody was bootlegged into this chamber under the pretense of presenting petitions. He presented two absolutely phoney petitions. Even Senator Murray was embarassed when the names were read out.

Senator Murray: No; I saw the petitions.

Senator Molgat: He could not help but sit there in total embarassment that the only petition he was able to find was from three of his staff members. Under that subterfuge the motion was introduced. Senators opposite obviously knew it was an improper motion. If they thought it was proper, surely they would have had enough belief in themselves and in the motion to present it honestly. However, no, they tried to sneak it in underhandedly and behind two phoney petitions. By ruling, we were prevented from doing that.

What is it that we are now trying to do? We are trying to tell you that, in our view, that motion is out of order and that motion is wrong. Surely a sound argument is that we have all of these petitions which people have asked us to present. If there is a better argument than that for allowing us to continue, I do not know what it is. The Canadian people have asked us to present these petitions. We want them on the official record, and the people who have given us these petitions want them presented.

When you are making your ruling, Mr. Speaker, that is why you have to look at what it is we are trying to do. We are trying to prove that the motion now before us should not be proceeded with at this time; that the motion should not be approved by the Senate because there is other business that should be dealt with, and namely the petitions that we have on hand. That is the debate that is now going on: should we accept the motion before us to go to Orders of the Day, as Senator Murray would have us do, or should we not?

In the process of that argument it is perfectly reasonable for us to point out that we have these petitions. That is the gist of the argument. Why else would we want to return to petitions, if it were not that we have petitions on hand to deal with?

• (1530)

Mind you, this motion should not be proceeded with at this time. Perhaps the time will come when it should be. Perhaps a solution to what we are involved in now is for the two leaders to get together and have a further discussion on how long we are going to continue with petitions. That is the way we have conducted our business in this house in the past. Whenever we come to an impasse, we sit down and talk about it. I submit that had we followed that practice since we started in September, we would not be in the difficulty in which we noe find ourselves.

Just wind back the clock a bit. Imagine if, on that fateful afternoon of October 4, when the Speaker sent his letter, which was totally against the rules, he had said: "We have an impasse. I suggest that the two leaders get together and discuss this business of the bells. How long do you intend the bells to ring?" I think we would then have arrived at some understanding.

We are all parliamentarians. We know that you cannot simply keep on obstructing forever. At some stage there has to be an understanding. At that time the Speaker could have used his good offices to get the two leaders together and say, "The bells are ringing. We have had experience in the House of Commons where they rang for 21 days; what are we going to do? Are we going to have permanent bell-ringing, or a term, or what are we going to do?" Had that happened, I am convinced that the situation could have been resolved and an understanding arrived at.

We did it on another issue which could have been a difficult situation for this chamber. Senator Frith moved his motion that there were strangers in the house. Do honourable senators recall that event? That meant that the bells started to ring. Had we followed the practice of the House of Commons, the bells could have kept on ringing for the following week, and the week after that, and the week after that. Instead, there was a discussion between both sides and by agreement we came back, Senator Frith's motion was withdrawn by unanimous consent, and the Senate continued its work.

So it can work, but it will not work if we stand here like two boxers, one against the other, and no one sits down to talk.

An Hon. Senator: And no referee.

Senator Molgat: That is part of the problem. We have lost confidence in the referee, and that complicates things. However, that does not prevent the two sides from sitting down and talking. That is the only way we can resolve our problems as sensible parliamentarians. If we have an issue over how long petitions are going to continue, I think the way to resolve it is for the two leaders to sit down and talk about it. Otherwise we will continue a situation of conflict and no one will gain from that.

I do not know how soon you will be ruling on this, Mr. Speaker. I am sure there are others here who wish to talk about it. All those who want to express an opinion on the point of order should have an opportunity to do so; frankly, my appeal is to both sides to sit down, discuss it, and arrive at something that is mutually agreeable. However, I have to repeat that it cannot be for one side only. The agreement must satisfy both sides. The government has obtained a large part of what it wanted, certainly all that it could expect, in the passage of the main bill, C-21, as well as the "clawback" legislation and Hibernia. They were passed with absolutely no attempt on our side to delay or change the rules, or to use points of order, or do anything of that sort. We cooperated fully.

The government, for its part, has to accept that we made it very clear that we were not caving in, that our opposition to the GST was as vigorous as ever, that we would use the legitimate rights that we have in this house to oppose the GST, to fight it, to delay it, to do whatever we could to prevent it from coming into effect. Surely you knew that when that deal was entered into.

We now have this problem regarding petitions. I submit that we will not settle it by having rulings by the Speaker. Rulings by the Speaker on an issue like this will serve only to divide both sides rather than settle the issue.

MOTION TO CALL ORDERS OF THE DAY—DEBATE RESUMED

Hon. Earl A. Hastings: Honourable senators, before the point of order was raised by Senator Phillips, I was speaking to the motion by the Honourable Senator Doody that we proceed to Orders of the Day. I was alluding to the fact that by the adoption of this motion it will be impossible ever again to present a petition in this chamber with respect to Bill C-62. Those people who have entrusted me with those petitions, people residing in the province of Alberta, will be precluded from having their petitions considered in the same light as the President of the Canadian Manufacturers' Association was considered, or Senator Murray's staff were considered. According to Senator Ottenheimer's theory we will put them all into cardboard boxes and send them all to the Clerk's office. Then, if any senator wishes to look at them, and make notes, or copy them, or anything else, he may do so—after we have disposed, of course, with Bill C-62, on which the petitioners are asking us to listen to them.

What do I tell these petitioners from Bonnyville, Alberta as to what I did with their petition? That I put it in a cardboard box and it is in the basement of the Senate? Do I tell them that we did not treat their petition in the same way that we treated the petition from the President of the Canadian Manufacturers' Association, because Senator Doody decided there should be no more petitions will be considered with respect to Bill C-62?

I pose the question: Is that fair and equitable? They live in the province of Alberta and their petition does not receive the same consideration as that granted the President of the Canadian Manufacturers' Association? What do I tell all these petitioners from Bonnyville, Alberta?

• (1540)

That petition is in a box in the basement of the Senate. It did not receive the same treatment that Senator Doody accorded the petition of the President of the Canadian Manufacturers' Association.

Senator Corbin: That petition was not even in proper form.

Senator Hastings: It was a Fax.

What will I tell the following petitioners?

(*Names of signatories read*)

These citizens signed this petition and asked me to present it. They signed it with the assumption that it would be treated as all petitions have been treated throughout history, when the subject petitions the Monarch with respect to a grievance.

Senator Corbin: It was not a Hallowe'en prank.

Senator Hastings: They should not be put in cardboard boxes and stored in the basement of the Senate; they should be presented to the Parliament of Canada, which is the God-given standing right of every one of her Majesty's subjects until today, when it is going to be denied if we adopt the motion of Senator Doody.

What will I tell them when I visit Bonnyville and they ask me what happened to their petitions?

(*Names of signatories read*)

Honourable senators, if we adopt the motion of the honourable Senator Doody and proceed directly to Orders of the Day, we deny that long-standing right of Canadians to petition Parliament and we will go ahead with the very subject the petitioners are asking us to address. If we adopt it—and I hope we do not—we will be dealing with it before ever considering their representations. We will not consider them, we will

merely put them in the box again and put them away. This is treatment of public participation not becoming this chamber. The citizens of Canada have turned to this chamber as never before seeking assistance in their grievance with respect to legislation in the Parliament of Canada. They are asking this chamber to do what the other house would not do and which it is our duty to do - to give second sober thought to legislation which is rejected by the people of Canada.

However, Senator Doody does not want that participation. He does not want public participation. The government has never wanted public participation since the legislation was introduced in the House of Commons. They stunted and stopped consideration in that House at every step with closure. There would be no dissent or discussion in that House. Two honourable members of Parliament from my province were summarily thrown out of the Conservative Party because they dared to dissent with this legislation; because they dared to attempt to give representation to the people of Alberta who despise this legislation.

Honourable senators, every political party in the province of Alberta is opposed to this legislation. The premier and the provincial government are opposed to it. The NDP and the Liberal party are opposed to it. When we visited the city of Edmonton the only person who would appear before the committee in support of this legislation was the Conservative member of the other house. I am referring to Murray Dorin, the Honourable Member for Edmonton South West. There was to be no discussion in the other place. They used closure to stop discussion; and threw out any member who did disagree; and sent the bill off to the Senate. There would be no problem here, of course, because the Prime Minister would use a provision in the British North American Act to have her Majesty sign letters patent for the appointment of eight royal regional representatives who would help form a Conservative majority in this house.

● (1550)

They tried to stop the committee from going across Canada. As the committee went about its work, the members of that committee were instructed, I believe by the Leader of the Government, not to discuss the matter under consideration, not to discuss the goods and services tax, but to attack the Liberal members of the committee.

Senator Corbin: Absolutely right!

Senator Hastings: And, in particular, to attack the chairman—

Senator Corbin: Absolutely!

Senator Hastings: —a man whose public contribution to western Canada pales into insignificance any contribution made by any of you in western Canada! He was Mayor of the City of Saskatoon, President of the Canadian Association of Mayors and Municipalities, and has been a distinguished member of this chamber; and you set out this summer, each of you, in your task to discredit him with a personal vendetta, rather than discuss the goods and services tax, so that when we returned here there would be no problem, because you would have the majority and could ram the tax through, brooking no opposition, brooking no discussion, forcing it through. Then we are criticized on this side because we say, "Slow down. Listen to the people, listen to the people who are talking as they have never talked before, telling you with their petitions and their voices, to slow down." But you will not slow down. You are now asking for no more petitions. Senator Doody says, "Let us proceed to Orders of the Day, to third and final reading of Bill C-62," and the people who asked to be heard are not going to be heard. The following people from Alberta wanted to be heard:

(*Names of signatories read*)

Hon. Paul David: May I ask you a question, Senator Hastings? What is the difference between what you are reading at the present time and a petition? I thought you were supposed to be discussing a motion. Is there a difference between reading a petition and discussing a motion?

Senator Hastings: If the honourable senator will just be calm, he will notice that I am not reading a petition. I am telling you that these people did sign a petition and asked me to present it. I will be unable to do so if the motion of Senator Doody passes, and I am asking honourable senators, what does one do when one is confronted with this problem of facing these people and unable to tell them that their petition was presented, that their petition did not receive the treatment that was accorded the President of the Canadian Manufacturers Association, that their petition was put in a box and put somewhere so that someone could go and see it some day? That is not fair, it is not within the spirit of petitioning, and it is what this motion of the Honourable Senator Doody will do to this petition; I am not reading the petition. I am simply telling you that these people signed a petition, and I am wondering what I will do when I have to confront them and tell them what happened to their petition.

Senator David: But with such reasoning, you could go on for hours and hours and read all the petitions in these boxes. That is a pretext.

Senator Hastings: I am sorry, but I have no idea what you mean. I just grabbed this petition, because it is an example of what will transpire should this motion of Senator Doody be adopted, which, in fact, curtails and abrogates the right of the citizen to petition Parliament. Apparently this government does not want any more public participation. They have rejected public participation.

Hon. William M. Kelly: May I just follow up on that question, please senator? In the same vein, you mentioned those names in Calgary, and in the preamble to each name you read, you said, "What do I say?" In each case, you mentioned a name. It seems to me that a few years ago—I believe it had to do with a bill relating to penal institutions, where you did a lot of good work—you presented a number of petitions. At that time you described the substance of the petition and stipulated how many names you had there. You did not name them. So I would ask you if at that time one of the people who signed asked you what you had done, what did you say?

Surely, some of the people who signed those petitions must have asked you what you had done, and I presume you said, "I presented the petition on which your name was located and I stipulated how many names were on each of those petitions." You must have felt that that was a satisfactory answer. Does that not apply now?

Senator Hastings: Well, I am glad to have that advice from the honourable senator. I think the petitions he was referring to related to the attempt of the government to steal back the Old Age Pension. That is when we were presenting petitions.

Senator Kelly: Perhaps that is it.

Senator Hastings: I told them the same thing, if they asked me, although I cannot recall whether anyone asked me. However, someonr is certainly going to ask me about these petitions, because I have never before had petitions in this number coming voluntarily from the people of Alberta.

Senator Kelly: Senator, I am simply saying, had they asked you, what would your answer have been? You did not read the names. You simply presented the petitions and listed the number of names on each petition. Surely, you anticipated the question. What would your answer have been? If it was satisfactory then, why is it not now?

Senator Hastings: Well, of course, if we adopt the motion of Senator Doody, I will be precluded from even presenting them in any manner.

Senator Corbin: That is the essence of it.

Senator Frith: You will understand the fairness of that.

Senator Hastings: That is my response.

Senator Frith: Senator Kelly is a fair man.

Senator Hastings: As I was saying, the attitude of this government from the beginning has been one of rejection of public opinion, as it was with respect to Meech Lake. It was all done and was given to the people as a *fait accompli*.

Senator Frith: "A seamless web"!

Senator Hastings: They said, "Here it is. Take it or leave it." The people said, in that instance, "We will leave it." I think perhaps they would say the same thing were they asked that today with respect to the GST. Of course, we now have, entering the discussion right on cue, corporate Canada coming to the rescue of the government, as they came to the rescue of the government with respect to free trade. No one knows how much money they spent, but it was millions and millions of dollars in that campaign in a successful attempt to influence the people of Canada. The multinational corporations, and, of course, corporate Canada, came rushing to the defence of this government, and well they might. Indeed, they should. They financed the government party. They should look after it and keep it there. They came rushing to its defence on Meech Lake.

• (1600)

They told us what would happen if we adopted Meech Lake. Our Canadian dollar will go down. Unemployment will prevail. Economic chaos will result, and Japan will withdraw its investment in Canada if we dare to not accept Meech. Well we did not accept Meech Lake and their forecasts have been proven totally false.

However, right on course, right on time, they are back now with respect to this bill. They are rushing to the defence of the government. Last week they held a meeting in Toronto, corporate Canada. The self-appointed God's first lieutenants in Canada, defenders of the Canadian economy, corporate profits and the social fabric, of Canada in that order.

Senator Murray: I am glad Senator Rizzuto is here to hear that.

Senator Hastings: They were there, seventeen strong, and decided "We have got to go help them out again. We have got to help Senator Murray get the GST through the Senate of Canada. It is stalled." So the boys sat down to a meeting in Toronto.

Senator Murray: We will send copies of this around.

An Hon. Senator: They got out their cheque books.

Senator Frith: You would. We understand. They are financing you and they are paying your piper, and they are calling your tune. They are not paying our piper and they are not calling our tune. That is the difference. We are not dancing like you are.

Senator Hastings: Mr. d'Aquino, to whom Senator Olson referred earlier today, President and Chief Executive Officer of the Business Council on National Issues.

Senator Murray: He used to be in Mr. Trudeau's office.

Senator Hastings: He was Mr. Trudeau's office boy. He emptied the garbage cans. What are you talking about? Mr. d'Aquino, when he appeared before the Senate committee, made this great contribution to our discussion. "The people are misinformed and they do not understand the issues." Only we and our 150 captains of industry understand the issues. We understand corporate profits. We understand transferring the tax load onto the poor and the middle-income. The ordinary people do not understand the issues." Mr. McKichan appeared before the committee. He sent the telegram to Senator MacEachen to help out Senator Murray. Mr. McKichan appeared before the committee and said:

> "The people do not comprehend what this tax is all about". Corporate Canada is talking. No one understands but we 150 captains of industry. No one understands it. We should all follow it and vote for it.

An Hon. Senator: Who is McKichan?

Senator Hastings: Mr. McKichan is the Chief Executive Officer with the Retail Council of Canada.

Senator Frith: Unsupported by all the retailers, as we found out.

Senator Hastings: That is corporate Canada, yes.

An Hon. Senator: Who were they?

Senator Hastings: Who was there? Here they are.

An Hon. Senator: Read them all.

Senator Hastings: Why did you not get these people to sign a petition? They would have all signed it for you, and you would have had one with 15 on it instead of one.

Senator Bosa: I want to hear every name.

Senator Hastings: They would not be on your payroll. You may be on their payroll, but they are not on your payroll.

Senator Murray: Be very careful with that sort of talk.

Senator Hastings: I will withdraw that statement. I am sorry. I was carried away. I quickly withdraw it. There is Mr. Steve H. Van Houten, President of the Automotive Parts Manufacturers Association; James G. Matkin, President and Chief Executive Officer of the Business Council of British Columbia; Thomas P. d'Aquino, President and Chief Executive Officer of the Business Council on National Issues. It sounds like a Tory fund raising dinner; Roy M. Woodridge, President of Canadian Advanced Technology Association; Jean M. Belanger, President of Canadian Chemical Producers' Association; John C. Halliwell, President of Canadian Construction Association. Mr. Halliwell appeared before the committee and said, "Do not pass that bill until you resolve the issue of the MUSH, universities, municipalities, and universities. However, he changed his mind I guess.

They are: Canadian Exporters' Association, L. James Taylor, President; J. Laurent Thibault, Canadian Manufacturers' Association. We know him.

Senator Frith: He recognizes them all from their signatures on cheques.

Senator Hastings: There are Daniel W. Romenko, Managing Director, Canadian Steel Producers Association; Ghislain Dufour, President of Conseil du Patronat du Quebec; Norman Aspin, President, Electrical and Electronic Manufacturers Association of Canada; George Fleischmann, President and Chief Executive Officer, Grocery Products Manufacturers of Canada; Janice M. Moyer, President and Chief Executive Officer, Information Technology Association of Canada; Jack L. Lyndon, President, Insurance Bureau of Canada; C. George Miller, President, The Mining Association of Canada; Norman A. Clark, President, Motor Vehicle Manufacturers' Association; and finally, again, Alasdair J. McKichan, President, Retail Council of Canada.

So they held a meeting in Toronto, and, as I said, they decided to come to the aid of Senator Murray and the Conservative Party in the Senate because they were stuck there; they were having trouble. They decided to send a telegram to Senator MacEachen, the essence of which is to tell us we are making a terrible mistake in proposing that the goods and services tax not be passed. True to form, as they did with Meech lake, they predict economic chaos if we do not pass it. They predict unemployment; they predict inflation, as if it could get worse.

Senator Bosa: They already have it.

Senator Hastings: All this and more if we dare not pass the GST.

An Hon. Senator: They are in the recession.

Senator Hastings: Honourable senators, I do not know whether or not my leader has responded to that, but if I had to respond to it, I would tell them to drop dead, that I will perform my responsibilities to the people in trying to stop the passage of this act which is transferring the taxation load from those people whose names I have just read, loading the middle income, lower income, and the poor with all the taxation load of Canada. The tax is unfair and it should not be proceeded with.

We come back to the motion under consideration. Senator Murray, when speaking this morning, was terribly indignant at what the Liberal Opposition is doing. I know he will not listen to me, and I know he will not listen to the people of Canada. However, as he proceeds on this insidious journey of his to break all the rules to achieve his ends, to distort any fact, to confuse the issue—but, worst of all, what he is doing to the Parliament of Canada–I want him to listen not to me but to John Diefenbaker and to what his advice to him would be today, were he available to give it, with respect to what the Opposition is doing in this chamber.

After reviewing the parliamentary system in Canada and saying how it flowed from the British traditional system, he ended that particular chapter with this comment. He said:

• (1610)

> The parliamentary system that Canada inherited and that Canadians have caused to flourish in a new environment is not something to tinker with lightly, or to lay aside thoughtlessly.

Do not tinker with this system and lay it aside thoughtlessly as you have been doing in this chamber with respect to the vote of October 2. More importantly, what would he say about the role of the Opposition, if he were here to tell you, Senator Murray? He would tell you that:

> Only a strong and alert Opposition can hope to check and control the excessive powers, contrary to the constitution, that may be assumed or confirmed upon governmental administration, the so-called bureaucracy. Only an alert Opposition can prevent the short cuts through democratic procedures that cabinet ministers and bureaucrats frequently find attractive. It is only the Opposition, functioning as a recognized part of parliamentary proceedings, that stands opposed to the degeneration of the governmental system into a form of arbitrary direction of public affairs by the executive of the bureaucracy. Without it minorities would stand unprotected. Freedom would wither, individual liberty would be in jeopardy. Unwarranted and oppressive invasion of private rights would grow unchecked.
>
> Without an effective Opposition, the administration in office could and would carry on the task of running the country, under circumstances identical with a totalitarian

> one-party state. To some this may seem an efficient way of running the country . . .

That is what we have heard today. The efficient way to run this chamber is to put aside the rights of petitioners. To some it may seem an efficient way to run the country. Senator Doody believes that to put aside all the rights of Canadians who wish to participate in this process is an efficient way to run the country.

> —the first victim of such a regime . . . is freedom itself. Without an Opposition, it is not too much to say, the parliamentary system of government would fail in its primary task of protecting the rights of individuals and minorities, and of ensuring freedom and democracy.
>
> In the parliamentary system, an Opposition is as necessary as the Cabinet itself. One without the other would mean tyranny or chaos. It is commonplace that governments view an effective Opposition as an obstruction.

We have heard that today. It is commonplace that governments view an effective opposition as an obstruction.

> This is a view that is, too often and too lightly, taken up by unthinking critics outside of Parliament. An Opposition that discharges its parliamentary responsibilities may appear, in the superficial view, to be obstructionist. Extended opposition means lengthy debate. It was the British Labour Party Chairman, Professor Harold J. Laski, who wrote that "the alternative to the 'talking shop' is the concentration camp".

That is Mr. Diefenbaker's advice to you.

Senator MacDonald: When did he say that?

Senator Hastings: Before he died. His words come to haunt you.

Senator MacDonald: Give us a date.

Senator Hastings: I always had the greatest admiration for the Right Honourable John George Diefenbaker. It was in 1972. He had respect for this place, for this parliamentary procedure. He had respect for the Opposition and he knew that the Opposition had to fulfil its responsibility. That is what we are trying to do, with legitimate opposition.

Senator Murray: Is there anything in there about the Senate? Are any of Mr. Diefenbaker's comments about the Senate?

Senator Olson: Mr. Diefenbaker knew about Parliament. This is part of Parliament.

Senator Hastings: I do not think the Right Honourable John George Diefenbaker demeaned the Senate as it has been demeaned by the government in this chamber over the past year. John Diefenbaker knew the value of rules and of abiding by them. He called the government to account when it tried to shortcut the rules of Parliament, and it was not to the same extent as the rules of this chamber were violated on October 2 when the Speaker entered into a conspiracy with the government to impair the ability of the Opposition to fulfil its responsibility.

[Senator Hastings.]

The adoption of the motion which has been presented to us by Senator Doody effectively blocks off the ability of Canadians to participate in this process. Whoever promulgated the rules of this institution knew the importance of a petition with respect to this chamber. The presentation of petitions is the first item. I submit it was put there because the presentation of petitions is the most important item on the agenda each day. It is a fundamental right, as is indicated in *Bourinot*. That will be taken away if we adopt this motion, the legality of which is in question. It should never have been made because no question was before the Senate.

It was made according to the "so what" formula of Senator Simard. "What do the rules say? So what! We will do it our way. If the rules of the Senate preclude it, we will use the rules from the House of Commons. If those rules in the House of Commons preclude it, we will take the rules from the State of Georgia or the Province of Saskatchewan. We will find a rule. So what? We will get the Speaker to agree to it and ram it through."

That is the "so what" formula by which they will operate in this chamber.

It is interesting to note that when they want to violate a rule of the Senate they go to the House of Commons; but they did not do that when the bells were ringing. They did not use the House of Commons rule when the bells were ringing in this chamber; yet they now say, if there is not a precedent here, we must follow a rule in the House of Commons.

That is what you are advocating with respect to this motion. You found your own rule: just send out a letter from Guy Charbonneau and pass it without the Opposition. That is the "so what" rule. We are under the regime which says, if there is no rule, they will make one.

This chamber and Parliament suffer as a result. When people want to participate the government finds a way to preclude that participation. Last Saturday night a poll indicated that an overwhelming number of people believe that what they think or do is ignored by the government. They feel frustrated and isolated. There is isolation and fear across the prairies because the government will not listen to them.

Senator MacDonald: They wanted capital punishment too.

Senator Hastings: They want this damned tax stopped.

Senator Olson: You compare this to capital punishment?

Senator Hastings: I want to remind you that 56 per cent agree with this Opposition and what we are doing, and 77 per cent oppose the tax in my province. There is a feeling of frustration and isolation. They would like to participate but are precluded from doing so. They are turning to other parties to find a way to participate. Now it is going to be done again. It was done on Meech Lake. The government would not let them participate, and now the government is trying to do it again with this motion. It is attempting to stop people from a very minor participation in the democratic process and consideration in this chamber.

• (1620)

Like the president of the Canadian Manufacturers Association, the next signatories on the petition, from Boyle and Athabasca, Alberta, thought that perhaps the government would listen and consider what they had to say.

(*Names of signatories read*)

What do I tell those petitioners? "Senator Doody said your petitions were not important. What was important were the petitions of the president of the Canadian Manufacturers' Association because he finances the Conservative Party and he is listened to."

Senator Stollery: And the three staff employees.

Senator Hastings: And those poor staff members from Senator Murray's office. I hope, Senator, they get a grand Christmas bonus for their contribution to Toryism in Canada, because no one contributed more and above the call to duty than they did. I feel sorry for Mr. MacDougall who has to go home to Nova Scotia and say, "I am one of only three people in Canada who signed a petition in favour of the GST." That should be worth an appointment to the parole board.

(*Names of signatories read*)

Those signatories wanted to participate, but Senator Doody says "No way."

(*Names of signatories read*)

When I see those people in Boyle, Alberta, what do I tell them about what happened to their petition? Was it considered by the senators? No. According to Senator Doody we put it in a cardboard box in the basement of the Senate and proceed to pass the bill. Whatever the petitioners have to say about that bill was not important to the government or to the Senate. The Senate proceeded to pass that bill without even stopping to consider that the petitioners took the time to sign a petition and asked to be considered. In effect, that is what will be the result of the adoption of this motion.

It is the first time in hundreds of years that this right has been interrupted by a government and petitioners will be denied the opportunity of participating in the legislative process as was accorded the president of the Canadian Manufacturers' Association.

The next petitioner who signed the petition anticipated that participation in the democratic and legislative process might have a slight impact on those who govern. Not so, according to Senator Doody.

(*Names of signatories read*)

Those good citizens of Stoney Plain, Alberta, living in the constituency of the Secretary of State for External Affairs, the Right Honourable Joe Clark, signed a petition and felt they were contributing to and participating in the democratic process.

If this motion passes, and I do not think it will pass, I will write to them all and tell them that their participation was not wanted, needed or expected. After all, Mr. d'Aquino, the economic advisor to the government said they were misinformed and did not understand the issues. Mr. MacEachern, whom the government listens to and is a great advisor to the Minister of Finance, states that the people of Stoney Plain, Alberta just do not comprehend what this tax is all about.

Honourable senators, these people understand this tax much better than many people will give them credit for. They understand it and know what it will do to them. They know the unfairness of it all. They know the misinformation that has been piled on them by this government. They know what it is going to do to them, the cost to their way of life, the unfairness to the poor people of Canada. That is why they are signing these petitions in untold numbers. That is why they are sending them to you, asking you to reconsider and stop this insanity before it goes any further. And I am asking you to stop and consider what you are doing to this process. They know what they are doing. They know what this act is all about.

• (1630)

(*Names of signatories read*)

These petitioners from Edmonton, Alberta signed these petitions asking the Senate of Canada for an opportunity to participate in the process. They thought they might have a little influence on the process. They wanted to participate as Canadians, but Senator Doody says no. "Your views will be put in a cardboard box in the Clerk's office in the basement."

(*Names of signatories read*)

All those citizens of Edmonton, Alberta, want to participate in the democratic process. What do we tell them? According to Mr. D'Aquino, you people are misinformed, you don't understand the issues.

The Retail Council of Canada, those great protectors of social legislation in Canada, are the people who told us with free trade: "Don't worry, your social programs are all protected under free trade." From the day the agreement was signed until today they have been going across Canada telling us we are spending too much on social programs, cut them, cut them, cut them. These same people now tell us we do not understand, we do not comprehend. Well, the people of Canada do understand; the people of Canada do comprehend. They understand what this government has been doing. They understand the myth that was created and the misinformation and the distortions that commenced in the election campaign.

The Prime Minister says today that we had a great discussion on the goods and services tax in the election campaign and everybody voted in favour of it. The discussion on a sales tax lasted exactly 24 hours and it was unwittingly brought to light by Mr. Blenkarn who made a statement that the government was going to impose a sales tax which would net the government $24 billion, and the first person to go on the offensive was the Minister of Finance who says: "Oh, no, no. It is just a replacement tax, it is revenue neutral, do not worry." End of discussion.

Revenue neutral? A replacement tax? The biggest misinformation ever perpetrated. Revenue neutral? The campaign was just over and you sent out the mobs across the country telling us about the deficit; we had to get some money, we had to

increase the sales tax, we had to have a goods and services tax. That is when it became a public issue. What happened to revenue neutral?

The one man in this chamber who was totally honest about revenue neutral was Senator Finlay MacDonald. In a moment of complete honesty and complete frankness in the northern city of Whitehorse at 11 o'clock on a Saturday morning he explained to us what revenue neutral really was. I want you to listen to what Finlay MacDonald said:

> It was said a second ago that it has been admitted that this tax is not intended to reduce the deficit.
>
> I admit it; I admit it as one member of this committee. With all due respect to my leader, I admit that this is the most screwed-up thing that the Government of Canada, my government, has done.

Let me read it again. In a moment of frankness and in a moment of honesty, which should prevail, and it would help if it prevailed a little more in discussing revenue neutral, he said:

> I admit it; I admit it as one member of this committee. With all due respect to my leader, I admit that this is the most screwed-up thing that the Government of Canada, my government, has done.

His government; Senator Finlay MacDonald's. He was not content with that; he wanted to go on and explain. He said:

> The government has come out with the phrase "revenue neutral" and they tried to explain what it is. They do so after talking about laying the big burden on our grandchildren. They go through all of this performance and then they say it is revenue neutral. They say it will help reduce the deficit.

• (1640)

Then Senator Finlay MacDonald posed a very interesting question. He asked:

> Well, how in the name of God can it help reduce the deficit if it is to be revenue neutral?

Senator Frith: Who said that?

Senator Hastings: Senator Finlay MacDonald. That is what these misinformed people have been asking themselves: "How can it be revenue neutral when you are going to reduce the deficit?" The honest part about it is that you knew right at the beginning you were going to do this. It is a cash grab. It was going to be nine per cent, but now it is down to seven per cent. You can rest assured that it can go back up from seven per cent to nine per cent just as easily, and the people know that.

Then Senator MacDonald explained a little more by saying:

> I said yesterday that I did not think it was misrepresentation on the part of the government. It was just a dumb mistake in communications. They didn't know what on earth they were doing. However, a second ago I put this statement to the witness and he declined to answer. Everyone knows that this tax will be a windfall . . .

Senator Frith: Is this still Senator Finlay MacDonald speaking?

Senator Hastings: Yes.

[Senator Hastings.]

Senator Cools: Are you sure it is Senator MacDonald who was speaking?

Senator Hastings: Yes. From being tax neutral it became a windfall in two paragraphs. That is what the petitioners understand and that is why they are signing these petitions asking us not to pass this bill.

Finally, Senator MacDonald said:

> Everyone knows that this tax will be a windfall, and that it is intended to get at the deficit. Therefore, let us be done with these gags between ourselves about "revenue neutral" and such things as that. Let us forget about it now.

It is a tax grab when we have the limelight on it but it was revenue neutral through the election campaign. It was to be just a replacement tax. In Mr. d'Aquino's opening remarks to the committee he said it was not a new tax but a replacement tax. They are replacing it all right. They will replace collecting taxes from the corporations of Canada and, instead, they will collect them from the poor people of Canada. They are dumping it on to the poor people in order that they can pay their deficit. What is the truth? There is no truth. There is misrepresentation.

Honourable senators, the people want to participate with this government in these discussions. The first way the people can participate is on election day; and each one of you will regret what you are doing today when they speak to you then. You will not listen to their petitions, but you will have to listen to them on election day, unless you try to find a rule to take that away from them.

Senator Frith: Call an election a "dead letter;" that is what you would do.

Senator Hastings: What are you going to say to the people in Slave Lake, Alberta? I am sorry Senator Twinn is not here, because I had hoped he would be.

Senator Cools: He does not care.

Senator Hastings: He and his fellow citizens of Slave Lake, Alberta, about 300 of them —

Hon. Paul David: Senator, I wonder if I could give you a little rest, since you have been standing for more than one hour, by asking you a question.

On three or four occasions you implied a relationship between Meech Lake, the Free Trade Agreement and Bill C-62. I wonder why you are comparing those three items, which seem to me to be quite different. At least three or four times during your very imaginative speech you drew a relationship between those three things.

Senator Hastings: Thank you, senator. While you were speaking I took one of your pills, so I will be good for another hour.

Senator David: I do not advise that you stand for another hour.

Senator Frith: Will you permit him to sit?

Senator Hastings: I think these pills come from the Montreal Cardiology Institute. They are excellent pills and I can now swim a mile a day. They are produced by a certain pharmaceutical company and I pay pretty heavily.

Senator David: You are expounding the merits of Bill C-22.

Senator Hastings: No, no, the price went up $3.00 per 100 when we started paying those who had the copyright.

Senator David has asked about the similarity to be found in these three headings. The similarity is this: Those three initiatives, Free Trade, Meech Lake and the GST—

Senator Buckkwold: All failures.

Senator Hastings: —are all supported by corporate Canada. You heard from the 17 who met in Toronto last week. They are again to come to the assistance of the government. They were part and parcel of the government's agenda to force these issues on the people of Canada at any cost. We do not know how much corporate Canada and the multinationals invested in the Free Trade Agreement in order to influence an election in this country, but we know it is in the millions.

Senator Barootes: Free trade was not forced on the people of Canada. Did we not have an election on that very issue? The Conservative Party was returned with a majority. You people forced the election, for God's sake. Why don't you accept the decision of the people?

Some Hon. Senators: Hear, hear.

Senator Hastings: The Conservative Party won an election bought and paid for by the multinationals and corporate Canada.

Senator Frith: They did not have a majority vote.

Senator Hastings: They did not get a majority vote.

Senator Murray: Sour grapes.

Senator Hastings: I will now turn to the question of Meech Lake. Senator Murray, as we all know, was part of the negotiations on Meech Lake and, when the negotiations on Meech Lake got into trouble, corporate Canada and the multinationals came to the rescue. They paid for full-page advertisements in the *Globe and Mail*.

Senator Carney: Would the Senator permit a question?

Senator Hastings: I am answering a question.

Senator Carney: Are you unwilling to answer a question?

Senator Hastings: I will answer your question at the end of my speech. Will you please sit down? I am trying to answer a question that has already been asked. I can only answer one question at one time.

Senator Carney: It is too bad that you are unwilling to accept a question.

Senator Hastings: I am unwilling to answer two questions at one time.

Senator David asked about the similarity as it pertains to Meech Lake. When Meech Lake got into trouble, who came to the rescue? It was corporate Canada and the multinationals. They ran full-page advertisements in every newspaper in Canada saying that we must have Meech Lake or a depression would follow, our dollar would drop and we would be going to hell in a hand-basket. Corporate Canada came to the rescue. It is your government; it is their government.

Senator Davey: Don't forget the *Globe and Mail* and the CBC.

Senator Hastings: It is a conspiracy.

Senator Murray: Sour grapes.

Senator Hastings: The conspiracy exists.

Senator Barootes: Tell us about the World Series again.

• (1650)

Senator Frith: Why don't you do that? Answer that request.

Senator Hastings: We have now come to the GST and last Saturday corporate Canada held a meeting, as I pointed out, in Toronto. Senator Murray was in trouble in the Senate of Canada with Bill C-62. We then see that a telegram was sent to the Leader of the Opposition in the Senate advocating quick passage of this bill or Canada would be going to hell in a hand-basket again. So they are coming to your rescue. The full-page ads will now follow. Don't worry, they are coming to your rescue to explain the GST to the people of Canada; but the people of Canada do not need any more explanations. They understand this much better than you or Mr. d'Aquino care to give them credit for.

Senator David: I think I have to agree with Senator Barootes that the last election was won on the free trade argument. As for Meech Lake, we must never forget that a little more than three years ago it was approved by the 11 first ministers.

Senator Davey: But not by the people of Canada.

Senator Frith: Not by the people.

Senator David: With time it deteriorated, but all of those 11 first ministers were nevertheless elected by the people of Canada.

Senator Hastings: Well, honourable senators, I am not arguing for or against Meech Lake. I am pointing out how your friends in corporate Canada finance you, keep you in power and influence the people of Canada. That is what I am telling you. That is the only point I was making. Three times they have come to your rescue, and they will come again, don't worry. They will be here with their full-page ads explaining why the GST should go through. The people of Canada are going to be denied the right to participate in this process if we pass this motion, and I am asking you not to pass this motion. It denies these people their right to the simple act of participation. It is not much. It does not cost a great deal. However, you are not going to allow it if you have your way. I was dealing with the people of Slave Lake. I do not know what the population of Slave Lake is—I think it is about 300—but I have a petition signed by 200 residents of Slave Lake. That is

the home of Senator Twinn, and Senator Twinn will be able to go home this weekend and tell these people that he and his party decided that their petitions were not important. He can tell them that they signed those petitions in good faith, but when they got to the Senate of Canada it was decided that they would not be heard, that they were interfering with the efficiency of government, as Mr. Diefenbaker said, and so they were put in a box and were not received in the same manner in which the Senate received a petition from the Canadian Manufacturers Association. They were put in a box and sent down to the Clerk's office in the basement. He can tell the following people, "We did not present your petition. We threw it in a box somewhere. You are not important. You do not understand the issues."

(*Names of signatories read*)

He can tell the following people that their petitions were not considered:

(*Names of signatories read*)

He can go up there and tell them that what they thought was important but that Senator Doody decided that efficiency demanded no consideration of their petition. There are other people as well:

(*Names of signatories read*)

He can tell them that their petitions were not considered by the Senate, that they were not presented in the same manner as the petition of three employees in Senator Murray's office was considered. There is also:

(*Names of signatories read*)

Senator Twinn can look them up or phone them and tell them their petitions were not considered, that they were not important, and that they do not understand the issues. It is only Mr. d'Aquino and the Canadian Manufacturers Association who understand these issues such as the taxation of the poor. There are more:

(*Names of signatories read*)

Senator Twinn can contact those people this weekend when he is home in Slave Lake and explain to them why we did not consider their petitions. "It was not important. You do not understand the issues. You cannot comprehend what we are doing down here." That attitude explains why the Reform Party is in full flight in the province of Alberta. Then when Senator Twinn is home this weekend, he might call on some of the following people:

(*Names of signatories read*)

Canyon Creek is a small village in Alberta and the only request from this petitioner was that the Senate of Canada listen to her petition; but if Senator Doody's motion carries, we will not get to listen to her any more. Her petition goes down to the basement in the cardboard box and is never considered again. What about the following people:

(*Names of signatories read*)

● (1700)

Senator Twinn can tell all those citizens of Slave Lake who signed the petition that we stuck it in a box and sent it down to the Clerk's office and did not consider it because the petitioners' views are not important. According to Mr. d'Aquino and the Canadian Manufacturers Association, the petitioners do not know what they are talking about. Honourable senators, those petitioners know more than you would care to give them credit for, and they understand this god-awful piece of legislation better than perhaps many senators understand it; and they know how they are going to have to pay for it.

[Senator Hastings.]

Hon. Pat Carney: Would the honourable senator permit a question? In your speech, you mentioned that Conservative corporate friends influenced our position on free trade by, in effect, buying us. Is the senator aware that one of the fiercest proponents of free trade, one of the people who was an early proponent of free trade and who was very eloquent on the subject, was one of his own colleagues, Senator van Roggen? Does Senator Hastings suggest that the corporate world bought and influenced him too?

Senator Hastings: Senator van Roggen is not the only colleague of mine who was in favour of free trade. I rather suspect one of my former colleagues, Donald Macdonald, was one of many people who favoured free trade. I do not question anyone who was in favour of free trade.

Senator Carney: Yes, you did.

Senator Hastings: I questioned the ethics of the Conservative Party selling themselves to corporate Canada and the multinationals to help buy your election on free trade. That is all. You can believe in free trade, but you could have fought it fairly. You did not fight it fairly. You sold yourselves to corporate Canada and the multinationals in New York City. When he was just elected, your Prime Minister rushed to New York City to tell them we were open for business and we were all for sale. Those are your friends, not mine. Those are the people who support and finance you and those campaigns and they are going to finance another campaign in favour of the GST. That is what I said.

Senator Carney: Senator Hastings, I do not understand the connection between the corporate buying of the Conservative government—

Senator Hastings: The buying of the election, is what I said.

Senator Carney: —and the fact that there have been many distinguished Liberals—you pointed out Donald Macdonald being one of them—who supported free trade. Why are you tarring the Conservatives with this brush, unless you intend to stain the reputations of your own Liberal colleagues?

Senator Hastings: Far be it for me to explain to the Honourable Senator Carney, a former minister in the government, who played a leading role in the free trade discussions, or to question the motives of those who believe in free trade. I did not do so. I questioned the interference of corporate Canada and the multinationals in the electoral process of Canada and the sell-out of our nation to corporate Canada and the multinationals by your government. That is all I said. I do not question those who were for or against Meech Lake. I do not question those who were for or against free trade. I

question the interference of these people in the electoral process. I question your party permitting it to be used the way it was used, and you will permit them to do it again. The ads will come out this weekend, "Support the GST", financed and paid for by the Canadian Council on National Issues, Mr. d'Aquino, President and Chief Executive Officer, who thinks the people of Canada do not know what they are talking about. They are your friends, not mine.

Senator Carney: Mr. Macdonald is a good Liberal.

Senator Hastings: I never questioned his politics. I understand he emptied the wastepaper baskets in Mr. Trudeau's office.

Senator Frith: "Good Liberal" is a redundancy. All Liberals are good.

Senator Hastings: I was dealing with petitioners from the Town of Slave Lake, Alberta, 137 miles northeast of the City of Edmonton, Senator Twinn's hometown. There are approximately 300 residents in the Town of Slave Lake, Alberta, and there are exactly 200 signatories from that town and district to a petition asking Senator Twinn to please consider the GST and reject it on our behalf. If we adopt Senator Doody's motion, we will not consider what the people of Slave Lake have to say. Senator Twinn can go home and tell those petitioners what they think is not important, that it is more important to fulfil the corporate policy and objectives of the Canadian Manufacturers Association.

(*Names of signatories read*)

All of those citizens from Senator Twinn's hometown are asking us to give consideration to their petition, the same consideration given to the Canadian Manufacturers' Association. Let Senator Twinn vote in favour of that motion and go home and tell those people that he voted in favour of throwing the petition in a cardboard box because it is not important. According to Mr. d'Aquino, the petitioners do not comprehend what it is all about. That is what is going to be done with Senator Doody's motion.

• (1710)

When Senator Twinn goes home to Slave Lake this weekend, he can probably phone these petitioners who signed this petition hoping to participate in this process.

(*Names of signatories read*)

He can look up these people and tell them that according to Mr. D'Aquino: "You don't understand anything about this tax and we put your petition in a box and stuck it in the basement. Now we are going to go ahead and pass the bill if we can shut up those damned Liberals."

(*Names of signatories read*)

He can phone all of those citizens residing in the province of Alberta, most of them in the town of Slave Lake, who are asking to participate, and say: "No room, no more." They are asking to exercise a right which has existed through the centuries, yet it is going to be suspended by the Honourable Senator Doody because it does not fit the agenda. It does not fit in with the efficiency of this government.

Strange how this government becomes efficient when local, ordinary people wish to participate. Of course, the government was not efficient when the President of the Canadian Manufacturers Association wanted to participate. Senator Doody stood up front and centre and presented an illegal petition in order to accommodate the President of the Canadian Manufacturers Association. But we cannot hurt him. We cannot insult the President of the Canadian Manufacturers Association. We cannot tell him his petition went in a cardboard box. We have to stand up front and centre and read it and then sneak through this motion to go to Orders of the Day and get rid of petitions and get rid of those other people who do not understand what we are doing.

When Senator Twinn goes home this weekend, perhaps Senator Waters and I should go with him, because there are a lot of people in Slave Lake to see. He is going to have a busy weekend. He should try to see them, because they are very interested up there.

(*Names of signatories read*)

He can call these petitioners who reside in Widewater, Alberta. Widewater is just a little village 18 miles away from Slave Lake. A citizen there says: "Please listen to me; I do not want the GST." But we will tell her that we did not listen to her; we listened only to the President of the Canadian Manufacturers Association. We put hers in a cardboard box. Maybe some day it will come up.

All these residents of Slave Lake, Alberta are asking to have their views considered. The only way they can have their views considered is by way of presentation of a petition. But Senator Doody and the Conservatives say no. Senator Twinn says no. "We are not going to consider the views of the citizens of Slave Lake, the 200 who want their views considered. We do not want to hear from these people." Mr. D'Aquino says they do not understand. He is one of those great leaders of industry in this nation, the guardians of our social fabric and our social welfare system.

Well, honourable senators, these people who reside in Slave Lake, Alberta have asked to be considered.

(*Names of signatories read*)

[*Translation*]

I believe that this Mr. Boisvert who signed the petition is a cousin of the Leader of the Liberal Party, Mr. Jean Chrétien, since Jean Chrétien's mother was also a Boisvert from St. Paul in Alberta.

I think that this Mr. Boisvert is one of Mr. Chrétien's relatives.

• (1720)

[*English*]

Senator Muir: You are pretty good in Greek.

[*Translation*]

Senator Hastings: It is not Greek, it is French.

(*Names of signatories read*)

[*English*]

(*Names of signatories read*)

Honourable senators that is another group of 25 residents of the town of Slave Lake, the home of Senator Twinn. I hope that he goes home he will try to contact a few of these people and tell them we did not give a damn about their petition. He can tell them that we passed a motion, a motion that he voted for to get rid of the petitions in order to pass the goods and services tax. He can probably phone the next group of petitioners.

(*Names of signatories read*)

Honourable senators, there are 300 people in Slave Lake and 289 signed the petition.

Senator Lucier: Eleven were out of town.

Senator Hastings: Including Senator Twinn. I do not know if he was in town.

Senator Marchand: You never know, he might have signed it.

Senator Hastings: The list of names goes on as follows;

(*Names of signatories read*)

• (1730)

All of those people that I mentioned, I believe, signed petitions in good faith.

Senator Barootes: You have got them on the record.

Senator Hastings: They thought they would have an opportunity to have their petition presented in this chamber and that senators in this chamber would consider their views when it came time to deal with Bill C-62, the goods and services tax. However, that will not happen if we adopt the motion of Senator Doody that we move to Orders of the Day and we do not further consider the first order of business on this day, being Presentation of Petitions.

Some Hon. Senators: Shame!

Senator Hastings: The right extended to every Canadian throughout history to present his views to the Parliament of Canada will now be denied, and the petitions of those people from Slave Lake, Alberta, will go in a cardboard box, according to Senator Ottenheimer, and down to the basement, while we proceed to deal with Bill C-62 in complete indifference to their views, which, as I have said, and I repeat, is consistent with the attitude of this government when it comes to the ordinary Canadian citizen.

Senator Barootes: So the Liberal Party is the protector of the little man, is it?

Senator Hastings: Always!

Senator Barootes: Is that what you are saying?

Senator Hastings: I am glad you have finally learned. I am glad you finally saw the light. I had wondered where you had been, Staff.

Senator Barootes: Then listen to this. Tell them about the Liberal Party and the protection of the little man.

Senator Hastings: I can tell you.

Hon. Finlay MacDonald: On a point of order—

[Senator Hastings.]

Senator Hastings: Point of order?

Senator Frith: No, don't say "point of order". You will regret it.

Senator Hastings: He said "point of order".

Senator MacDonald: I want to be helpful. You make so much of the corporate support we receive. Have you looked at the last return by the Liberal and Conservative parties. You received 62 per cent of your revenue from corporations, and the Conservative Party received 50 per cent.

Some Hon. Senators: Oh, oh!

Senator Barootes: There is the protector of the little guy, eh?

Senator Frith: You bet!

Senator Corbin: Small businesses!

Senator Frith: A lot of small businesses, you bet! We get it from the small businessmen.

Senator MacDonald: Sixty-four per cent of your revenue is from corporations, whereas we receive 58 per cent.

Senator Corbin: It still wasn't enough!

Senator Frith: You've got all the big shots, that's why!

Senator Barootes: Who is looking after the little guy? You people?

Senator Frith: Including the small business people. You are quite right. They are all against the GST. Well done! Thank you very much!

Senator Barootes: You're minions of big industry!

Senator Hastings: I am glad Finlay MacDonald is here, because he was not here when I tried to explain revenue neutrality.

Senator MacDonald: I missed nothing.

Senator Hastings: You missed your own words.

Senator MacDonald: No, I heard every scintilla.

Senator Barootes: You did not respond to the 64 per cent from corporations and big commerce.

Senator Frith: No, small businesses!

Senator Barootes: Why don't you answer that?

Senator Hastings: Look at your donation from the Royal Bank!

Senator Barootes: You're toadies to business!

Senator Murray: Where is Rizzuto? He should be listening to this.

Senator Barootes: Toadies of big business!

Senator Phillips: How much did the Bank of Montreal give them?

Senator Hastings: Honourable senators, as you may have surmised, I intend to vote against the motion. I believe that I have a duty to protect these people.

Senator Barootes: Oh, yeah!

Some Hon. Senators: Hear, hear!

Senator Hastings: These citizens of Slave Lake asked me to present their petition. Senator Twinn is not going to present their petition. He is going to vote that their petitions go into the box. I am going to vote that the people of Slave Lake and the people of Alberta be considered in the same light as the President of the Canadian Manufacturers Association and have the same treatment, and I shall therefore vote against the motion of Senator Barootes.

Senator Barootes: The same ones who gave the Liberal Party 64 per cent of its revenue. You are living off big business!

Hon. Richard J. Doyle: Honourable senators—

Senator Hastings: I heard a voice from heaven!

Senator Doyle: I would have saved this question for Senator Buckwold, but I have not seen him in hours.

Senator Hastings: He's there! Stand up on the chair, Sid!

Senator Barootes: You looked better behind there!

Senator Doyle: There is an arm! So I won't have to ask where he is! At any rate, I find my eyes drawn to that part of the chamber and to the boxes and crates. I am reminded of the evidence in a courtroom stacked up for all to see, and I wondered if we might have the same privileges as members of a court and be allowed, perhaps during the supper break, to look at the evidence, to check the quantity and have a look at the signatures—or is it private? If it is private material, I am surprised to find it sitting here in the Senate. That is what I should like to know, whether it is for all of us or whether it is something of your own over there?

Senator Hastings: It is Buckwold's paper barricade.

Senator Corbin: We have more, by the way.

Senator Barootes: Is that your laundry, Sid?

Senator Hastings: That's the Oka barricade!

Senator MacDonald: Stand up, Sid!

Senator Buckwold: Honourable senators—

Some Hon. Senators: Hear, hear!

Hon. Sidney L. Buckwold: Talk about a sad day in the Senate! It is a sad day when I hear my colleague from Saskatchewan, Senator Barootes, a representative of the people, denying the people of Regina the right to have their petitions heard. It is sad when he looks at my array of the people's will and says, "Is that your laundry, Sid?" That is exactly the attitude of your group, led by a big mouth like yourself.

Some Hon. Senators: Oh, oh!

Senator Buckwold: He compares the will of the people to dirty laundry. I suppose you people are well-used to that. That is the way this whole thing started tonight.

Senator Barootes: Table them!

Senator Buckwold: I started to stand up, and right away somebody said, "What's in your boxes?" What do you think I have in my boxes?

Senator Barootes: Table them!

Senator Buckwold: We are not supposed to table them; you know that. We are going to be denied the right to table them, and that is why I am standing up. Honourable senators, as I said when I started out, it is a sad day indeed. It is a sad day when I hear a motion by the Deputy Leader of the Government that we proceed to Orders of the Day. We are eliminating the right—as so well explained by Senator Hastings in his brief speech—of those who feel they have the duty and responsibility as good citizens to appeal to their government. Only a few years ago I went as a representative of the Commonwealth Parliamentary Association to the Isle of Man, along with two or three other representatives, to attend what they called the "Tinwald" ceremony honouring the oldest parliament in the British Commonwealth. It was a great ceremony, and I had the honour, with others, of representing Canada. The Governor of the island carried out the ancient ceremony on the beautiful green grass of the Isle of Man, that I am sure many of you have seen and enjoyed. It was a lovely day.

• (1740)

The first order of procedure on that remarkable anniversary was the Presentation of Petitions to the Governor by the islanders of the Isle of Man, who had the right, which had been carried on year by year, to present their petitions and to doff their hats to the governor and beg a petition.

That is the tradition and it relates to the petitions which we have here, as seen in the preamble to the petitions, which says: "The petition of the undersigned residents of Canada"—and this the official wording that is required to send a petition to the Senate—"who now avail themselves of the ancient and undoubted right thus to present a grievance common to the petitioners" in the assurance that "your honourable House will therefore provide a remedy."

Honourable senators, those are ancient words that were written centuries ago, and they express the trust which citizens have that they will be listened to. That trust does not mean a damn thing right now when we have a government that is absolutely determined at any cost, and using any means, legal or otherwise, to ram through what is probably the most unpopular tax measure in the history of this country. Believe me, that is the truth.

In my earlier speeches I have asked: "Why doesn't the government listen a little?" If Senator Murray had any brains—and I am not questioning that, although others may—he would say "Let the Senate kill the bill at least for a period of time," or he might at least accept an amendment to delay implementation of the bill for a year and get us off the hook. But, no, that party, as it has historically, has a death wish. They somehow want to act in a way that will ensure that in the next ten generations they will probably not again be re-elected, as we have seen happening across Canada. Why do these stupid things? In this chamber we have seen really stupid

actions in changing the rules and forcing through all kinds of procedural changes that are not compatible with the standards of this chamber.

I have to ask myself why they do this, particularly when the *Globe and Mail* and the *CBC*—who are not necessarily friends of the government—indicate that the government is absolutely wiped out in every poll that is taken. The government has been decimated, annihilated, or any other adjective one cares to choose. Seventy-five per cent of Canadians have expressed resentment toward this tax. If we eliminated Quebec from that view, then that figure would probably be around 85 per cent across the country.

Honourable senators, I will touch for a few moments on the situation respecting Regina, because I do have some petitions here that should be read. I am sure that Senator Barootes will be interested in the names, so that he, like Senator Hastings, can go and talk to these people. He can discuss with them why their petitions were not honoured.

Honourable senators, we have heard much of that great evening of October 4 when the doors were locked and there was a secret assembly with everyone present on that side but not a soul on this side. It was really quite ludicrous. Honourable senators will recall the bedlum that occurred the next day. Why did it take place? I wish some of our distinguished press people were here so that they could listen to the truth. Why did those who otherwise are sane former members of the federal cabinet, former premiers, and former mayors, and any number of important legislators and leaders of this country carry on in such a way which all of us agree was almost nonsensical? They did it for a very good reason. For four hours our friends across the way tried to put the motion to move that we proceed to Orders of the Day and that we start with item number five, Bill C-62. Believe me, everyone knows—although we never see it in the press—that the antics that went on were to keep the Leader of the Government from being able to move that motion. He stood there for four hours like a dummy, embarrassed, trying to find break where he might sneak in his motion; but no-one gave him a chance.

Why did Senator Gigantes sit there and read his Greek Tragedy or Jeremiah? Why did Senator Davy Steuart lean heavily on "begad and begats"? Why were we making such fools of ourselves? We did it only to jam that microphone in order to keep from being processed the very motion that we are now dealing with here. It is the same thing.

Honourable senators, why did we have such bedlam in the Senate, over and above the fact that we had a Speaker who sabotaged the rules? When the history of this is written—

Senator Barootes: Were you there?

An Hon. Senator: Were you here?

Senator Buckwold: Certainly I was here.

I will come to the barricades pretty soon. There is the man who talked about taxing reading materials and newspapers, that great noble former editor of the *Globe and Mail*, that crusader who fought for every right for people to be heard, stating week after week in our committee that this tax is a good thing and it is not a bad idea to tax newspapers because they make too much money. I wish your former boss could hear about that.

Senator Doyle: Your friend Ted Thomson can afford it.

Senator Buckwold: Now we come back to the same situation, proceed to Orders of the Day, ram it through, and not talk about the goods and services tax. Other than Senator Kelly, who in a very fair way presented his side of the case—and, as I stated, I admire him for what he did—we have heard absolutely nothing about the goods and services tax. I gave what I thought was a fair review in my introduction of the bill. I spoke for two hours and covered every aspect of what the committee heard and our responses, at least from the point of view of those of us on this side. I saw nothing in the press. Perhaps it was not good enough to make the press. There was not one word other than two or three lines that stated the bill was introduced. Someone along the line should be able to tell Canadians why a majority of the committee came to the conclusion that it did; but that did not come out. We spent many weeks travelling the country and heard hundreds of witnesses. Believe me, Senator Murray, we were not puppets. This chairman did not take any orders from anyone. I could feel myself, along with the committee, moving in response to the wishes of the Canadian public as expressed through the witnesses we heard. If you would only move a little bit, I have a feeling you might do a lot better. All I am really saying is that the time has come to start thinking about the whole basis of the arguments, and I have not seen that yet. However, it is coming, and I am sure we will have an opportunity in due course.

To return, Senator Doyle, to the petition boxes. I deliberately brought a few of the boxes, but there are many more in my office. I think I am the one who is most interested, involved and concerned about literally millions of people across the country who have gone to the trouble of signing a petition. I well remember a rainy day in May when a young man, accompanied by another young person, came into my office, shook off his raincoat, and told me he had just arrived in Ottawa on his motorcycle. He had gone across Canada and was here to present me with a million signatures. This young man was emotionally involved and had a deep-set feeling against this tax. At his own expense, he rode his motorcycle through rain, snow and sleet stopping in towns along the highway from one end of the country to the other and presented the signatures of one million Canadians who want the Government of Canada to listen to them. That is being denied.

Hon. Efstathios William Barootes: Senator Buckwold, I do not wish to interrupt you, but would you take a question on what you said? You mentioned that you introduced the bill. I think you meant that you introduced your report from the

committee. It was not the bill you were introducing, but the report.

You also said a moment ago that the report you prepared was not discussed with anyone.

Senator Buckwold: No, I did not say that at all.

Senator Barootes: Excuse me. What did you say in that respect?

• (1750)

Senator Buckwold: I said I was very disappointed at the time of the original presentation of the committee's report not to hear one senator, other than Senator Doyle in his presentation, rise and given cogent reasons why the goods and services tax, as brought forward by the government, should be acceptable to the people of Canada. All we heard was criticism of the committee, criticism of the chairman, and the usual diatribe, planned and devised and part of a scheme to make sure the Canadian public knew nothing about the goods and services tax—and that is continuing to this day.

Senator Barootes: I am sorry, I did not make myself clear. I was not refering to that part of it. Both in your introductory speech on the report of the committee, as well as a few moments ago, I thought you mentioned that this was a report that you had not discussed with anyone before it came to your committee.

Senator Hastings: It was adopted by the committee.

Senator Barootes: No; before it came to the committee.

Senator Buckwold: Rest assured that we listened to presentations. It did not take very much to know what direction the committee would take. One did not have to be any Einstein after listening to the people. One did not have to have any more brains than some of the Conservative members of the committee to know what was going to happen. I was criticized for dominating the committee and for not discussing the final results. That has been clarified.

Senator Barootes: Not at all.

Senator Buckwold: The committee report has been well received across Canada. The accolades that I, as chairman, and members of the committee have received will be with me for the rest of my life as one of the great contributions I have made to this country.

Hon. Senators: Hear, hear.

Senator Buckwold: I have absolutely no regrets.

Hon. William M. Kelly: Senator Buckwold, while you were referring to the responses and the comments on the bill from senators on this side, I quickly re-read my own remarks on Bill C6-2 and I thought they were quite cogent and Senator Davey Steuart agrees.

Senator Buckwold: Perhaps you were not listening to me. I said you were the only one.

Senator Kelly: No, you said Senator Doyle.

Senator Buckwold: I apologize. I meant to say Senator Kelly.

Before we get to six o'clock, let me speak to Senator Barootes. Senator Barootes, distinguished citizen of Regina, a nice city and very glad that Senator Barootes spends most of his time in Ottawa, what are you going to say following the excellent example set by my colleague?

Senator Barootes: You are bootlegging this in, are you?

Senator Hastings: What are you going to say to Stelco?

Senator Buckwold: What are you going to say to the following petitioners?

(*Names of signatories read*)

Senator Frith: He will call them emetic.

Senator Barootes: At least you now know the word.

Senator Frith: I shall associate it with you for the rest of my life.

Senator Buckwold: We have reached the hour of adjournment, but if senators so wish I will give you a few more names of people from Regina who would like to know why they are being denied the right to be heard by this body.

I have pages of petitions from Senator Barootes' city. I would ask the honourable senator, as a fellow senator from Saskatchewan, if he has had any petitions from Regina?

Senator Hastings: Ipsco?

Senator Buckwold: Well, we had Ipsco in front of us. You remember Senator Barootes in Regina, what an ass he made of himself that day? I was going to use another part of the word, but remember what an ass he made of himself? He started out with points of order asking why four witnesses were being denied; and he made an uproar over this kind of thing. We then found out that most of them did not want to appear and that one wanted to come to Ottawa. Do you remember that, Senator Barootes? I thought you were supposed to be representing the province.

Senator Hastings: You made Ipsco come.

The Hon. the Speaker: Honourable senators, as the clock says 6 o'clock, I must leave the Chair. We will suspend the sitting now and reassemble at the call of the bell.

The sitting of the Senate suspended.

[Editor's Note: For continuation of proceedings see Issue No. 105E.]

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105D.*]

The sitting of the Senate was resumed at 8:00 p.m., Wednesday, October 31, 1990, the Speaker in the Chair.

[*Translation*]

GENTLEMAN USHER OF THE BLACK ROD

APPOINTMENT OF MR. JEAN DORÉ—ESQUIRE

The Hon. the Speaker: Honourable senators, I have the pleasure to inform the Senate that I received a certified copy of Order in Council PC 1990-2247, dated October 12, 1990, appointing Mr. Jean Doré as Gentleman Usher of the Black Rod, starting October 15, 1990.

Some Hon. Senators: Hear, hear.

[*English*]

The Hon. the Speaker: On your behalf, I welcome Colonel Doré to the Senate.

GOODS AND SERVICES TAX

PRESENTATION OF PETITIONS ON BILL C-62—RECEIPT OF PETITIONS

Hon. Efstathios W. Barootes: Senator Buckwold has given me permission to pursue a conversation that we had at the recess. I should like to answer his question—and I do not know whether it was rhetorical or direct—as to whether I have received any petitions from Regina or Saskatchewan. My answer to that is no, I have not. I would presume that most of those people who were gathering petitions opposing the GST would have sent them to either the chairman or the clerk of our committee. I would hope that they would be in your hands.

Hon. Roméo LeBlanc: They gave up hope to ever convince you.

Senator Barootes: I have the *Debates of the Senate* for September 25, 1990. On pages 2234 and 2235, Senator Buckwold said:

> I have to admit that I made a decision, to which some people may object. There was so much insistent demand on the part of our friends across the way to be able to transmit every word that was being said that I wanted to keep it under my control. This is a very sensitive piece of legislation for the government and I took my responsibilities very seriously. I said to myself—and it was to myself—that "I am going to keep this to myself because every word will be leaked within two seconds the minute anybody looks at it."

You kept it to yourself until it was released just before our meeting of the committee on September 24.

In answer to Senator Simard you said:

> All I am saying is that I was keeping it under wraps.

Those were your exact words.

In a letter to Senator Poitras, who was the Deputy Chairman of the committee, under date of September 19, item 3 says:

> No member of the committee or any other senator, including Senator Kirby, has seen the report in its present form. The report is being drafted by our researchers under the direction of the chairman.

You and I discussed these things outside this chamber, and it is clear that no members of the committee helped in the preparation of the report which you wanted to keep under wraps. That is an unusual procedure, but certainly you explained your reasons for it.

However, in an article by Mark Kennedy, *Citizen* National Staff, you are quoted somewhat differently. The article says:

> As Buckwold's committee continued its hearings through August and early September, the senior Liberal senators began formulating their report. They would not follow tradition and recommend amendments, but in one sweeping and dramatic gesture proposed that the Senate just kill it. "It was a fairly difficult decision because it put the Senate into new territory," says Buckwold, adding that MacEachen, "didn't take too much convincing" to agree to the plan.

The plan being to kill the report.

The other thing that comes to my attention, Senator Buckwold, is that by inference—and I do not mean to say that this is proof positive—Senator Frith, in speaking to the media some time before your committee met on September 24, had outlined the four options which you made available in your report.

I say to you that this contradicts the fact that you kept it under wraps and that no other senator was aware of it if you had consulted Senator Frith and Senator MacEachen, as you say you did. Obviously there was some input into that report which other senators on the committee were not permitted to see or participate in.

You must have a response to this. I would be pleased to listen to it.

Hon. Sidney L. Buckwold: Senator Barootes, I am glad that you wasted seven or eight minutes of a long evening by starting on the same old track, same old recording, same old attack: Get to the chairman, make sure that he is discredited,

question his report. I must admit that I do not recall the particular quotation that you read. In due course I would like to read it all. It might bring it back to me because, God knows, there were hundreds of reporters looking for information on a subject which was of so much interest to the Canadian public.

How does a committee operate? In my case, I took the responsibility as Chairman. Seriously, after listening to the evidence, I discussed possibilities with all members of the committee, indicating time and time again that there were four alternatives. Let me mention them to you: The first was that we would hold our noses and pass the bill; the second was that we would make amendments; the third was that we would delay it; and the fourth was that we would axe the tax. That was said by me publicly over the TV and radio right across Canada. That was my position right until the end.

As indicated early in my remarks, the committee prepared a report under my supervision. When I say "the committee", I mean the researchers. Because of a variety of reasons—very good reasons—that I gave in my address, I felt that I wanted to play it very close to the belt. I believe I used an expression similar to that. I did not want the report to be public knowledge or in the hands of the minister or in the office of those who were waiting with bated breath for every word that I had to say. With that in mind, I personally supervised the report, after listening to the representations made to the committee and hearing the kind of comments that were presented. I do not find that difficult to accept.

I have been involved in dozens of reports of committees. Generally speaking, they are prepared by the chairman, along with his staff. When I have been on other committees, I do not remember the chairman sitting down and saying "What are we going to say?" Basically, there was a report presented to the committee as a result of the direction of the chairman, as a result of the input that went into committee, and as a result of the kind of hearings that took place. That is generally the way committee reports are made, along with a great deal of input from the professionals and the senators involved.

• (2010)

My friend, Senator Poitras, seems to have an exaggerated view of the role of two functions: that of the steering committee and that of the deputy chairman. I do not know whether Senator Barootes still has his rule book. It seems that it is no longer a document of importance to this chamber; but if he were to look through it, he would not find in the rules any mention of the role of the deputy chairman. The deputy chairman is there to take the place of the chairman in case he is absent. I suggest that he look through the rule book to see if he can find one reference to a steering committee. I did. Perhaps Senator Molgat could find a reference; but I could not. What is the responsibility of a steering committee? The job of a steering committee is to deal with the technical aspects of conducting meetings, where they take place, and so on. In other words, to plot the course.

The steering committee does not write the report, particularly when it involves a highly controversial, politicized subject such as the goods and services tax, on which committee members hold very definite positions. I am not talking about writing a report on a study, such as the one we did on financial institutions. In that exercise we spent some time listening to witnesses, doing our homework and having discussions with advisors, and so on, to come up with a report that would be acceptable to everyone. That study on financial institutions kept us going for six months, and there was substantial input from everyone involved. It was important that we came in with a report on which there was agreement, and that involved a little give and take. We were not discussing legislation, especially controversial legislation like Bill C-62.

I am sorry that Senator Poitras is not here. He is a relatively new man, and certainly a fine man, and I admire him, in spite of all the terrible things he has said about me. The fact is that he seemed to think that because he was deputy chairman he could write the report. That is nonsensical. It just does not work that way. He was outraged that, as a member of the steering committee, his duties were designated by the chairman. I have been a member of a steering committee when meetings were never called. Three and four months would go by and nothing would happen. The chairman simply ran his meetings.

I am looking at the other clipping to see what it is all about. The Conservatives must have a lot of people digging up these things. It is dated October 13.

Senator Barootes: That's right.

Senator Buckwold: We tabled our report on September 25. I thought the honourable senator had said earlier—again it is a typical misrepresentation—that this had occurred in the early stages.

Senator Barootes: There was no misrepresentation; I gave the dates.

Senator Buckwold: You left the impression that I had leaked something. You were trying to imply that I had leaked something.

Senator Barootes: Read the quote, please. It is on page 2, and I have put an x by it.

Senator Buckwold: I do not have time to read it, but it says that Buckwold's committee continued hearings through August and early September. That is right. However, the article was written October 13, two weeks after the report had been tabled. That is after we had gone through the whole exercise. As I say, I will read it, and if I have anything more to say about it, I shall say it.

If the honourable senator wants to keep talking about it, it will give me further opportunity to go through this exercise on the goods and services tax. Why does the honourable senator not stand up and say, "You know, it's going to be good for the economy to have the goods and services tax." Why does he not say that it will be good for the tourist trade? Why does he not stand up and say that the government has just sent out 10 million copies of a bulletin to every household in the country, and that it is just great?

Let me go through some of the propaganda that cost the Canadian taxpayers millions of dollars. I am trying to answer the honourable senator's question, and it may take me about an hour. The title is, "Goods and Services Tax: Fair, Visible and Modern." Who decided that it was fair, when almost every Canadian citizen who appeared before the committee had, as his first objection, that the tax was regressive and unfair? No matter, the government has as its headline, in its propaganda that cost taxpayers millions, that the tax is a fair tax. The government says that it is fair when everyone else is saying that it will soak the poor, that it will take advantage of those who are least able to pay. Why does the honourable senator not discuss that point with us? I have not heard him say one word on it.

The government says in the headline that the tax is visible. Certainly no Canadian has said that it is visible, except perhaps two or three senators on the other side, and if they were to let down their cover a little bit, I am sure that they would indicate that it is not. One of the initial objectives regarding this tax was that it would be visible. That is what the government said when it first introduced it. Then when the legislation came out, they realized that it would be a little hard to make it visible. They then hoped that the merchants and suppliers of goods and services would add the tax on the bottom line. For example, if a pair of shoes was a hundred dollars, the tax of 7 percent would be visible on the bottom line. However, I do not think that deep down the government wanted the tax to be visible, because a visible tax is like seeing an old girlfriend. You cannot get away from her; she is there to haunt you. The government did not want every invoice, bill or sales slip to have on it a "plus 7 percent government tax" or "Conservative tax" or "Tory tax". They really did not want that, so they changed the rules.

The legislation does not compel anyone to add on the 7 percent tax, to make it visible, like they say in their million dollar advertising sheet or throw-away, which really is what it is. All they say in the legislation is that there is to be a sign in the store saying that the store includes the goods and services tax in the price. The tax can either be added or it can be a flat price which includes the tax. When Senator Doyle's newspaper is sold under the tax, it will be $.50 plus 7 percent. It will probably be $.55; in other words, rounded out to 10 percent. You can not very well use pennies. It will not be a visible tax.

Senator Lucier: It will be like the laundromats, which will increase their prices by a quarter or more, or, in other words, by 25 percent.

Senator Buckwold: That is right. The heading then goes on to describe the tax as "modern." It is probably the most regressive, ancient kind of tax as it is imposed on consumer goods rather than on income. It goes back to ancient Rome when the tax load was put on the poor slaves. They did not tax the rich. A modern tax should tax the rich. We gradually got out of the feudal ages by taxing people on the basis of ability to pay. So I say to Senator Barootes: Why do you not discuss these things with us instead of haranguing the chairman, day after day, on how he developed the report? No GST will be charged. Listen to this. This is their propaganda. I am answering Senator Barootes again. There will be no GST charged on basic groceries. Take a look and see the overhead that will be added to the grocery stores. We have been told that they will have to take a bit of extra mark up.

• (2020)

Senator Stanbury: And the transportation!

Senator Buckwold: That comes into it. That is the worst misrepresentation. There will be no GST charged on residential rents. How can you sit back, even as partisan as you may be, and say that there is no effect on rent?

Senator Lucier: That is a blatant lie!

Senator Buckwold: I am the partial landlord of a small apartment building. On the first of January, if by any chance the GST gets through—and I hope that it will not; it will not be because of me or members on this side if it does—the tenants in that building will have a rent increase of 2 per cent to cover the extra costs that I will incur that are not directly charged. Do you see the misrepresentation? There is no tax on rent, but the owner of the building will pay on his heating.

Senator Bosa: He will pay tax on his fuel and electricity also!

Senator Buckwold: Yes. He will pay on his heating, electricity, and on every painter that comes in to paint the apartments.

Senator Bosa: He will pay tax on every service!

Senator Buckwold: The landlord will have to pay on everything that he buys, other than wages. By the way, the landlord does not pay for water. There is no tax on water. Why they do not tax water when they tax electricity, I do not know. You will have to pay tax on the legal fees to draw up the leases, and tax on anything that happens in the building.

How do you manage to sit there complacently, as intelligent, decent people—which I used to think you were—and swallow that kind of propaganda and never, ever question it?

Senator Lucier: They do not swallow it!

Senator Buckwold: You said to the Canadian public that there was no tax on rent or health and dental services. Talk to your dentist. Those are two separate fields. The doctor does not charge anything for his services because he is paid by a provincial health plan.

Senator Bosa: That is the case for a doctor, but not a dentist.

Senator Buckwold: But the Canadian Medical Association, of which Senator Barootes is an active member, as I presume Senator David and others are, has told us that this will cost doctors $100 million dollars—you remember the figure, gentlemen—over the entire spectrum of the medical profession. That cost will be added to their overhead.

One of the members of our committee who is a medical doctor—and I will not say who—said, "Well, doctors can

afford it. They will not add that on to the price of their services."

Senator Bosa: That is an addition!

Senator Buckwold: But the doctor has to pay tax on his rent and any of his purchases. He may receive a sliver back and a slightly lower price because the manufacturers' sales tax has been taken off his toilet paper, but on the other hand he will be paying on everything that he buys and on everything that he uses. He will be paying tax on almost everything except wages. We were told that that will cost an average general practitioner about $3,000 a year.

Hon. Paul David: I am sorry to interrupt you, Senator Buckwold, but it seems to me that you are discussing Bill C-62 at the present time, which is the main subject of the motion made by our side. You are not speaking about the motion at all, which is supposed to be the subject of your discussion.

Senator Lucier: He probably was not here when this happened!

Senator David: You are not answering Senator Barootes' question because that is not what he asked you to do. Therefore, I think that votre plaidoyer would be most welcome when we get to the issue of the bill itself. You have told us that you regret that we have not as yet come to the issue of the bill itself. We have not come to that issue because, since September 25, you have not given us an occasion to discuss the issue itself. I hope sincerely that the speech you are giving today—

Senator Austin: What were you doing on September 15th?

Senator Grafstein: What were you doing on September 26 or 27?

An Hon. Senator: Let him answer his own question!

Senator David: What you are telling us at the present time could be postponed until we discuss the third reading of this bill.

The question is: Why are you giving this speech tonight and not discussing the motion that is before us at the present time?

Senator Buckwold: Thank you very much, doctor. I guess it hurts a little when I start talking about doctors.

Senator Lucier: Yes, right!

Senator Buckwold: It must hurt a little. I guess that it strikes home. Your colleagues must be talking to you.

Senator Lucier: It is like a needle!

Senator Buckwold: I am answering Senator Barootes' question.

Senator Barootes: I never asked you that!

Senator Buckwold: He has not objected. I am giving him a thorough answer.

Senator Barootes: What is the use? You will go on about it anyway. I never asked that!

Senator Buckwold: Senator Barootes has given me a piece of paper about all the things that have been said and done, apparently. I am only responding by saying that—

[Senator Buckwold.]

Senator Doyle: Do not ask—

Senator Buckwold: —there is another one that we will come to in due course.

Senator Barootes: We ask you what day it is and you tell us how to make mashed potatoes! That is the relevance.

Senator Buckwold: There they go with their mashed potatoes!

An Hon. Senator: There you go asking about mashed potatoes!

Senator Buckwold: Senator David, you wanted to know why I am talking about the GST. I gather that the Hansard reporter has taken that down. I will continue to talk to you rather than to Senator Barootes, if that is a better direction.

I am talking about the GST because you have just asked me about it. I am referring to some of the misrepresentation that is taking place across Canada at a substantial cost —and I do not know how many millions of dollars—in every home in the country.

Senator Lucier: It is a bunch of lies!

Senator Buckwold: The fact is that it is advertising that is not acceptable. It is untruthful and—

Senator David: I am sorry, senator, but perhaps I should express myself in french. With the trips that we have done together, I believe that I have improved my english vocabulary slightly. It was a good exercise for me to do that.

I am not asking you to deal with the substance of Bill C-62, I merely asked you why you were not discussing the motion that is on the floor at the present time and were not waiting to give your speech—as well as the others—when we discuss the issue itself. I never asked you to discuss the issue of Bill C-62.

Senator Buckwold: I do not know how to differentiate between the question that was asked and the reply that I am giving. I do not know how to do that. It is all interwoven—that is, the way the government has carried on its program of advertising so falsely, as determined by the Advertising Council of Canada—

Senator Stanbury: That is right!

Senator Buckwold: —who said in their statement that a private company that would do the kind of advertising that the government has done in promoting the goods and services tax would go to jail. They did not quite use that word, but they stated that they would be found guilty of misrepresentation. That was done especially on the basis of the statement that it was not a new tax. The government stated that they were only replacing an old tax with a new tax. The advertising council immediately issued a statement saying, "Just one minute, federal government. If we had done that you would have found us guilty. But you go ahead and do it and fool the Canadian public."

I will finish pointing out the misrepresentations. No tax on rents. We were told in Toronto that the average rent of a

house—because the landlord has to pay the costs—will go up $50 per month. But I guess there is "no tax on rent".

It is quite true that at the bottom of your rent bill you will not see "Rent $800 per month plus tax". That is true. But somewhere, someone has to pay for that extra cost. We go through this over and over again—and perhaps Senator David is right that I am wandering a bit, but I think it is understandable, because I am so involved in this subject. I have lived the goods and services tax for the last six months. It is coming out of my ears. It hurts me to see the kinds of statements made by the Minister of Finance and others, who are misleading the Canadian public.

● (2030)

I say to my friend Senator Barootes that he can keep after the chairman all he wants. I do not know why he keeps doing that. He is not gaining any ground. Does he think that he will fool the public and stop them thinking about the goods and services tax by saying that I once said something or other? It really is not gaining you anything. I really do not know why he is doing that. We know that it is the same gremlin who travelled across the country with us who is feeding you this stuff. He must have said to you, "Here is a good quote, go after him again".

Senator Poitras was with us in Montreal. Since it is a French-speaking city where most of the witnesses were expected to be French-speaking, and since it is much easier to have a chairman who is fluent in the language, as a decent friend of Senator Poitras, my so-called deputy chairman, who was to be available if I could not be there, I said to him, "In view of the fact that we have a language problem here in Montreal for this two-day meeting, why do you not act as co-chairman? If there is a French-speaking witness, you handle it. If there is an English-speaking witness, then I as chairman will handle it". Senators opposite will remember that.

It is very important to remember that Senator Poitras could not make up his mind. He said, "I will have to let you know". He never made up his mind on anything until he talked either to his colleagues in the Conservative Party or, more likely, to the guy in Murray's office who signed the petition. Some little fellow ran over to him and whispered in his ear giving him advice. What was that advice? It was that he would accept only on the condition that he be the co-chairman for the rest of the trip. I said, "I am the chairman; I am not going to have a co-chairman. I want you to help me out here, but if you don't, then that's fine". I turned to Senator Hébert who was there and I said, "Senator, would you mind acting as co-chairman?" That is what went on. To answer your question, that is exactly why the chairman, sometimes reluctantly, felt it would be better to handle the committee the way he did.

Senator Barootes: You do not mind doing a little character assassination yourself.

Senator Stanbury: He has learned it from you, I guess.

Senator Buckwold: I did not learn it from Senator Barootes. He is a gentle soul. He is a very decent fellow. I say that sincerely because I have known him for 60 years, would you believe. He was a nice fellow then, and he is a nice fellow now. We went to the same high school together. He came from a very fine family, one of the nicest in Saskatoon. His sister sat in front of me for four years of high school. She had more brains in her little finger than does the eminent physician across the way.

Senator Barootes: See what I mean about character assassination?

Senator Buckwold: Having answered the questions of Senator David and Senator Barootes concerning the importance of petitions, to be somewhat dramatic, I thought that I would bring down some of the boxes containing petitions and other mail which has been sent to my office concerning the goods and services tax. What I have is not as much as what we have sent to Senator Hébert. Senator MacEachen has much more. I cannot imagine how many millions of Canadians have put their names on these petitions. Senator Murray, if you could get even one-half of them to put their "X" on a ballot, it would be very helpful in the next election. I have to say to you, do not count on it. Do not depend on it.

I wish to refer to a petition which comes from Saskatoon. I did not organize it. I did not go out and say, "Send us petitions," which is what happened in Senator Murray's office where they said, "Where can we find a couple of guys to sign a petition so that we can go through this exercise?"

There were 26 people who went to the trouble of signing this petition. These people have discussed the matter with us. They state on their petition, "In duty bound your petitioners will ever pray". Believe me, they had better start praying if they want this government to listen. However, they did expect at least the decency, the common courtesy, of having extended to them the privilege of having their petitions legally and properly presented to the Government of Canada.

Before we broke for dinner I was telling honourable senators about a young man who, on his motorcycle, went across Canada and gathered nearly one million signatures. He was a pretty impressive young guy. He really felt that he was doing his duty, just as many of us did when the time came to carry a gun in wartime. Recounting me some of his experiences, he told me that it was not so pleasant. After all, he crossed the country on his motorcycle. He said that everywhere he went, he was welcomed. People told him, "Good for you, keep going". He asked me, "How will I know that these petitions that I have gathered at some great inconvenience and difficulty will, in fact, get to the place where they should go?"—rather than into the cardboard boxes to which honourable senators opposite would have us relegate them. I told him that we have decent people in the Senate. We have a government leader who has his principles. We also have the rules that we follow. There is an item on the agenda on every meeting of the Senate which states, "Presentation of Petitions".

Senator David: May I make a suggestion to you, Senator Buckwold? With regard to the young man who brought you these one million signatures, something which you told us about this afternoon and which you are repeating again

tonight, why do you not create a petition to have his name put in the *Guiness Book of World Records*? I think he deserves at least that.

Senator Buckwold: There might be some who have done more than he has done. However, they did not come in on motorcycles. The gathering of petitions was an immense event in the lives of many Canadians who are dedicated to doing what they feel is right. They are still doing it. They are still sending in their petitions. My phone is still ringing off the hook with people wanting to know what they can do to stop the GST. I am going back again to my friend from Regina—who has conveniently disappeared—and giving him a few names that perhaps he should call.

• (2040)

(*Names of signatories read*)

These things can go on and on, but I take it seriously. I know that you people will say, "This really doesn't matter". I have no way of knowing how many pieces of mail there are in here. I would guess I have at least a million pieces of mail in here.

Senator David: I don't think so; not a hundred thousand.

Senator Buckwold: I do not know how many there are. You can go through the cases and count them.

Do you want to disregard all of that? No wonder the people have lost confidence in this government.

I gave you the figures. They have four times as much confidence in chartered banks and what their bank managers tell them than they have in what the federal government tells them. That does not speak very well for the kind of reputation that is being developed here in the country by a federal government that just does not seem to care.

Let us not run roughshod over Canadians, which is what you are trying to do. You say, "Get that GST through at any cost, no matter who is hurt, no matter what institutions are ruined, no matter what rules are broken." The order is out to Senator Murray, "Get that bill passed. Your job is to deliver the goods." Believe me, if he does not deliver the goods, he will pay the price. If he does deliver the goods, then the country will pay the price. I would much rather sacrifice Senator Murray than sacrifice the country.

Over and above the legal petitions, what about the millions of coupons, hand-ins, clippings, that people have signed across the country?

"I endorse Resolution 1."

Do you know what Resolution 1 is? I will be that you fellows have never even heard of Resolution 1.

Resolution 1 is not a bad idea:

> "The federal government shall forthwith enact a law under which all future increases in total federal revenue must be exceeded by reductions in overall expenditure until the budget is balanced."

Not a bad idea.

An Hon. Senator: It is a good idea.

[Senator David.]

Senator Buckwold: That is exactly what Mr. Walker told us in Vancouver. Remember Mr. Walker, of the Fraser Institute? He said that with respect to the GST, there should be a law that says that they cannot increase that tax without, literally, a vote of the people.

But Mr. Jack Myer of Olds, Alberta, says he wants Resolution 1. How about the people who support this petition:

> I am opposed to the Goods and Services Tax being applied to electricity, a vital municipal service. I urge that the government exempt electricity from the Goods and Services Tax.

This is from a couple in Georgetown, Ontario. I must have 10,000 of those.

But nobody listens on the other side. I am trying very hard to be as sincere as I can in saying, "Please, fellows, take a look and listen."

Senator Lucier: How would you like to have a $300.00 electrical bill like we do in the Yukon?

Senator Buckwold: Yes. Well, that adds to it.

Senator Kelly: Could I ask a question, Senator Buckwold?

Senator Buckwold: Certainly.

Senator Kelly: I promise not to make my speech all over again.

I do not believe that anyone on this side doubts the suggestion that the GST is not popular. But what I worry about is that judgment on the GST is not being made against the background of the fact that we have run up a debt of close to $400 billion. The solution to that problem will not be popular with anybody, no matter what it is.

The question I want to ask you is, given that fact, do you really believe that the ultimate solution to bringing that debt down will be popular, whatever the solution is? Granted, this possible solution is not popular, but is there another that you have available to offer to people, remembering that whatever it is, it will not be popular?

Senator Buckwold: Nobody likes to pay taxes. As I said in my major speech, the long one that you had to listen to—

Senator Kelly: I enjoyed it.

Senator Buckwold: Is that the invisible senator from Regina?

Senator Balfour: That is right.

Senator Buckwold: That is the way he was described in our local newspapers.

Senator Balfour: At least I got elected to the other place. That is more than you can say.

An Hon. Senator: How about being elected as Mayor of Saskatoon for several years? Is that an honourable office? Of course it is. what were you ever elected to?

Senator Buckwold: By the way, I again hasten to add that you are one of the most distinguished senators in Saskatchewan. I just said you are one of the most distinguished senators

in Saskatchewan, even if we do not see very much of you, but you certainly are a very, very respectable person.

Senator Balfour: That is because I am attending to my responsibilities here.

Senator Buckwold: That is good, but it would be even better to let Regina see you.

In any event, to reply to Senator Kelly, nobody likes to pay taxes. As I said earlier as I started out in my major speech, if the government had been forthright; if they had said to the people of Canada, "We are in a terrible mess", which we are, "and we are determined to get out of it" then there might have been a different reaction.

I can remember during the war years when there was an emergency situation, the government said, with not very much popularity, and I recall this, "One hundred per cent excess profits tax during the war, and after the war is over, if we win, we will give you back 20 per cent of that." In other words, if a company earned anything more than it did before the war, it paid 100 per cent of it back in tax. That was not a very popular move, but it was a time of emergency, and the people were prepared to make that sacrifice.

Senator Kelly, I say to you, if the government had sold the goods and services tax, with all its errors and with all its inequity, by saying, "Look, dear Canadians, there is a crisis in this country. We have a deficit of $380 billion, the interest is eating us up alive and we have to do something about it. We will make two commitments. We intend to really cut spending,"—more even than you indicated earlier, remember, in your first speech about how the government has tried to cut spending,–"and we intend to raise money. However, we will be dedicating every penny of that money to reducing the national debt. Therefore, we intend to put a ten per cent tax on everything. Also, instead of $18 billion, we intend to raise $50 billion, or $25 billion, or whatever it takes." The government should then get out and sell that tax to Canadians on the basis that, for a few years, we as Canadians will have to bite the bullet. There may have been a holler, but at least Canadians could see the tunnel at the end of the rainbow.

● (2050)

In any case, I say to you that is not the way this tax was sold. Literally in the last few weeks, the governmentis just starting to talk about deficit reductions.

Senator Lucier: Yes.

Senator Buckwold: During our committee hearings—and Senator David was there at many of the meetings—every one of the Tory senators said that this tax would be revenue-neutral. Just look through the evidence. However that is not the way this tax has been sold. In other words, whatever the government did, they did it backwards. They sold it wrong. They used the wrong kind of propaganda. Instead of trying to appeal to Canadians, they antagonized Canadians. Instead of saying to Canadians, "Help us," they left the impression that Canadians of lower income would be gouged.

There are many other ways of getting additional funds, and we discussed those in our report. We did not come to conclusions, any more than did the Canadian Tax Foundation, and I urge honourable senators to read their study which came out two weeks ago on the goods and services tax versus alternate forms of revenue. In that study, the goods and services tax did not rate higher than any of the other methods of taxation. Each of them have their weaknesses. The old manufacturers' sales tax—that much-maligned tax—came in with not such bad marks either.

The fact is that there are many other ways of raising this revenue other than a consumer tax such as the GST, keeping in mind that the provinces are already in this field.

Historically, the provinces have been in the direct consumer tax field, and that is why they are taking the federal government to court. Alberta, British Columbia, and Ontario, are saying "Hey, Mr. Federal Government, you moved in on our tax field." That is just another one of the weaknesses that was apparent to us as a committee.

You are absolutely right, senator. The deficit is a problem, but not in the eyes of the government as they were selling the goods and services tax. That was one of their major fundamental errors.

Honourable senators, I have taken enough of your time. I have literally millions of names on petitions. I think I should get my secretary to write them all out by area, by town, by city, by male or female, and make up a mailing list. Believe me, if any political party could have such a mailing list as I could develop from the names and petitions that have been sent to me from across Canada, they would have a propaganda piece that might even help them win the next election. I have already had a few people say to me, "Perhaps we could get hold of those names." However, I can assure honourable senators that the integrity of the members on this side does not allow that kind of think to happen.

I want to be able, if possible, to present as many as possible of these petitions, and draw to your attention the other kinds of presentations that have been sent in by millions of Canadians. This is why I have risen to speak in opposition to the proposition that we now proceed to Orders of the Day. In my opinion it would be wrong for Canadians; it would be unfair; it would not be in keeping with the spirit of this house, through which Canadians are given the chance to express their views in the form of petitions.

I say to honourable senators opposite, do not be misled into thinking that you might get your goods and services tax legislation through a day or two earlier. It will not happen that easily, even if you win this event, in spite of every impediment you have put in the way of our attempts to represent the views of Canadians. They are demanding that we represent them through these petitions and through the other manifestations of protest that Canadians have indicated to members of the committee and to others across the country.

Hon. R.J. Doyle: Honourable senators, I have to speak briefly to the Order.

I have listened today to the statements of Senator Olson and Senator Buckwold about the great injury that is being done to the poor citizen who, in faith, signed a petition and had it sent here to the Senate, where it has been treated with contempt, or disrespect, or lack of concern. I have heard words like that throughout this week, and one has to, at least, pay a small amount of attention. So, this being Halloween night, I have gone back through time to the 9th day of October, when we last heard petitions in this house, at great length and in great detail. Few words, to speak of, came from this side of the floor. They came in great waves from the senators opposite. In the debate the opposition was its own Atlantic and its own Pacific, but I could not do it justice without repeating just a few familiar quotations. I start with Senator Stewart—Atlantic Stewart—at page 3020:

> Honourable senators, I have here a petition relative to the proposed goods and services tax. The undersigned humbly pray and call upon Parliament to reject the proposed goods and services tax. This petition is signed by many people, one person being from Newellton, Nova Scotia. Newellton is in Shenburne County. If I am not mistaken, the ancestors of Stanley Knowles, sometime an M.P., came from the Newellton area in Shenburne County. His ancestors left there, and he was born in Chicago. That may explain why he carried a strong Republican flavour into his discussion of Canadian constitutional matters. Newellton, Nova Scotia is a fishing community of considerable importance.

That was the last we heard of that poor petitioning taxpayer.

Senator Murray: Stanley Knowles?

Senator Doyle: He was from Newellton.

Senator Murray: It is interesting to see how seriously they take the ancient and honourable petitions.

Senator Doyle: I am still with Senator Stewart.

Senator Murray: Antigonish.

Senator Doyle: At page 3015 of the same volume, it reads:

> **Senator Stewart:** You cannot understand the post-secondary educational structure of Maritime Canada unless you realize that these institutions were founded on a denominational basis. King's College, which originally was at Windsor, Nova Scotia, is the oldest educational institution in the area.
>
> **Senator Gigantès:** Does it have a school of journalism?
>
> **Senator Stewart:** It does now.
>
> **Senator Gigantès:** Is George Bain at that school?
>
> **Senator Stewart:** Yes. I don't know his title, but he was the top person there. He may still be, because I have noticed articles in the Halifax *Chronicle-Herald* by him.

Senator Murray: The right to present petitions; what a farce; what a mockery.

Senator Doyle: Wait. It continues:

[Senator Doyle.]

> **Senator Gigantès:** I believe he has retired to a farm with his dog which, as he says in his articles, has only one testicle.

Senator Murray: Sacred right to present petitions, indeed!

Senator Doyle: It continues:

> **Senator Stewart:** I am in no position to comment.

And that was the last we heard of that petitioning taxpayer.

Further down the same page, ti goes on:

> **Senator Gigantès:** I am sorry, sir. I am an Anglican and how could anything Anglican be offensive?
>
> **Senator Stewart:** There are people who do not have what you regard as your omniscience in matters of religion.

• (2100)

> **Senator Gigantès:** We are going to have discuss this at greater length.

On page 3017 of the same volume, I continue with my friend, Senator Gigantès.

> **Senator Gigantès:** Are there good Chinese restaurants in Antigonish-Guysborough?
>
> **Senator Stewart:** The restaurant in Antigonish is reputed to be the best Chinese restaurant in Nova Scotia.
>
> **Senator Gigantès:** Is it of the Szechuan or Cantonese persuasion?
>
> **Senator Stewart:** I am not in a position to say.

Good old Stewart never goes too far.

Senator Gigantès, a few paragraphs down, says:

> **Senator Gigantès:** Filibuster has something to do with fire ships, self-sacrificing sailors that would put flammable material in their ships, attach it to an enemy ship, set their own ship on fire and try to escape in small boats.

However, Senator Stewart has nothing to say about small boats.

So, honourable senators, you will know that we do sympathize with the poor, unnamed taxpayers who have been sending all these petitions to Senator Buckwold.

On page 3018, Senator Gigantès says:

> **Senator Gigantès:** Senator Alzheimer stocks these halls.
>
> **Senator Stewart:** Is he one of the new senators?
>
> **Senator Gigantès:** I believe there is one on each side.

That is a message to take to the poor, unnamed, forgotten petitioners.

Some Hon. Senators: Hear, hear!

[*Translation*]

Senator Thériault: Honourable senators, I want to thank Senator Doyle for entertaining us and for teaching his leader, Senator Murray, a lesson when he scolded us for wasting the time of the Chamber. I heard nothing new in what Senator

Doyle said. He repeated what had been said before by other senators, but at the time, I don't remember seeing senators opposite laugh when Senators Stewart and Gigantès made those remarks. Apparently, it sounds funnier coming from "the other side," as Senator David said.

I realize, honourable senators, that to a journalist like Senator Doyle, whom I respect, although I know him only by reputation and not personally, it may seem rather funny to see members of Parliament use parliamentary rules to block a bill they don't want and 85 per cent of the Canadian population doesn't want.

Honourable senators, this afternoon, like many of my colleagues on this side, I was treated to a sermon by Her Excellency Chaput-Rolland. She gave us the kind of talking to we used to get from our parish priest, and being docile parishioners, we patiently listened to her sermon.

Honourable senators, there is a motion before us today, a motion that should never have been allowed to come before this Chamber. To get back to Her Excellency Chaput-Rolland, I have this to say in response to her charge that we insulted the eight "British" senators. I am going to tell Her Excellency a thing or two. I don't know all eight senators. I only know a few. For instance, I know my friend, James Ross. He had the good sense to leave Quebec and move to New Brunswick.

Senator David: Why the good sense?

Senator Thériault: Because I think he did a sensible thing. I am entitled to my opinions, Senator David, and I will get to you later, if you will just be patient.

He had the good sense to move to New Brunswick and made a tremendous contribution to that province. He is a person of great distinction, and if the Prime Minister of Canada had decided to appoint him to the Senate in normal circumstances, I would have been the first to applaud that decision.

So when we talk about the eight, we are not talking about them as senators or as persons, but about the way they were appointed, and according to the *Globe and Mail*, which is not overly friendly to the Liberal Party, 77 per cent of Canadians are opposed to this kind of appointment.

We do not object to my friend, Senator Ross, or to someone else whom I know very well and who saved my life, Senator Keon. I don't think you would find a better person than Senator Keon, but I repeat, we object to the way they came here, up the backstairs and sworn in behind closed doors. This was unheard of in the Senate.

Senator Lavoie-Roux I do not know personally, but I am familiar with her record of public service, and at one time I thought she was a real liberal. I thought she was a liberal in her philosophy. She did a tremendous job in her field in Quebec, and we would have had no objection if she had been appointed like you, Senator David. We did not object to the fact that your grandfather was a Liberal senator, your father as well and that you came here as a Conservative senator. We had no objection. That was your business. You were appointed in the normal way.

Senator Cogger: These things happen in the course of a few generations.

Senator Thériault: I will get to you later, Senator Cogger, if you will just be patient.

To finish what I was saying, I may remind Her Excellency that sermons are a thing of the past and that perhaps she should look for another audience. Honourable senators, there is a motion before this Chamber which I feel shouldn't be here at all, because in our parliamentary system we have rules of parliamentary procedure.

I realize that Senator Doyle, Senator David and other senators may think this is rather boring. In any case, some of us have been exposed to this system for many years. I said it before and I say it again, I had to put up with this kind of systematic obstruction we call a filibuster, and perhaps Senator Murray would care to let Senator Hatfield refresh his memory.

For 29 consecutive days I stood on the floor of the Legislative Assembly which operates according to the same system we have here. I had to wait 29 days for the opposition's leave to table a bill 29 days of systematic obstruction. Senator Murray, just ask your friend Senator Hatfield and he will tell you all about it.

And if Senator Murray and Senator Doyle think what Senator Gigantès and Senator Stewart said in this Chamber was funny, they should take a look at the New Brunswick Hansard for the years 1966 and 1967, and they would see Conservatives, yes Conservatives, reading phone books or the Bible from cover to cover.

I heard the Bible read in a parliamentary assembly before I came here. We had legislation that was to come into force on January 1, 1966, and we were unable to implement it until January 1, 1967, because under our parliamentary system the opposition had certain rights. We, as the government, as Liberals, respected the right of the opposition to argue the points they had to make in Parliament, and honourable senators, and . . .

• (2110)

[*English*]

I was not here last night, but I heard Senator Doody introduce his motion over the system. I asked myself, what is happening to this great country?

Senator Doyle: Then you looked in the mirror!

Senator Thériault: I am sorry, I did not hear you.

Senator Doyle: Then you looked in the mirror.

Senator Thériault: I would like to know what you said, but I cannot understand you. Would you send me a note, please?

Senator Doyle: I will do that.

Senator Thériault: I heard the deputy leader of the government interrupt the reading of petitions by one of my colleagues.

Senator Cogger: Isn't it terrible; he was trying to get on with the business.

Senator Stanbury: Petitions are business!

Senator Thériault: I asked myself, what is happening to this country? I wish that Senator Murray would leave this house in the hands of Senator Doody for three weeks. Senator Doody understands Parliament. He was ordered last night to try and put in a motion, but you could tell that his heart was not in it. He knows about Parliament. I suggest that Senator Murray forget what he is told by Harvey Andre and come to his senses. I suggest that he spend a couple of days or a week travelling around this country, listening and talking to people. If he did that, because he is an intelligent person, he would not allow this kind of dictatorship to happen in this Parliament. Senator David calls it—

[*Translation*]

Senator David is talking about "our side". What side are you on in this GST business? You are on the side of the big companies, the side of the rich. I am asking Senator Castonguay whether, when he was a Quebec Cabinet Minister, he thought about imposing a tax on goods and services. Did he recommend that the Quebec government put such a tax into place?

Senator Castonguay: Can I answer this question? When I was a Cabinet Minister in Quebec, we managed the province better than the federal Liberals have ever done in the 15 years before the Tories came to power. That is why we did not have to think about collecting a GST.

Senator Thériault: You said you managed the province better than the Liberals ever did. Weren't you a Liberal government?

Senator Castonguay: I can give you more details if you want. While in power we balanced our current operating budget without building up a deficit whereas you, federal Liberals, plunged Canada into a series of deficits which created the problems now forcing us to take these measures. That is what happened.

Senator Thériault: Honourable senators, can you see what happens when somebody like Senator Castonguay goes from serving the public as a Cabinet Minister to becoming a millionaire who manages big companies? His thinking changes.

Senator Castonguay: It seems the senator cannot see a difference between managing company assets and managing his own personal assets. The senator tells me I am a millionaire. If I compared my finances to his, we probably would not see much difference.

Senator Thériault: Honourable senators, I thought my comments would make him happy. If he is not a millionaire, then he speaks for them. His managing millions of dollars changed his political philosophy. Since then—

Senator Cogger: May I ask a question? Did you clear your speech with your own colleague Senator Kolber? What is this talking to members of our party as if it were the only one with company directors and businessmen? We have representation from the whole Canadian community—

Congratulations, Senator Stanbury, I had no idea you sit on the board of a number of companies. Congratulations and all the more power to you! Senator Kolber, the last time I looked I did not think he was president of the Salvation Army!

Senator Thériault: Honourable senators, I am grateful to my colleague Cogger for his intervention because I will be speaking until midnight. He gave me a chance to catch my breath and gather my thoughts. I have more to say about the remarks made by Senator Castonguay when he was a minister in Quebec. Senator Castonguay, let me remind you that when you were a Quebec Cabinet minister I was also a minister in New Brunswick. We did not have a deficit either, and in Ottawa the Liberals did not have a deficit, well, practically none—

Hon. Senators: Oh, oh!

Senator Thériault: All I am saying is that you should think about it, you have the right to change your approach, but if you did not why is it that only 15 per cent of the people agree with you?

Senator Castonguay: May I ask a question? You seem to think that companies are an extremely harmful component of our society, but can you tell me who else besides companies creates jobs in Canada?

Senator Thériault: Would you mind repeating?

Senator Castonguay: The way you speak you seem to think that companies are a harmful component of our society. I notice an extremely negative approach when you and your colleagues referred to major company directors this afternoon. Who creates jobs in Canada if not companies? What is the point of running them down as you always do? Did you ever work for a company? Do you know the ethical standards of people who work for companies? I can assure you they measure very well against those of members of your political party.

• (2120)

Honourable senators, that is the kind of argument you get from people who don't know what to say. None of us said that corporations were bad for the country. I did not hear any of my colleagues say that this afternoon or last week, for that matter. Some of us are in business, in the private sector, granted but where we apparently disagree, Senator Castonguay, is that we believe it is not up to business to run the government. That is the difference.

We support private enterprise, Senator Castonguay, and I suggest that you and your colleagues remember what happened from 1929 to 1935, when private enterprise had a free rein.

We were in the biggest depression we ever had, and you know, with the Thatchers, Reagans and Mulroneys, we could easily get involved in the same kind of situation again, because you are destroying the safety nets that protected people who needed that kind of protection, the kind of systems that did not exist under the Conservatives from 1930 to 1935 and which

you want to destroy with the legislation you are proposing and supporting in this Parliament.

That is the difference, and we have nothing against private enterprise. If Senator Cogger wants to support the GST, that is typical of his kind. It is typical of his kind of philosophy and his way of life. It is normal for people who are intent on preventing the rich and big corporations from paying their fair share of taxes. And they want to do this with the GST, if we fail to block it. I hope that my colleagues and I, with the 85 per cent support we have across Canada, will be able to block the GST with the parliamentary means at our disposal.

Senator Lavoie-Roux: Would Senator Thériault entertain a question?

Senator Thériault: Certainly.

Senator Lavoie-Roux: You accused the present government of making cuts in social programs. I realize there may have been developments you might not have noticed since you were appointed to the Senate, and I don't know how many years ago that was, but do you realize that the first cuts in social programs, in transfer payments for education and health programs, were made by the Liberal government under Mr. Trudeau?

Senator Thériault: Honourable senators, I knew there were still a few Quebecers who were haunted by the memory of the most intelligent Prime Minister we ever had, the most respected government leader in the world. I knew they would bring up his name, and I will answer your question.

Do you know that—I do not deny everything you said, but I would like to tell you a story about this, because I was a member of a provincial government, the government of a small province, and when the federal government, I don't know whether it was Liberal or Conservative, changed the system of transfer payments to the provinces, do you know who wanted those changes?

You know perfectly well it was Quebec and Ontario that wanted those changes. You wanted them to ovehaul the system because until then, we paid 50 per cent of the cost, and when Quebec and Ontario agree, what Liberal or Conservative government is going to resist the pressure?

They have the seats, and they finance the parties!

Senator Lavoie-Roux: Would the senator entertain a supplementary?

Senator Thériault: Certainly.

Senator Lavoie-Roux: I think the senator's statement is inaccurate, unless he can provide evidence to the contrary. Quebec never—I cannot speak for Ontario—Quebec never asked for a reduction in transfer payments for health insurance or education. The decision was made by the Liberal government at the time.

Senator Thériault: I believe there were cuts. I don't remember but I know I didn't agree with them, and this was at the time of the 5 and 6 policy.

Senator Tremblay: 1972, 1974.

Senator Thériault: It was when they changed the system of transfer payments, and it was changed at the request of Ontario and Quebec. I don't think you were there at the time, even in 1970 or 1971, and they changed the system from what it was before, when we paid 50 per cent of the cost of health insurance. I know what I am talking about, because I was Minister of Health and Social Affairs in my province at the time.

They changed the procedure for financing these programs, under which we paid 50 per cent of the cost, and switched to block funding. I am not sure what block funding is in French but it was accepted at the specific request of Quebec and Ontario.

Senator Castonguay: I would like to make another point clear, honorable senator. The change in formula did not mean imposing a ceiling like the Liberals did a few years later. These things are totally unrelated.

Senator Thériault: It is for provinces like yours, because you had what you wanted. It made no difference for us, because, until then, we had been paying 50 percent of the national costs of the programs. A greater part of the national funds went to the poorer provinces in the East and the West. You too were getting funds, but with people already thinking about sovereignty association in those days and wanting to manage the whole program, the Liberal government finally gave in and tried to please Ontario and Quebec at the expense of poorer provinces.

That is true and I am not proud of it. When the Liberal Party government does things which I feel harm the people who need the government's help, I expose them. I do not care who does the harm, because I have integrity. I am not here for a one-time command performance, unlike some of you.

Senator Cogger: Nothing is keeping you from resigning!

Senator Thériault: It is obvious . . .

Senator Cogger: Please, Senator Thériault, if I may.

Senator Grimard: May I? Don't you think that it is insulting to assign motive to say they came here for a single purpose? Frankly—

Senator LeBlanc: What were they appointed for then?

Senator Cogger: Senator Thériault, I am listening to you because I have to like all our colleagues and I think that you are going too far. You are indulging in personalities. May I remind you that under Standing Order 38 all personal speeches are forbidden.

Senator Thériault: My apologies. On the personal level, I am filled with nothing but admiration for these people. I am concerned about their work as senators, and if Senator Cogger cannot understand that, I am sorry for him. That is all I can say. He is pretty narrow-minded.

Senator Cogger: You are making personalities again.

Senator Thériault: I am not. I am simply telling you that you are narrow-minded if you think that way.

Senator Cogger: I will accept your apologies just the same.

Senator Thériault: Honourable senators, it is a pleasure to hear the comments of my French-speaking colleagues from Quebec. I lived in Quebec for part of my life, you know. I attended the Petit Séminaire in Rimouski and I have many relatives in Quebec. Like many others, I have no problems, no politicial problems that is.

• (2130)

I have no political differences with Senator Cogger, either as a Conservative senator, or with Senator Bolduc, Senator Poitras, Senator Beaulieu, and those with conservative roots. I have no problem with them.

Where I have political, not personal, differences, it is with senator Lavoie-Roux, Senator Beaudoin, Senator David and Senator Castonguay. I have problems with them.

Senator David: Listen, Senator, I should like to know what differences you may have with me. It is true that my father was a Liberal, and his father before him, but I have never been involved with a political party. I have no political stripe, and I felt the Prime Minister of Canada was doing me a great honour calling me on the phone and asking me whether I would accept to be a senator. From childhood memories, I thought that the Senate was a chamber of sober second thought where people behaved with extreme rectitude and dealt with each other in a very civilized and understanding manner.

Having kept this notion from my younger years, I told myself: "Why not continue a tradition?" Whatever its origin, whether conservative of liberal, I was delighted with this appointment and today I realize that I feel much better among Conservative senators that I would among you.

Senator Thériault: If I may, honourable senators, I should like to reply to Senator David. We feel much better with you sitting in the Conservative caucus than with us. There is no problem there. But I will tell you this: If you had no political stripe, I understand that the Prime Minister was doing you an honour by inviting you on the phone to sit in the Senate. He probably did call also Senator Roblin, Senator Molson, and other independant senators here.

Senator David: It is not the same.

Senator Thériault: What do you think would have happened if you had told the Prime Minister: "Yes, but you certainly realize that because my family had always voted liberal, my grand-father had been a Liberal senator, my father had been a Liberal senator, I should like to sit as an independent—" If you had no political stripe, did you ask to sit as an independent?

Senator David: I do not have to tell you the conversation I had with the Prime Minister no more than you have to tell me the one you had when you were appointed senator.

Senator Thériault: I just cannot understand why all Quebecers hate Prime Minister Trudeau, the greatest Prime Minister Canada has ever known. Is it jealousy? Is it envy?

I say that the last one you got from Quebec will never be as great as Trudeau. In fact, nobody will ever compare with him. I can tell you that even Prime Minister Trudeau whom you love to hate appointed Conservative senators, Senators Muir, Roblin and Marshall. The Senate is full of Conservatives whom Trudeau appointed here.

Show me one Liberal or an independent ever appointed from your side.

Senator Cogger: Senator Castonguay, Senator Lavoie-Roux.

Senator Thériault: You sit as an independent, but I can see that you are in favour of the GST as well as the cuts in old age security pension benefits. I see that you are also in favour of the cuts in family allowances. You are in favour of the cuts to such universal social programs as the old age security pension. You are defending these policies which are certainly not NDP or Liberal policies.

Senator Bolduc: As to the old age security pension, tell Canadians that it is the senators' pensions that are being cut. They would certainly not shed a tear over that.

Senator Thériault: Beg your pardon?

Senator Bolduc: Do not stop in mid sentence, senator, tell people we are cutting the old-age security pension of those who are well-off: senators and others like them. Nobody will weep over it.

Senator Thériault: Those cuts are being made by the same Prime Minister who swore on his mother's head that old-age pensions would never be affected. Senator Bolduc, the level of $50,000 at which pensions are cut is not indexed. It will be $45,000 next year, $40,000 the following year and one day, the old-age security system as we have known it will have completely disappeared.

God willing, another government, either Liberal of New Democrat, will correct the situation because your stay in office will not be long enough for you to exact from people the price you want them to pay. You are not straightforward enough to say you are destroying the universality system. No, cheques are sent but the money is clawed back some other way. You know what? You could have saved money by eliminating cheques. Cut them off. The case of senators is not important, but there are others who earn $50,000 or more.

Every person here probably has people in his family who earn over $50,000. They benefitted from family allowances, Why would the Government of Quebec give up to $2,000 or $3,000 for a second or third child? I do not know all the details of that program we read about in the newspapers. Senator Lavoie-Roux probably had something to do about that. Is that amount paid only to the poor or for all children?

• (2140)

Be reasonable, you are about to destroy everything!

Senator Castonguay: May I ask another question, Senator Thériault? Did you ever hear of the principle of spending according to what you can pay, and not only according to what you need? Did you ever hear about budgeting according to what you can pay, not just according to what you want to buy? Unfortunately, that is what your government did until 1984,

and that is what put Canada in the situation we have today. You saw the needs but you never thought about the cost.

Senator Thériault: Honourable senators, I am familiar with the concept, and in fact I was exposed to all this in the provincial government, at the Treasury Board, although that is not what it was called in our province. The federal Liberal government, until the recession in 1981 or 1982, had no problem with the deficit. The government at the time was more concerned about the well-being of Canadians than the well-being of large corporations and billionaires. There was a deficit.

Senator Castonguay: Who created that deficit?

Senator Thériault: What will happen today if we have a recession? What is your Conservative Government going to do?

Senator Lynch-Staunton: Answer the question.

Senator Thériault: Senator Castonguay, you know that when there is an economic recession, the government should help those who need it. In Canada, we can't, because since 1984, you have been spending all the government's revenue. You said we had the greatest economic boom we ever had in this country, but you doubled this country's debt since 1984. How did do you do that? By giving billions and billions of dollars worth of grants to big corporations. That is what you did.

Senator Castonguay: Senator Thériault, do you know why it is so difficult to respond to your comments. Because all the false information you give us makes it very confusing!

Senator Lynch-Staunton: That's true!

Senator Thériault: Honourable senators, I want to say one thing. I do not claim to be a paragon of truth, but what I say, I say in good faith, and I say it on behalf of the people I represent. You speak for those you represent, the fifteen per cent who want the GST, according to what you say. I am not giving you any misleading information. I can put my figures right up there with yours.

Senator Beaulieu: Billions and billions and billions!

Senator Thériault: Yes, billions of dollars that were handed out again, not long ago.

Senator Beaulieu: Billions and billions and billions!

Senator Thériault: Billions and hundreds of millions wasted in the biggest economic boom we are supposed to have had in this country. To you, billions and billions don't mean a thing. At the time, C.D. Howe said: what's in a million? You may not say so, but your whole attitude is: what's in a billion! It shows in what you do and how you operate, which suits the people who take advantage of the situation. And Senator Castonguay, don't accuse me of misinformation.

Senator Castonguay: Which party was in power during the recession in 1981 and 1982? Wasn't it the Liberals? From 1984 to 1990, we experienced the most impressive period of economic growth Canada had since the end of the war. Who was in power? It was the Conservative Government.

Senator Thériault: Who was in power from 1984 to 1990?

Senator Castonguay: It was a Conservative government and we experienced the greatest economic expansion over.

Senator Thériault: So what are you going to do to reduce the deficit?

Senator Castonguay: Check the public accounts and you will see that you were not even able to balance the current expenses budget. Between 1984 and 1990 the government recorded ever larger surpluses in terms of current expenses. Were it not for servicing the debt the government would have surpluses in the current revenue account.

Senator Thériault: Honourable senators, when indebtness doubles, so do interest charges. That is what happened.

Senator Castonguay: And, Senator Thériault, that is precisely the inheritance you left us with!

Senator Thériault: The inheritance left by the Liberal government was a $200 billion national debt. After six years of unprecedented economic boom, how much is the national debt now?

Senator Castonguay: If you left a debt of $200 billion, Senator Thériault, compound interest makes it twice as much. That is what happened.

Senator Thériault: So the interest on $200 billion is the same as the interest on $400 billion. It is as if I were to buy a house worth $1 million and could meet the morthgage payments if it were not for the interest. I could make payments to repay the capital if I did not have to pay interests. That is what you are telling me.

Who believes you anyway? Nobody except for the 15 per cent of Canadians who welcome the GST and the 17 companies that bought the 1988 election to get free trade. Who else believes you? Nobody.

Senator Castonguay: One last question, Senator Thériault. Were you ever a member of the Social Credit? Were you ever a member of the Social Credit in the past?

Senator Thériault: I am not like you, Senator Castonguay. I have always been a member of the Liberal Party, which is more than you can say. That is the difference.

When we have comments which elicit responses it indicates we have hit a sensitive spot. I feel somewhat lucky to have touched on the sensitivities of our Quebec colleagues. Now I will try to do the same thing with respect ro my English-speaking colleagues.

Senator Poitras: It is all very good, you may continue.

Senator Thériault: You are a gentleman, Senator Poitras. You want me to go on? I had the pleasure of travelling with Senator Poitras, a true-blue Conservative. I have a lot of respect for true-blue Conservatives like Senator Robertson and Senator Poitras. They are, my friends and I respect them.

They are real Conservatives. And so is Senator DeWare for whom I have a lot of respect as well.

Senator LeBlanc (Beauséjour): They are not half-hearted Tories.

Senator Thériault: No, they are real Tories. It is something I admire. Like my friend Senator Comeau, who is a true Tory. I am happy to see him in the Senate because he is a true Tory. It is a pleasure to see politically honest people.

Senator Castonguay: Senator Thériault, what do you mean by that? That the others are not politically honest? I am a Liberal at the provincial level. Far from being ashamed of it, I am proud to be a member of the Quebec Liberal Party. But do not ask me to join your party which has never understood Quebec. You were wondering why Quebeckers do not like Mr. Trudeau. It is because he has never understood Quebec.

Senator Thériault: Honourable senators, it is a pity to hear people we thought interesting and intelligent say that Mr. Trudeau has never understood Quebec.

Some Hon. Senators: But it is the truth.

Senator Thériault: Then can you explain to me why he swept Quebec in every election? Where were you? Were you fighting against him then? Where were you all? I was going to say something I am not supposed to say here—

Senator Lynch-Staunton: Go ahead, we understand!

Senator Thériault: You are saying that Trudeau has never understood Quebec. He never understood people who exaggerate. He never understood Duplessis, right? But Quebeckers understood him because every time he ran in an election there, he won by a landslide. Where were you, Senator Castonguay?

Senator Castonguay: I was in Quebec and I saw everything that happened. You were not. I heard Trudeau make one promise after another, until the day before the referendum when he promised a renewed federalism. And, the day after the referendum, after Quebeckers said yes to federalism, he turned his back on them. He repatriated the Constitution leaving Quebec out in the cold. That is why Quebeckers understand today that Trudeay had been misleading them throughout his mandate.

Some Hon. Members: Hear, hear.

Senator Thériault: We are going to hear the history of Quebec and Canada as seen by Castonguay. It all started in 1984, right?

Senator Castonguay: Long before that. It started in 1960 in Ottawa with Trudeau who eventully replaced Prime Minister Pearson, a man who really understood Canada and Quebec. He was the last of your Prime Ministers to understand Quebec.

Senator Thériault: I am still surprised, Senator, for I told you earlier that I had spent part of my life in Quebec. There, I only met Quebecers who were disappointed, washed up Tories who never had a word of praise either for Sir Wilfrid Laurier or Louis St-Laurent, Quebecers themselves. Not a word. How is it that Prime Minister Mulroney, the so-called Quebec "idol" has only 16 per cent support in Quebec? Why only 16 per cent in Quebec—

An Hon. Member: The last election—

Senator Thériault: You bought the last election with millions of dollars!

Senator Beaulieu: Senator, what was the result of the last election? You lost it as you are going to lose the next one. Wake up!

Senator Thériault: Neither you nor I will lose the next election. That is the reason you found shelter here. How long ago were you elected in Quebec?

Senator Beaulieu: I was elected in Quebec in 1968.

Senator Thériault: What percentage of votes did the Conservative Party received in the Southshore riding where Edmunston was elected? In Laurier-Ste-Marie, what percentage of the votes did you get? Can you answer me?

Senator Beaulieu: You may continue to win by-elections but we will win the general election. Go on, amuse yourself with by-elections! We are going to win the next election the way we won the last. Face the truth and stop making all these stupid remarks which are just a bunch of lies. At least, use a civilized language.

Senator Thériault: Honourable senators, I do not know one Canadian or Quebecer who would have any remorse over lying because the current government is lying so much that only 15 per cent of the people believe what it is saying. I asked you a question, as well as Senator Castonguay and Senator Lavoie-Roux. What percentage of the votes did the Conservative candidate get in Laurier-Ste-Marie? What percentage? Two, three per cent?

Senator Beaulieu: Let me tell you that the Liberal member who won in the general election lost that riding in a stupid fashion.

Senator Thériault: I don't think we lost it. Were you there, were you involved in the election? What percentage did you get? Answer me!

Senator LeBlanc: 4.8 per cent.

Senator Thériault: 4.8 per cent! That is a lot and the "Trudeau" legacy is so terrible. The Liberal candidate did not win, but he got 30 per cent, which is a little more than 4 per cent. True or false? True or false? True or false, Senator Beaulieu?

Senator Castonguay: If Quebecers understand you so well, how do you explain that you have only two French-speaking members out of 75?

Senator Thériault: The way you explain that Trudeau got 74 or 75. The same way, yes it is true.

Senator David: I understand.

• (2150)

[*English*]

Senator Thériault: Let us come back to the terrible attempt of this government. When I think of my friend, a real true blue

conservative, who respects parliament, doing his duty, trying to put a motion through last night that would deny the reading of petitions, I am appalled.

I happened to be at a meeting on Saturday in my province, and people were telling me how desperate they were for their opposition to this tax to be heard. Never before have I asked anyone to give me a petition, but I told them that the way in which the people of Canada, a hundred years down the road, will be able to know that they are opposed to the GST is if they give me some petitions, because I thought we were still living in a parliamentary system. I said to them "Can you send me some petitions, and I will read them out and your names will be there forever, showing that you are against this tax." As a matter of fact, there were native people there, there were all kinds of people, and they said "Great." I have been receiving them ever since, and I have to call them now and tell them, "I am sorry, the democracy does not exist anymore in Canada. The Parliament in Canada has been taken over by a guy whose name is Lowell Murray in the Senate of Canada, under strict orders from his chief in the other place to stop—

Senator Doody: Who?

Senator Thériault: —Liberals from reading petitions.

Senator Doody: Who?

Senator Thériault: One or the other, I don't know.

We are faced with a motion, but that is only half of the story. The other half of the story is that that motion has been ruled in order by a speaker who has lost the respect of every one of the senators on this side, and I am sure if all those people wanted to be honest, they would say the same.

Senator Austin: Exactly.

Senator Thériault: The lack respect for the rules, for the parliamentary system, for the opposition, for the minority, and for everyone but the fifteen per cent of the well-to-do that they represent over there. Therefore when I hear Senator David talking about "Our side", I say to myself, "Welcome to your side; Welcome to your fifteen per cent." In New Brunswick, I think it is less than that; I think it is 11 per cent.

Senator Stanbury: It is seven per cent in Alberta.

Senator Thériault: Eleven per cent in New Brunswick, seven per cent in Alberta. In Beauséjour, four per cent—there is no Tory candidate there. And in Castonguay, a french author, speaking, writing, four per cent.

You want the GST, and I understand that. You want that, no problem, provided you respect the rules and provided you understand that it is our job to oppose it. We are determined to use every line and every rule in the book—

An. Hon. Senator: What book?

Senator Thériault: —to stop that tax.

Ex-Premier Hatfield in New Brunswick prevented us from putting a program in place for a year. He was wrong in doing that. But if we prevented this tax for a year, Canadians would kiss our feet. If we prevented this tax for a year, Canadians would be so happy. I am sure you could join a party from Halifax to Victoria.

Senator Doody: From St-John's?

An. Hon. Senator: To Whitehorse.

Senator Thériault: You know, there is a guy who is in touch with his people. There is a guy who is in touch with his people, because he knows that that party started in St-John's.

Senator Austin: An honest senator.

Senator Thériault: I said earlier when he wasn't here—and I want to repeat it now that he is here—if Senator Murray would only vamoose for three or four weeks, and let Senator Doody would take over, we would have a very interesting parliamentary debate.

Senator Doody: Duty calls.

Senator Thériault: We could sit regular hours from ten o'clock in the morning until ten o'clock at night. As Mulroney has said, those of us people who are over seventy could go to bed with our milk and cookies, as Mulroney says you should do when you are seventy-one—

An. Hon. Senator: Take a scotch.

Senator Thériault: I would take a scotch. But all of you are over seventy-one on that side. You should listen to what he says. When you are over seventy-one, you should go to bed with your cookies and a glass of milk. So if there was decency in the leadership of this place, we would sit decent hours, we would have respectable debate, we would hear one another, and we would kill that tax.

[*Translation*]

Senator Cogger: I simply wish to call your attention to the presence of 50 percent of the French-speaking Liberal members of Parliament from Quebec and to bid them welcome. Fifty percent, that is very good.

Senator Thériault: Honourable senators, I wish I could bid welcome to the 4 percent who voted for the Tories in Sainte-Marie. We could have them in this gallery and have those who voted in the other gallery. That way, you would have as much support as you presently have in Quebec. I too am happy to welcome my friend Mr. Prud'homme, because he is a true Quebecer and a true Canadian too. He always spoke his mind. I respect people like him. That is what you find in the Liberal Party, people like him, not a bunch of sheep like we can find here.

Senator Cogger: May I make another comment, Senator Thériault? You are questioning intellectual probity, qualifications and so on of the senators on this side. First, answer this question if you please. Are you and your leader still on speaking terms? It is hard to believe. After all the bad things you said about Mr. Chrétien in Calgary as a Martin supporter! Are you sure you are on the right side?

Senator Thériault: Honourable senators, I have no problem answering that. It is true that I supported Mr. Martin. I did so honestly and openly. I did not slash the leader's throat. That is

what you did to Joe Clark when he was Prime Minister. I did not go behind my leader's back to collect funds and slash his throat. I was openly supporting Paul Martin.

What happened at the convention? The Liberal delegates elected Chrétien. So, he is now my leader. I will back him up to see him become Prime Minister of Canada. It is as simple as that.

I can tell you one thing, honourable senators. Whether the next Liberal Prime minister of my country is called Chrétien, Turner, Martin or Copps, if he or she tries to play some of your tricks you played I will be the first one to rise and speak against such action if I am still in Parliament. Honourable senators, just take a look at the difference between the two sides.

There is Senator Kolber, who is apparently for the GST. He is a Liberal. Senator Everett, a Liberal independant, and Senator Pitfield, appointed by Mr. Trudeau, are also for it. To think that Mr. Trudeau was accused of being lead by Mr. Pitfield. Why can we not find a Tory or a party-Tory.

• (2200)

[*English*]

Why is it that we cannot find one man or woman out of 54 who agrees with 85 per cent of the people? What did you give up when you agreed to be Tory senators? Have you given up your independence? Have you given up freedom of thought? Have you given up the freedom to express what you think? Is it possible that you would find 54 people in one group in any Parliament of the world who would think the same way all of a sudden?

Senator Lynch-Staunton: Let us debate the bill and we will find out.

Senator Thériault: That is interesting. Do you intend to vote against it?

Senator Lynch-Staunton: No. We will discuss it and we will find out.

Senator Thériault: Not one out of 54. In the other place, there were a couple of people who stood up. It is true they were kicked out of the caucus, but so what. They were keeping faith with their honour. They were against the GST and they were kicked out of the caucus.

Senator Lynch-Staunton: Are all your people for it?

Senator Thériault: No, we heard from Senator Everett, Senator Kolber, and Senator Pitfield. On this side we have a group of people who stand on their feet. We are with 85 per cent of the people of Canada.

Senator Simard: Follow the crowd, Norbert. Don't leave the crowd. Follow the crowd.

Senator Thériault: Senator Austin, do you not think there is ample reason for you, as a British Columbian, to oppose the GST when you go home and hear what people have to say?

Senator Austin: Senator Thériault, thank you for asking me. As I sit in this chamber, the legislature of the province of British Columbia has unanimously resolved to oppose the GST.

Senator Thériault: Is that a Liberal legislature?

Senator Austin: No, it is a Social Credit and NDP legislature. Regrettably, there is not a single Liberal in that legislature.

Many towns and municipalities in the province of British Columbia have passed resolutions, and when I get the opportunity to present those resolutions, I will do so. I have been stopped on the street by people who recognize me and who say, "Keep up the good the work. Oppose the GST. Don't let those—expletive deleted—push the GST down the throats of Canadians." Honourable Senators, I have answered Senator Thériault's question. I do not want to spoil my turn at the debate.

Senator Thériault: Senator Austin, I could repeat those words verbatim. For once the people of British Columbia and the people of my province are on the same wavelength. Last weekend in my area, I thought I was back in provincial politics. For the last ten years people have not bothered me. I am in the Senate, and they thought I was on the shelf. I had peace and quiet. All of a sudden I cannot go out my door; I cannot go to a party; I cannot go to a meeting; I cannot go anywhere.

Senator Doody: He is a social leper.

Senator Thériault: If I were to go to Senator Simard's area I would be afraid I would be mobbed. They say to me, "Why don't you pound some sense into that fellow's head"?

Senator Austin: Why don't you give them Senator Simard's phone number?

Senator Thériault: I have been on the popular side of politics for a long time. I have won seven consecutive provincial elections.

Senator Simard: So what?

Senator Thériault: I have won seven provincial elections and four or five municipal elections. Now all of a sudden I have people surrounding me saying, "Norbert, keep up the good work." If I am prevented from reading petitions, nothing will prevent me from reading some of the letters that I have received. I believe I have enough for three weeks.

Senator Simard: May I ask you a question, Senator Thériault?

Senator Thériault: Yes.

Senator Simard: Have you been to Beauséjour lately?

Senator Thériault: Yes, I have.

Senator Simard: Did you repeat those statements that you made in Calgary? I want to hear them myself. You told them that Mr. Chrétien did not have the intelligence to be the leader of your party, let alone Prime Minister of Canada. I am keeping an eye on Beauséjour and I know what you are doing when you go there. You repeat the same Liberal story.

[*Translation*]

Liberal today, Liberal tomorrow, that will not always work.

An Hon. Senator: It worked for 17 years in New Brunswick.

Senator Simard: I do not want to lose my right to speak either. Did you repeat the famous statements you made in Calgary?

[*English*]

Senator Deware: Senator Thériault, I arrived at the New Brunswick Legislature at about the time you were appointed to the Senate. I was there when Senator Richard Hatfield and other people on our side of the house sang your praises for the wonderful job you did for our province.

• (2210)

So you left when I was just beginning, but I always had a lot of respect about how others felt for you. I am not sure that I still agree with that respect tonight. I have heard the honourable senator make some accusations tonight, and I did not think that that was the kind of thing that went on in the Senate.

Senator Stanbury: It never used to!

Senator Deware: Everyone here was appointed, whether fifty years ago, forty years ago, five years ago or two months ago. Were you not all honoured to be appointed to the Senate? Were you not honoured when the Prime Minister appointed you to the Senate? I was honoured.

Senator Thériault knows how hard we debate here and how hard we debated in the legislature. We always had respect for each other, for the legislature and for the Speaker.

Some Hon. Senators: Here, here!

Senator Deware: We have been talking about petitions.

Senator Austin: Question.

Senator Doody: Let her speak.

Senator Deware: I have not spoken in this house. I have listened to honourable senators opposite for hours.

An Hon. Senator: Sit down!

Senator Deware: Give me just one minute. I am talking about the presentation of petitions. I have sat here and listened to the presentation of petitions. I have heard about dinosaurs, Greek mythology and a lot of things that do not involve petitions. If honourable senators opposite had presented their petitions as they were supposed to present them, they would all have been presented, every one of them, by today.

Senator Doody: Answer the question.

Senator Thériault: Honourable senators, I do not know whom to answer first.

Senator Simard: I was first.

[*Translation*]

Senator Thériault: I was in the riding of Beauséjour with Mr. Chrétien the other day, I will be there on election day and I know he will win. You do not have the courage to field a candidate. Does that answer your question?

[*English*]

Let me answer Senator Deware now. I read your article in the *Moncton Times* of Monday. I have always had respect for you too. Whatever I said in the legislature, it was never said on a personal basis. I do not think that you can point out to me tonight where I said anything that affected anyone personally. Personalities do not enter into the operations of a legislature, whether it be federal, provincial or municipal.

When I debate a cause that I believe in, I debate very strongly. I have not debated very much in this house. However, it is my right to debate strongly. I was like that 40 years ago when I was warden of my county, and I have not changed. I stand for things.

In any event, I read the honourable senator's article. For the first time in my 40 years in public life, I was tempted—and I think I will—to write a letter to a newspaper. All through my political life I have let the journalists do their job, and it did not matter whether they attacked me or did not attack me. However, the honourable senator's article, I am sorry to say, was full of falsehoods, and I think that I should answer it.

Senator Deware: That is your right.

Senator Thériault: I do not know what happened in the legislature, because, as I said, I was only there for four or five months after the honourable senator came. It was a short time. Does the honourable senator recall in her eight or nine years in the legislature the Speaker throwing out the rule book and making decisions on orders from the Leader of the Government?

Senator Simard: That is not true!

Senator Austin: Of course it is true.

Senator Thériault: Do you recall Premier Hatfield ordering the Speaker to make a decision that went against the rules? That is what happened here. Even Senator Simard in his best days—

Senator LeBlanc: Or his worst days!

Senator Thériault: —did not try to give orders to the Speaker. That is what happened here. That is what your leadership has done to this place. It is not personal, but I believe that your leader lacks knowledge of how Parliament works. I recall, when they started trying to prevent us from making our point, telling them across the floor that it would never work; and I tell you it will never work. The sooner some of you understand that, the better off this country will be and perhaps the better off your party will be.

Senator Doody: Are you crossing the floor? Is that your first tentative step?

Senator Deware: At the beginning of October we saw the respect you people held for the Speaker. Your leader said on television tonight that he had not heard from the new members on the GST. I have a speech ready to give that outlines my points of view, but we have not had an opportunity to debate.

If you would let us debate, we would tell you how we feel about the GST, everyone of us. Get to the bill.

Senator Thériault: I will tell you something, and you can ask Senators Hatfield and Simard, or any one who has spent time in the legislature with me to verify it; I have never been known to follow a text. However, the GST is important. So I have a text that I have prepared, and it is 102 pages long. I have not touched it.

Senator Doody: God, what a threat!

Senator Thériault: However, tonight we are not talking about the GST; we are talking about parliamentary democracy, about our rights as parliamentarians. We are trying to tell you that, for the first time in British parliamentary history, an Opposition has been denied its right to vote.

Senator Beaulieu: You are afraid to vote!

Senator Thériault: I can tell you what would happen if we were in Quebec. There would be riots in the streets.

Senator Deware: Your Whip whipped you that night.

Senator Thériault: I do not know whether your Whip whips you, but my Whip does not whip me. I never received a call from my Whip. Even if I had received a call, that would not give the Speaker the right or the authority to take the decision he did, because doing what he did is not permitted under the rules. All my life, I have believed in my municipal council, in the provincial legislature and in the Parliament of Canada. I have believed that Parliament does not work unless you follow the rules.

Senator Lynch-Staunton: Order in the court!

Senator Thériault: We have been trying to get through your thick skulls that you will not succeed in bulldozing your way through Parliament. I for one will not stand for it. The people I represent will not allow me to stand for it, and my colleagues will not stand for it. I suggest that you talk some sense into Senator Murray or that you send him off into the clouds for three or four weeks. Let Senator Atkins or Senator Doody take over, someone who knows something about parliamentary politics. Then we will have a really good debate.

I give notice right now that I have three or four points of privilege that I want to raise in the next few days, because I believe that my privileges have been abused many times. I give notice now that I will raise those points of privilege. I can tell honourable senators opposite that if God spares me my health, I shall stand on my feet and as long as parliamentary rules are followed, I shall fight the GST until the end.

BUSINESS OF THE SENATE

MOTION TO CALL ORDERS OF THE DAY—DEDATE RESUMED

Hon. Jerahmiel S. Grafstein: Honourable senators, I rise to speak on the motion.

Senator Simard: Are you going to read all those books there?

Senator Austin: Absolutely, every word.

[Senator Deware.]

Senator Grafstein: Honourable senators, I rise to speak on the motion to move to the Orders of the Day. I would like to commence my comments by referring to the Leader of the Government who, unfortunately, is not here. However, I take it that he will have an opportunity at the end of the debate to respond to any comments I make about the argumentation he delivered earlier today.

Senator Doody: He may.

Senator Grafstein: Before beginning, I should like to respond to a comment made by Senator Deware about getting on with the debate and about the urgency of getting on with the issue. Obviously, there is a desire on the other side to move as quickly as possible to deal with the pressing issue of the GST. Obviously, the honourable senator disregards a principle of parliamentary practice that even a critic of second chambers, J. S. Mill, suggested is appropriate in a situation like this.

John Stewart Mill, who wrote the definitive work on democracy on representative government, did not like upper chambers. He specifically did not like an upper chamber that was appointed if that upper chamber reflected the view of the majority of the house below. He felt that there was only some justification for a second chamber if it was composed in a way that was different from the lower house so that it could act as some sort of reasonable check on the lower house. In his book entitled *Representative Government*, at page 232, he says:

● (2220)

> . . . the worst consequence that could ensue would be to delay for a short time the passing of the measure, or give rise to a fresh appeal to the electors to ascertain if the . . . majority in Parliament corresponded to an effective one in the country. The inconvenience of delay, and the advantage of the appeal to the nation, might be regarded in this case as about equally balanced.

He was saying that you can have a delay in the upper house and, failing that delay, you can choose to make a fresh appeal to the electorate. That is parliamentary practice: delay in the upper house or appeal to the electorate.

J. S. Mill was a critic of the upper house, but he says something that is important to all of us, because it deals with the very informative debate between the Leader of the Government earlier today and the Leader of the Opposition in this place. There was a contest between rules which allow for delay and the urgency and the appropriate desire of the government to get on with its business.

This is what John Stewart Mill says, and I think it is appropriate:

> That there should be, in every polity, a centre of resistance to the predominant power in the Constitution—and in a democratic constitution, therefore, a nucleus of resistance to democracy—I have already maintained; and I regard it as a fundamental maxim of government. If any people, who possess a democratic representation, are, from their historical antecedents, more willing to tolerate such a centre of resistance in the form of a Second

Chamber or House of Lords than in any other shape, this constitutes a strong reason for having it in that shape.

This was obviously the premise upon which this second chamber was constituted. It was to be a check on the popular will of the lower house. In addition to that, it was to be a house of regions—that is, a house that would speak with different voices for different parts of the country.

So, Senator Deware, I share your anxiety to get on with the debate. All of us are sitting here with long, impassioned, and, I assume, well reasoned addresses in relation to the GST.

Senator Doody: Absolutely!

Senator Grafstein: But even at this juncture it is premature. Let us look at the worst consequence of delay. Let us assume that the delay is another six months. All of us who sit here are numbed by petition reading, but we think it is an appropriate political and parliamentary form. But let us assume the worst consequence: that it was delayed for another six months while the 50 thousand or 60 thousand petitions went through this place. Would that not be something that would benefit the public interest?

Senator Doody: No!

Senator Grafstein: Would that not have satisfied those people who crave to have their voices heard and feel that their voices have not been heard? Would that delay not be in the public interest?

I am sorry that Senator Castonguay is not here, because I was interested in the exchange earlier this evening between Senator Thériault and others on the other side about the role of business. I came up to Ottawa from Toronto with John Bulloch, the head of the Small Business Association.

An Hon. Senator: Name dropper!

Senator Grafstein: On the airplane he gave me his submission to the Senate committee. He represents every small business in this country. He represents small business, not big business.

Hon. John Trevor Eyton: He represents the members of the association.

Senator Grafstein: I agree with that. He represents, as all associations do, the members of the association.

Senator Stanbury: Even the BCNI!

Senator Grafstein: I think it is fair to say that he is an authentic voice of small business in this country, and is certainly as relevant to this issue as the voice of the manufacturer's association and as relevant as the voice of the coordinating council, the BCNI. Theirs are authentic voices, and no one quarrels with that. But he pleads for a delay. He says, "Give us time to think about it. Give us time for the provinces to see if they can somehow meld their systems if they choose to go forward."

What is so inappropriate about allowing a delay for a period of time to allow the court challenges to be completed? For the legitimate voices of the regions outside this place—that is, the provinces—to have their say and come to some remonstrance about this? What is so evil about that? What is the animus that would compel those on the other side to deny the provinces, the municipalities and small business the opportunity of adjusting to this new reality?

Senator Castonguay is not here. I hope that he will read my remarks and have an opportunity to respond to them later. I assume that Senator Castonguay is saying that his reason for being here is to help us control our finances. He is here to put a cap on the wasteful spending of governments, particularly the spending of the Trudeau government. How alive and how well Pierre Trudeau is when members on the other side still like to beat up Pierre Trudeau when he is not here to defend himself.

Hon. Roméo LeBlanc: They would not do so if he were here!

Senator Grafstein: We humble nominees have to stand in our places and listen to this. I have been here for seven years and I have heard this over and over again. They have stated, "That evil man, Pierre Trudeau. The evil incarnate."

Senator Doody: Is it only seven years?

Senator Grafstein: "How he destroyed the country and our finances."

An Hon. Senator: That is right.

Senator Doody: Is it only seven years?

Senator Grafstein: It is only seven years, Senator Doody. I agree with you; it seems more than a life time.

I shall return to the topic now, but I shall come back later to Pierre Trudeau, the question of the GST and why we have to listen to the voice of Canadians. When we first heard about the GST, over and over again we were told one word. What was the word? GST. Then there was an adjective. It was called tax neutral. There was another adjective added, "revenue neutral". That is what we were told. Senator Castonguay is not here, but that is what we told. That is what we heard. The public is saying, "Wait one second. If it is not to be tax neutral—and we are now told by Senator Castonguay and Senator Simard that it will be in aid of deficit reduction—then how shall we allocate this painful pill?"

Hon. Gerald J. Comeau: Let us get to the debate and we will find out!

Hon. Brenda Robertson: We will explain it all to you then.

Senator Doody: We will explain it to you, yes.

Senator Stanbury: We are looking forward to that!

Senator Grafstein: I am confident that senators opposite will, because we will all have something to say about the deficit.

Let me return to my remarks. I was deflected from Senator Murray's comments in support of this motion. I should like to deal with that now, if I may.

Senator Doody: That is fair.

Senator Grafstein: He makes a number of arguments. He says that we should leap frog to the Orders of the Day—

Senator Doody: Hear, hear!

Senator Grafstein: —from "Reading of Petitions, Reports of Committees, Notices of Inquiries, Notices of Motions and Question Period". That is what he says.

● (2230)

In aid and support of that motion he makes several arguments. I would like to deal with them. I have not had an opportunity to read the *Hansard* so what I have to say will be based on my recall and on my rough notes. If I take the arguments which he made out of context I am sure that senators opposite will correct me.

First, he said that it is an abuse of rules to read petitions. Second, he said that it is mindless. He said, "The petitions are illegitimate. You are reading names from a telephone book. There is no legitimacy to those petitions". Third, he said that by reading these petitions we are wasting time, precious government time, precious public and parliamentary time. In aid of that argument he did something which I think is unfair. He said that there are other pressing matters which we should be debating in this place such as the Gulf crisis.

Honourable senators, let me correct the record. I think it is clear since I was directly involved in raising the issue the first day of our return from vacation. That was on September 25. I rose and asked the Leader of the Government in the Senate this question as reported at page 2252 of the *Debates of the Senate*:

> Honourable senators, I would ask the Leader of the Government in the Senate, since we are all concerned with parliamentary tradition and parliamentary practice, why he has failed to follow parliamentary practice today by not tabling the order in council dated September 15 that was tabled in the House of Commons yesterday.

I was referring there to the order in council under the National Defence Act. His response was:

> To what does the order in council refer?

He then went on to say:

> . . . I thought that document might have been among the many tabled earlier tonight by my friend the Deputy Leader of the Government.

I responded by saying:

> I have examined that and it is not there.

Senator Murray then said:

> If it is not there, there is no difficulty in obtaining a copy and tabling it tomorrow.

Senator Olson chimed in and said:

> Is there going to be a discussion in this chamber about that?

Senator Murray said:

> . . . as a matter of fact, there have been some preliminary discussions in the usual channels, if I may put it that way.

I then said:

> On traditional practice? The parliamentary practice?

Senator Murray went on to say:

[Senator Grafstein.]

> Will my honourable friend resume his seat. He asked a question and I am attempting to reply. There was also a second question from his colleague, Senator Olson, as to whether we were going to have a discussion in this chamber about the dispatch of troops and the response of the Government of Canada to the Gulf crisis.
>
> In answer to Senator Olson's question, there have been some preliminary discussions through the usual channels concerning the possibility of such a debate. We would welcome one. Before long I would be happy to bring in a resolution or have one of my colleagues do so to provide the opportunity for such a debate.

I went on to state:

> I say to the Leader of the Government in the Senate that we have been lectured today about parliamentary tradition and democratic practice. This democratic practice is as intense as any practice in the parliamentary world. When a parliament of a democratic country deals with issues of war and peace it is incumbent upon the government to convene Parliament, which includes the Senate, at the earliest possible opportunity and bring the order in council forward and make a statement in order that the Senate, as well as the House of Commons, can deal with this issue. The government has not done that tonight. That is a breach of parliamentary tradition, and it is not satisfactory. Aside from what internal discussions take place, I hope that tomorrow the minister will table that order in council so that members on all sides may have an opportunity to deal with this sacred parliamentary tradition.

Honourable senators will recall that the crisis in the Gulf started on August 2. The Prime Minister quickly, and I think appropriately, responded by saying that he would come to the support of the United States in connection with this matter. There has been discussion on all sides as to the appropriateness and the speed of that support. Nonetheless, I think there is widespread support for opposition to such aggression throughout the United Nations.

This was an important juncture, because the next thing that happened was that on the following day there were no further words from the government, but a motion was put forward by Senator Macquarrie to deal with the crisis. The government could have asked to waive the stipulation with respect to dealing with the motion if it felt it was an important and pressing matter. It waited from August 2 until September 25 to convene Parliament. Then, on September 25, when I raised the issue at the appropriate time, the order in council was not present on the Order Paper. The following day there was another opportunity to deal with the matter but an introduction to the debate was not allowed. We were not allowed to respond in a timely way to this crisis which Senator Murray now says was somehow overtaken by events as a result of our reading petitions.

Yet, I ask honourable senators opposite, what was taking place in this chamber on September 26, when there was the

pressing issue of war and peace which affected Canadian troops who, according to the Auditor General, do not even have enough medical support? Were we given an opportunity to deal with the matter on September 26 while the armed forces were on their way to the Gulf? No. At that time we had Senator Ottenheimer and others filibustering the report of the banking committee on the GST.

Honourable senators, I rise to deal with this issue because I think it is important that *Hansard* reflect the facts as best we understand them. I do not think it is fair for Senator Murray to take argumentation out of context and to use it as a cudgel in conjunction with what I consider to be a very extraordinary motion to suppress legitimate petitions.

It is true that a number of the petitions read have been similar in nature. I make this comment in response to what Senator Deware had to say. I assume she said that she had heard enough of petitions. As I pointed out to the chamber earlier today, there are more petitions being received by senators on this side of the house this week than were received in the last week or even the week before.

Had Senator Murray not moved his motion I would have dealt with a very important petition from my region, which is the City of Toronto. I represent that region in the Senate. I wanted to stand up in this place as a senator representing that region. I assume that is what Sir John A. Macdonald meant when he said that a senator is to represent the views of his region.

Senator Deware, it is important to understand that the City of Toronto in a unanimous resolution seeks redress in the Senate. This resolution was not made three weeks ago but was adopted at meetings held on October 22, 23 and 24. I received a letter on the matter from the Mayor of Toronto on October 29. The event is recent. It is current. It is not mindless. Nor is it reading from a telephone book.

Senator Doody: That is a new approach. It is not mindless and it is not from a telephone book.

Senator Grafstein: I am quoting not out of context the words of the Leader of the Government in the Senate about all these petitions.

Before I deal with that, perhaps I should go back one more time and refer to the importance of petitions and how petitions are the cornerstone of Parliament. I said earlier that the word "Parliament" comes from the word "parler" which means to speak and comes from the action of dealing with petitions. Citizens and groups of citizens came to the court, to the monarch, to the Queen's councillors to petition them, to speak. That is where the word "parliament" comes from.

As Senator Ottenheimer said earlier, this is not some transitory practice, some expedient rule. It is a foundation stone. It is an architectonic of Parliament. Every history book that deals with the British Constitution, upon which our Parliament is based, refers to petitions as being a cornerstone of Parliament. There is no confusion in the minds of historians about this matter. Nor was there any confusion in the minds of Erskine May, or Bourinot, or Beauchense about the importance of petitions. They put them front and centre. It is the archway of Parliament. You cannot get into Parliament unless you deal with petitions, because historically petitions, in order to be transformed into law, were done by a very simple mechanism. People presented their petition; the monarch or the councillors endorsed the petition, and that became a statute; that became a decree, became an ordinance. It was the basis upon which laws were passed.

● (2240)

So to say, as the leader of the government says, that this is a dilatory waste of time, a mindless exercise, is to say that Parliament itself is mindless and is a waste of time.

And then we have the new and insidious rule—I should not say insidious; I withdraw that—the new pernicious rule—

Senator Stanbury: That is better.

Senator Grafstein: —that says that what we should do if we have a concern about these petitions is file them, not in open court, not to allow the citizens to have their say, but file them.

File them where? File them with the Clerk.

And again I make the argument that if you take that principle to its logical extreme, we do not have to be here. We can file by written interrogatories; we can respond by written interrogatories; and we can go home. I can sit in my office in Toronto and I can get all the material on a computer, and I can respond to those matters by computer, and it can all be printed here, and we don't have to be here, if we take Senator Ottenheimer's argument to its logical extension.

Obviously, he does not mean that. Obviously, he was using that in aid of the substantive part of Senator Murray's argument that somehow we were being irrelevant and we were delaying.

Honourable senators, I want to deal with the petition that I wanted to bring forward earlier, because I think it is important. As the honourable senators have properly criticized us, they have some relevance to the nature of petitions. There is no question about that. But we believe in freedom in this house. And we have heard outrageous statements on all sides, and sometimes it is enjoyable and sometimes it is not, but that is part of the give and take.

But this petition from the City of Toronto is not mindless. I would like to take you through the steps that the City of Toronto did before they decided to send us this letter, this petition, to remonstrate against the GST.

When the issue first came up—and this is all set out in the report of the Economic Development Committee of the city council of Toronto—when the GST first came forward, the councillors acted very responsibly after they had received a number of complaints from business—not from ordinary citizens but from sectors of business that make my city one of the most vibrant cities in North America: the fashion industry, the film industry, the television industry, the housing industry, and the tourist industry. These are vibrant, important industries. They are not big business, but they are certainly business.

Each of those sectors was canvassed by the Economic Development Committee. By the way, this was not partisan. This was unanimous. The NDP, the Conservatives, the Liberals, they all supported this inquiry into the impact of the GST—I would have thought senators opposite would want to have the benefit of this information. And what did they say? They not only went through each sector, but they went through every district association, including the Bloor-Yorkville Business Improvement Area and the Young-Bloor-Bay Association.

Senator Eaton is not here, but he knows of these associations. So does Senator Atkins, and other senators from greater Metropolitan Toronto know about these associations as well. These are local businessmen's associations designed to improve the business climate, the business environment in their district.

All of them made representations. I do not know of one that did not, including the Bloor-Young-Bay Association and others. They all made representations to this committee, and then a report was drafted on those recommendations. This all took place since last spring. A lot of hard work was done. It is all carefully detailed on the public record of the city of Toronto.

At the end of the day, they said, "Look, it's going to hurt us. It's going to impact on our industries, our jobs. And, by the way, we understand that the FST is unfair. But surely there is another way. Surely there is an alternative to this rather indecent tax that is being forced upon us. We are not ready for it, we do not understand it. We cannot cope with it. And by the way, folks," they remind us, "there is a recession going on."

Each one of these sectors is being ravaged by the economy, by the economic conditions. All of us know about that. The R-word is alive and well in Toronto. There is a recession in Toronto—Toronto, which everybody likes to criticize but which has been the engine of growth at least for southern Ontario. These organizations, not with total unanimity in terms of the nature of their complaints but nevertheless unanimously, were saying, "It is going to adversely impact the knowledge industry, the cultural industry, the tourism industry, the housing industry, the hotel industry."

These are businesses. They are not mindless names in a telephone book. And at the end of this, they beg for more time. "Give us a delay. Check out the alternatives. And by the way, we understand," they say, "that perhaps the GST in some form might be useful in order to offset the FST, but, please, have you considered the progressive income tax as a measure to offset the costs of the MST and the FST? Have you considered that?" And we now know, by an independent witness, the Canadian Tax Foundation, that the government did not study carefully the alternatives to the GST. We know that.

By the way, that is not a partisan group. I was admonished by the head of the Canadian Tax Foundation, who said, "Senator Grafstein, if you refer to our organization, remember, we are not partisan. This is a study undertaken by independent consultants. So don't enmesh us in your partisanship; but, yes, we stand behind those studies." So they are not taking sides, but they said in their study, which was tabled or referred to earlier here, that the government had not researched the alternatives.

So there may or may not be alternatives. But one thing is clear: they have not been studied.

When the honourable leader of the government in the Senate tells you not to listen, bear in mind that we are not talking about people who want to delay for the sake of delay, we are not here wanting to delay for the sake of delay. Do you think we enjoy being here at 11 o'clock at night or spending all night to debate these points? None of us enjoy this. This is not any great treat for any of us. It is not a treat, I know, for Senator Poitras; it is not a treat for Senator Bolduc; it is not a treat for Senator Doody, and it is certainly not a treat for me.

• (2250)

I certainly don't enjoy these midnight trips, but we have our responsibilities. "Senator representing Metro Toronto." That is my title. I take it seriously from time to time, and when the Mayor of the City of Toronto says, "Please, I want you to take this petition and bring it to the attention of the senators, because this is our last chance. Our city is in crisis. We have a city that is de-industrializing, whose economic base is now under attack. Don't overload the system. Ask them to defer, to study, to pull back."

That is what they are saying. They are not rejecting the GST out of hand in a mindless way. This is a thoughtful, carefully considered, unanimous recommendation.

However, let us take it up a step. In the province of Ontario during the last election, the Conservatives, the Liberals and the NDP unanimously opposed the GST. I think the only issue they agreed upon in the last election, and they agreed unanimously, was their opposition to the GST.

The new Premier of the Province, Mr. Rae, as one of his first acts, said he was going to oppose the GST. How will he oppose the GST? He has the support of 37 per cent of the province of Ontario; he now has opinion polls showing over 50 per cent in his favour. Obviously, you have to listen to his voice. He is not of my political persuasion, but I am duty-bound to listen to what he has to say.

He has asked the Prime Minister to convene a meeting of first ministers to deal with the GST, but he cannot get any agreement on that among other things. So what is the premier of the largest province of this country then forced to do? He says, *sotto voce*, to senators, without expressing it aloud, "Take up my complaint". The NDP being quite sanctimonious do not like to talk to senators because they do not believe in this place, but even Ms. McLaughlin has said, "Senators, scrap the GST. And, by the way, when you are finished, let's abolish the Senate." That is quite a sanctimonious position to take, but Mr. Rae, with all due respect, does not take that position. He has said, "First of all, I hope that it will be stopped in the Senate; but, in the interim, I am trying to convene a meeting with the Prime Minister, which he refuses to respond to." Therefore, what is the premier of the province

compelled to do? He has to go to court. He has to go to the law courts.

An. Hon. Senator: This is a democratic process.

Senator Grafstein: He has to go to the law courts to get his petition heard.

Senator Simard: He was heard.

Senator Grafstein: You have not heard him because he was not the premier.

Senator Simard: We know what is on his mind.

Senator Grafstein: Don't say that, Senator Simard.

Senator Simard: He was heard.

Senator Grafstein: You have not heard him; he was not the premier.

Senator Simard: We know what was on his mind.

Senator Grafstein: Don't say that, Senator Simard. He was elected after the Senate Committee had its hearings.

Senator Simard: I heard Premier McKenna, just as we all heard Premier Bourassa. And you know, as Meech Lake has demonstrated, that you can seldom get the eleven premiers and the Prime Minister on the same wavelength at any one time. Even if you do, you lose them after a while.

Premier Rae was heard. He won an election. Let him deal with his own taxes—and you wait to see how he's going to fix you guys when he applies his social democratic policies. I'm sure you won't be pleased. You won't plead with the Prime Minister to listen to him. The fact of the matter a Premier can't please everyone, and Premier Rae had a platform, and Prime Minister Mulroney has a government to run, which is not easy, especially after the legacy we inherited. So we will account to the people just as Premier Rae will eventually answer to the people. Don't tell me because Premier Rae is the premier of the biggest province. I am not very impressed by that. I come from a small province, and I don't believe that Premier McKenna has any more right or any less right to be heard than Premier Rae.

Senator Austin: Absolutely.

Senator Simard: I am not impressed by the fact that you come from Toronto. In any event, you know what you can do; you can sit down with Senator Kirby, Senator Davey and Mrs. Hoseck, the great star of the Peterson government and decide what to do, because Mr. Chrétien is well known for changing his mind. He has changed his mind five times. First, he could not control the Liberal senators, to upset, block and delay the G.S.T. That's the first time.

Senator Austin: Tell us about it!

Senator Simard: Then Mr. Chrétien says we'll look at the situation and probably he will have a committee look into it. Then he announced that he would set up his committee, when pressed by the press when visiting New Brunswick. Before he had said that he did not know what he was going to do, except that he was going to look at it. After a while Mr. Chrétien was talking about a total review of the taxation system—and God knows how many of his former colleagues in the federal cabinet had had reviews prepared and commissions setup—and then Mr. Chrétien had a meeting in Montréal to attend on the weekend. Well, boy, he changed his time again. He says, "No, I'm going to kill the GST."

If that is the case, why don't you go stop this filibustering and talk about amendments. At any rate we will listen to you, and I think the federal government has shown consideration in saying that—it will listen to your amendment proposals and consider them; and then finally in the next budget the government will correct some weaknesses have not been corrected through regulations or administrative measures. Thus the government will consider them in the next budget, table the budget, and have these changes take effect on budget day. That is not far away. That is only March of next year, six months from now.

So I guess let me say first that the government has no lessons to take from the Premier of Ontario, although it may be the largest province in Canada. Pierre Trudeau did one-thing right when he made sure that unanimity was needed to change the Constitution, in particular when it came to changing the Senate; he wanted every province to be equal, and as far as we are concerned, as long as it is in the Constitution, I am telling you I am going to listen to Premier McKenna as well as to Premier Rae. That was my point and why don't you leave Premier Rae alone?

Senator Grafstein: Let me say in response to Senator Simard that I agree with him because he is making an important point, and he agrees with me. He said, if I heard him correctly, that Premier McKenna had said, "I represent the province of New Brunswick"—by the way, representing the province of New Brunswick, he obviously is taking his duties seriously and is now proceeding in the way he believes he should exercise his provincial duties. I do not quarrel with that; if that is the way he chooses to exercise his duties, that is his business. I respect that, and I certainly respect members from Québec who take the same position as Senator Simard. He says, "Look, my premier is prepared to accept the GST. My premier is prepared to meld the two systems," and when the senators in the province of Quebec opposite say to me they can support the GST, I do not quarrel with them at all.

● (2300)

I am not trying to seduce them into joining with me. All I am saying is that my province does not agree with that. As a senator, I am here to represent the region of the province of Ontario. Every level of government in the province of Ontario does not want the GST.

Please, Senator Simard, do not criticize Mr. Rae. He has only just been elected. He is confronting a situation that he has to deal with. As Canadians, we are all concerned about our economic state. There is no question about that. We are all concerned about the deficit. With due respect, we all have a different analysis about the deficit.

I do not like to hear the canards about the wasteful government under Mr. Trudeau without having an opportunity to respond to those canards. We should have an opportunity to deal with that, and we will deal with it. Pierre Trudeau, wherever you are, people are still beating up on your policies.

Senator Stanbury: They have none of their own.

Senator Grafstein: Obviously they had some relevance. If they were not relevant we would not be as animated about them even to this day.

Honourable senators, let us return to the subject matter, which is petitions. We have the petitions of the premier who is now compelled to go to court to try to stop the GST. We have the example in British Columbia, and we will hear from Senator Austin after I have concluded. I am sure he will deal with the same issue, because we have discussed it privately. We have come to the same conclusion because we both feel that the voices of our regions must be heard on this issue. The petitions are eternal. Other petitions that I have received, all of which I wanted to refer to, which is fundamental to the nature of petitions as it relates to Parliament, are petitions from the next generation.

Someone on the other side said that the government inherited a mess that is going to be a baggage or a burden on future generations.

Senator Thériault: Senator Castonguay.

Senator Grafstein: I do not want to take his words out of context.

Senator Simard: He is not the only one who said that.

Senator Grafstein: If we would reject this motion, let us hear the voice of the next generation. What about listening to the voice of the next generation?

I have here a number of petitions from the University of Toronto. This may be perceived to be self-promotion, but I am a graduate of the University of Toronto, as others opposite may be. I have here literally thousands of petitions, and this is just a small version of those. These are petitions from the University of Toronto. These are students from the class of 90, 91, 92, 93, 94, 95, 96, 97—the next generation. They do not like the GST. Here is their concluding line:

> It heartens me greatly to see many of our senators fighting for us. The GST's disastrous effects on students will have grievious implications towards our objectives as a nation as we move forward towards the 21st first century in an increasingly competitive world.

This is the voice, through petitions, of the next generation. They are among the finest of our generation who are now at schools and universities across the country. If Senator Simard went to the University of New Brunswick, I wonder what they would say. Senator Simard is as concerned as I am about the next generation. We are all concerned about the future of our children. What do the students say? What will they say, Senator Simard, if we do not listen to them? Will they be alienated? What is the next step when governments do not listen to students? What happens?

[Senator Grafstein.]

Senator Simard: I know what they are saying.

Senator Grafstein: What are they saying?

Hon. Jean-Maurice Simard: They are like all interest groups. They would like someone else to pay. They do not want to pay. They want the people working for Frazer Mills in Edmundston, N.B. to pay. They want seniors with big pensions to pay. They do not want to pay.

They are no different from other groups. We have heard from students from coast to coast, and we have heard from many interest groups. A number of them say they like the GST because we have to control the deficit; we have to protect future generations. We heard that from the seniors and most every groups, but they did not want their group to pay.

Another thing we heard was that we cannot leave future generations with a whole pile of debts.

I should now like to ask you a question. After a government listens to people and hears their beefs, because they listen and care, does that mean they have to follow the crowd and do what the first interest group that comes along tells them to do? That is not the way a country should be run.

Senator Grafstein, if you were head of a government and if you heard that from students, would you be paralysed by it? Would you be obligated to stop and keep looking for another alternative? Is this the way you would run a government?

Senator Grafstein: My response is based on the record. The Canadian Tax Foundation said the Government of Canada did not consider or research alternatives. The City of Toronto is saying that we should research alternatives and that there is a better way. Their suggestion is that they are prepared to recommend, if necessary, increases to income tax.

Senator Simard: Is that the Liberal position?

Senator Grafstein: That is the City of Toronto's position. We are here to deal with petitions. I am suggesting to honourable senators opposite that they have a view.

I should like to respond to Senator Simard and read a short paragraph from a letter from Monica Dejong, class of 93, University of Toronto:

> Our Constitution created the Senate to act as a chamber for sober reflection. The Senate Banking Committee, in this spirit, crossed the country and listened to ordinary Canadians voice their opinion on the GST. The consensus is overwhelming. The GST is a regressive consumption tax that places an unfair burden, a tremendous burden on taxpayers in this country. Students are particularly affected by the GST as a wide variety of items essential and previously untaxed will now cost us several percent more. These items include residence fees, transit fees, locker rentals, etc., etc. Furthermore, a sales tax on text books and periodicals would, for the first time in Canadian history, undermine the importance of education and literacy nationwide. Most of us surviving on limited, inelastic incomes cannot afford the nightmare of the GST.

• (2310)

Senator Simard: Did she propose an alternative?

Senator Grafstein: No, she did not, but we have been told that there are alternatives. The United States considered alternatives and rejected out of hand a value-added tax. In 1983 a Congress commission looked at a consumption tax and rejected it. Ronald Reagan rejected it, and that is on the record. In fact, you can find words to that effect in paper No. 88 of the Canadian Tax Foundation. He rejected it for a lot of reasons.

One of the arguments that has been made in support of the GST is that it will help us to harmonize with the United States. We have all been to Europe, and we know that countries such as France, England and Germany have a value-added tax.

Senator Simard: Who said that we should harmonize with the United States?

Senator Grafstein: I come back to the relevance. The Minister of Finance has said over and over that we must harmonize our tax structure with that of the United States so that we can be competitive.

Senator Simard: Not the GST.

Senator Grafstein: No, everything, corporate taxes, individual taxes, everything. A tax is a tax is a tax. That is what he said. Yet the United States has said, "By the way, do not try to harmonize with a value-added tax because we are not going to have one." We are not suggesting that they are correct. I suggest that we take a look at the argumentation. It is a question of credibility, of belief. Why is it that politicians are not believed? Could it be that when they say during an election that a tax will be neutral and then tell people immediately after the election that the tax will be an aid of deficit reduction and that it will be massive and crippling but it will be good for you, they lose credibility. By the way, the Premier of Ontario said that he is not sure whether he can harmonize the GST with his tax in the time that has been allocated to him.

Senator Simard: Your premise is wrong, Senator Grafstein.

Senator Grafstein: I realize that what I am saying is not taken seriously by senators opposite, but I am merely voicing the arguments of others.

Senator Simard: That is fine, but please do not say that we said during the last election that the tax would reduce the deficit.

Senator Lucier: What did you say?

Senator Austin: They didn't talk about it.

Senator Simard: Do not imply that we had changed our tune. We said during the election that the tax would be revenue neutral and that the deficit had to be brought under control. We said that the GST would do that, and we are still saying it. The GST will be revenue neutral in the first year and in years two, three and four, once jobs have been created and production has increased, there will additional revenues at hand. We have not changed our tune.

Senator Grafstein: Senator Castonguay just castigated Senator Thériault by saying, "Don't you want this tax? It will reduce the deficit." That is what he said. Perhaps he had his signals mixed.

Senator Simard: The tax is revenue neutral the first year.

Senator Grafstein: That is not what he said. During the election it was said that the tax would be neutral.

Let us talk about what was said in the last election. Let me tell honourable senators about a discussion I had with a former Conservative—or maybe he is still a Conservative—and that is Mr. David Kilgour. A question was raised in this chamber about what was said during the last election in Alberta. We were told by senators opposite—and I cannot remember who—that the people of Alberta knew and understood there would be a GST, as that was part of their platform in the last election campaign. It was Senator Comeau who said it. I suggested that Senator Comeau sit down with Mr. Kindy and Mr. Kilgour. Obviously, I was not in Alberta during the last election, but I thought I would ask Mr. Kilgour, a Conservative member who has now left the party because of the GST, what was said about the GST in the province of Alberta during the last election. I asked this question of him just a few days ago. He said nothing, silence. It was not that the tax was to be revenue neutral, but that it had never been discussed. He implied that they did not want to bring it up because they knew the reception they would get in the province of Alberta from the electors if the subject were raised.

So there it is, honourable senators, the credibility gap. Certainly we on this side from time to time share a gap on issues, and on this issue there is certainly a credibility gap.

Hon. Noel A. Kinsella: Senator Grafstein, I may seem somewhat obtuse, but I am attempting to follow the argument on the motion before the house. It would be helpful if we could have a schema of the argument that the honourable senator is raising. He started off, I believe, quoting John Stuart Mill and trying to relate that passage, I believe, to the duty or role of the House of Lords. I was beginning to follow that argument, but then he got a little bit lost. Could he provide us with a schema of the case that he intends to make on the motion, to help someone who is just a student and new here?

Senator Grafstein: I was trying to submit to the Senate that petitions, particularly timely petitions, go to the very credibility of this place. I am trying to respond as best I can to Senator Murray's arguments in support of the motion made earlier this day. I am trying to rebut his arguments with, I hope, rationality. He said that if we do not stop this delay, we will destroy the Senate.

Senator Doody: Who said that?

Senator Grafstein: Senator Murray. He said there is a danger to this place if we continue to delay.

Senator Doody: He is probably right.

Senator Grafstein: I tried to persuade senators opposite that a delay is an appropriate parliamentary tradition. John Stuart Mill, who did not like the second chamber, and every British

constitution textbook, talks about the importance of petitions, particularly when dealing with an extraordinary tax measure, the likes of which has never before been seen in Canada. To employ something like 4,000 employees, the largest single increase in the public service, in aid of a tax measure should demonstrate to any reasonable senator that this is an extraordinary measure. Obviously provinces, individuals and businesses are responding in an extraordinary way. If we refuse to let them have their say, because they consider us wee poor vessels, that is not fair. Who was the great Christian theologian who said, "Oh, that this cup could pass from my lips."?

Senator Doody: Jesus.

Senator Grafstein: Well, oh that this cup could pass from my lips. I am not here to imbibe this, but we are the poor vessels who must respond to the pleas from students, businesses, cities, mayors, provinces, and so on, to stall what they consider is a disastrous tax measure. Let us assume that they are wrong. Not to give them the chance to air their views would be a greater danger.

Senator Simard: We have heard their views for the past two years.

Senator Grafstein: Yes, but you do not seem to understand that more people today—and it is not just some people—are exercised, excited, and distraught over the GST, and become even more so as they learn about it. There is a learning curve in the country. A law is not simply passed and people respond. For example, it says in today's *Financial Post* that 50 percent of firms have failed to register for the GST. Let us talk about the 50 percent that has registered and that are now confronting the GST. John Bulloch said on June 28 that one should not underestimate the politics of an unfair tax. He asked why Canadians should have the absolutely worst sales tax system in the world.

• (2320)

That is what John Bulloch said about the GST. Business people who are busy going about their business trying to struggle under terrible economic circumstances are now confronting the implementation of this bill. If they have four thousand civil servants, think about the number of Canadians who will have to be employed just for the GST alone. Thousands and thousands of man hours will now be adopted for the GST.

Hon. Michel Cogger: May I ask a question, senator?

Senator Grafstein: By the way, Senator Cogger, we will not have a chance to deal with Senator Castonguay's castigation now, because he castigated the Trudeau government. I will tell you one thing that always animated this side, and, I am sure, animated the other side. Perhaps we will deal with economic issues and put them in proper perspective. We will not talk about high interest rates, the GST, inflation or deficits; we will talk about what government is for—namely, to give people jobs and to give them a fair and decent allocation of the public responsibilities of the tax system. That is what government is for. We will also have an opportunity to talk about full employment.

Senator Cogger: May I ask a question?

Senator Grafstein: Not when I hear the Prime Minister saying, "By the way, Trudeau was terrible. We brought unemployment down from "X" to "Y." Approximately 8 per cent or 9 per cent of Canadians are unemployed, and we are deindustrializing in Ontario today.

Senator Steuart: Shame!

Senator Grafstein: Isn't that a shame? Is that a satisfactory state? Ask the governors of those great corporations what they are doing today in their boardrooms. I will tell you what they are doing. They are saying, "I have to defer capital spending. It is uncertain. I do not know how the GST will impact my government."

Hon. Jean-Maurice Simard: Who created this uncertainty?

Senator Grafstein: That is what the GST does.

Senator Austin: Ask Senator Eyton!

Senator Grafstein: I do not want to ask any senators opposite. They have to ask that for themselves. But to say that we should not listen to these voices—

Senator Simard: Who is creating this uncertainty, senator? It is the Liberal senators in the Senate! You are creating this uncertainty!

Senator Doody: Periods of inequity!

Senator Stanbury: Are you standing up, Senator Doody?

Hon Jean-Maurice Simard: Senator Grafstein, you are quoting all these other people. You would like us to listen to Premier Rae and defer, delay, and postpone this bill. You came here from Toronto. Are you saying that it will hurt Toronto?

Here is what someone wrote in *The Financial Post* on October 30, 1990 under the headline: "Who Will Bear Costs of Senate Delay?" It was written by Samuel Slutsky. He said: "Liberal Senators should reconsider their actions."

You are talking about uncertainty. Well, sir, you and your colleagues are creating much uncertainty. Here is what Mr. Slutsky says. But first, I wish to ask you a question. Why will you not answer these people? I am looking forward to hearing what you are going to tell these businessmen.

Mr. Slutsky writes:

> While the political infighting surrounding the goods and services tax intensifies, there is little discussion on the significant issue of how much defeat or delay of the legislation will cost and who will bear it.
>
> It is unclear whether the issue has been considered by the Liberal senators who hold themselves up as champions of the consuming public.

Senator Steuart: I have a question for you.

Senator Doody: Senator Steuart has a question for you.

Senator Simard: Mr. Slutsky continues to state:

Logic would dictate that those intractable fellows—

That is, the Liberal Senators—

> . . . must have carefully quantified and considered the cost implications of their actions to their constituents, choosing to go ahead irregardless.
>
> With that assumption in mind, a consideration of the more apparent costs of delay is in order:

He then goes on to talk about pricing, competition and the need to complete their investment plans. It is all right for Senator Grafstein and his colleagues to talk about uncertainty.

An Hon. Senator: He is from Toronto!

Senator Simard: Yes, he is from Toronto. You cannot only be speaking for the poor, although they are important. You must be speaking as well for the people who are working for these industries and other companies, including the Bank of Montreal and the employees of the Bank of Montreal.

Senator Stanbury: They are all laid off!

Senator Simard: You must have in mind and be concerned about the future of the great province and the manufacturing heart of Canada. You must be concerned about that, too. What they are saying is that the uncertainty you are creating is causing evil with pricing, competition, their long-term plans, purchase of equipment, and so on, the cost of which will decrease with the GST.

You Liberals on the other side are very short-sighted to cause further uncertainty by preventing this piece of legislation from coming here and being debated so that amendments can be considered. But, no. You would just as soon talk about the need to hear the little public, the students, and all these people through these petitions.

Yes, Senator Grafstein, I was at UNB and Moncton University not so long ago and I was in Edmundston. We heard people who were concerned—that is, people who have made plans and have invested great sums of money in addition to those by government. You say, "Well, perhaps we should hear from Premier Rae. We should delay one month, two months, six months, or one year. In the meantime, we will have another review."

My question to you, sir—because one has to have a question—is: When will you answer Mr. Slutsky and the people in Toronto, Kitchener and these great manufacturing towns?

Senator Di Nino: Oakville.

Senator Simard: When will you answer these people from Oakville, Kars, Nepean and Oshawa? What will you tell them? Perhaps the government should spend more money and wait and lose the money that has already been invested in catalogues, and other things while they wait for Mrs. Hosek?

Senator Doody: And Mrs. Starr.

Senator Simard: Mrs. Hosek was the star in the Peterson government. You have it wrong, Senator Doody. Mrs. Starr is gone—we should not talk about her!

Are you serious, Senator Grafstein, that we should wait for another study and look at another scenario? If I were you, senator, I would take my chances. I would go on and debate not this motion, but at third reading, and try to convince Senator Castonguay and the new British/Canadian Senators, as you call them.

Senator Comeau: Let us debate the GST.

Senator Simard: We are not so insensitive that we are not prepared to consider amendments. Take your chances on the independents and on some of us. If you defeat us fair and square, it is dead. In the meantime, let us proceed and consider amendments. Let us put an end to the uncertainty.

Some Hon. Senators: Hear, hear!

Senator Grafstein: I have to deal with those questions.

● (2330)

You have raised three issues which I would like to summarize. The first is that by delay we are creating uncertainty. The second is that because we are creating uncertainty, we are being unfair to business.

Senator Simard: And the employees and clients of those businesses.

Senator Grafstein: Not only are we being unfair, but we are creating an investment climate which breeds further uncertainty. Is that not a fair assessment of your argument, Senator Simard?

Senator Simard: Yes.

Senator Grafstein: I asked that question of John Bulloch. He said that imposing this tax measure is not only going to be disruptive, but that it is going to affect national unity. He said, to the Standing Senate Committee on Banking, Trade and Commerce on June 28, 1990, that he could not think of one single initiative that would convince millions of Canadians that Canada is not working than the imposition of two different invoice-based sales tax systems in nine provinces. He said that it will create unfairness and confusion for millions of Canadians where it hurts—namely in the pocket-book—and that it will create conflict between business and consumers. He said that the small business community will be in a perpetual state of war.

That is his generic response to your question about balancing, on the one hand, the uncertainty, with what he considers to be a disastrous tax on the other.

We are here to balance interest. We are taught, as a principle of administrative law, to balance interests. You have said that, Senator Simard. You have said, "Look, we can't listen to students. We have to be more mature here; we have to balance interests. We can't listen to one or another interest group, but balance their interests and come out with a conclusion that benefits the most in the best way". We all share that goal.

However, John Bulloch says that if he has to balance uncertainty on the one hand for a shorter period of time as opposed to the chaos that will be created without harmonizing in advance those tax systems in nine provinces, then he will choose delay. He is not alone.

I have asked a number of businessmen about this, and others of you can test this to see if it is correct. I have said, "We are being criticized by business associations for delaying this measure." They all say to me, "Look, if you are just delaying it and going through a charade or playing politics, then let's have the bitter pill. But if, in fact, you can truly delay it, and if you can get the government to listen, then we will wipe out the costs that we have already incurred in preparation for the GST because we think that is the lesser cost when compared to the greater cost of being involved in a tax structure which we think is unjust, unfair, chaotic and which will just not work".

One businessman whom I mentioned earlier—I will try to get his name—said that up until several weeks ago he had so far spent a quarter of a million dollars in getting ready for the GST. He is a very entrepreneurial-oriented young businessman in Toronto who has created an international company over the course of the last 10 or 12 years. He is known to senators opposite. He said, "Look, I would wipe out that quarter of a million dollars, which is now moving towards half a million dollars, because the GST is going to kill my business. I am in the hotel business and it will kill it. I will be put into an unfair competitive advantage compared with others. The province of Quebec is harmonizing theirs. We cannot harmonize ours because we have a different sales tax structure. So I am going to get doubly hit. It will cost me thousands of man-hours to implement the tax, and, at the same time, I will lose my competitive edge with the United States."

Hon. Jean-Marie Poitras: May I ask you a question, Senator Grafstein? What do you think of the seventeen groups of companies from Toronto who sent a telegram to the Leader of the Opposition telling him to go ahead with the goods and services tax? What would you do with the brief of the Canadian Institute of Chartered Accountants? Its representatives said that you should go ahead with the tax. That association represents both small and large business.

Senator Grafstein: I would like to respond to the comment about the chartered accountants. I have asked a number of them about this. There is no doubt that they welcome this tax. There is no question at all that most firms of chartered accountants welcome it.

Senator Poitras: Why?

Senator Grafstein: I hope I am not taking their position out of context. They think it will be a tremendous job creator for their firms. They think that—

Hom. Jean-Marie Simard: Honourable senators, on a point of order, once upon a time I was a member of the Canadian Institute of Chartered Accountants. I practised my profession for many years. Last year, after contributing to this association for well over 20 years without earning money from the profession, while being in politics, I decided that I would let my membership lapse. Although I am no longer a member of the organization, I wish that I had never heard those comments about professional people who have made and who continue to make a great contribution to Canada. I wish I had not heard you say, as you have just said, Senator, that chartered accountants will benefit somehow from this bill thus the reason for their support. That is just not fair to the profession. If you say that about chartered accountants, then I can guess you say the same thing about lawyers or medical doctors. I hope that you will consider withdrawing those comments about a very noble profession.

Hon. Jerahmiel S. Grafstein: Senator Simard, in a sense I do want to withdraw what I said. I want to withdraw because I did not talk to the gentlemen from the Canadian Institute of Chartered Accountants. My comments were directed to several accountants from two different firms. I asked them about the measure and their response was that it will be good for business. I do not mean to take those two comments out of context and then impute improper motives to the Canadian Institute of Chartered Accountants. I was responding as best I could, based on personal knowledge, to Senator Poitras who raised the question. He said, "What about the Canadian Institute of Chartered Accountants?" I answered based on my own limited research. It was an anecdote and not based on the submission.

Several presidents of banks have told me that there is no question at all that they support the GST. Part of the brief presented by the chartered accountants is motivated at least by two of the chartered banks. One of the bank presidents to whom I spoke was quite critical of the position I have been taking about this matter. I said to him that one has to balance the voices that one hears and make an independent evaluation of the voices and the nature of the evidence that people present in support of their cases. The one point that keeps coming through to me, aside from the criticism of the tax which Bulloch and others make, is that the country is not prepared for it. Surely, a tax cannot be imposed—even if we could agree that it is correct—that is perceived to be so unpopular, so difficult and so regressive without giving the population an opportunity to absorb the shock.

Delay will not deteriorate the economic condition of the country. The government still has at its means the ability to raise taxes other than by this particular measure. Clearly, interest rates are falling. We have heard that in the United States, because of recent results which were just published yesterday, the last two months in the United States indicated an advance in the GNP of 1.8 per cent. The two previous months were, as I recall, half of that. So the United States is now getting mixed messages. One of their messages, clearly, at least on the interest side, is that there is going to be less of a pressure. We hope it will last longer, that there will be less of an upward pressure on interest rates. That will certainly be, if we are to take the government's arguments, in aid of deficit reduction, because even if this were to impact on the economy next year, two points reduction in the interest rate would do more for deficit reduction, as all senators opposite will agree, than this measure. No question about it.

So there is a balancing act here, and timing act, and I think there is a legitimate dispute about the timing of the measure.

On the one hand, we hear from Senator Everett that this is the time to hit them. Hit them when it hurts, so says Senator Everett. And we hear from Senator Pitfield—I have read his comments carefully—that this is the wrong time, the wrong tax, but that we should let the government have its way because it is not irreversible. That is Senator Pitfield's argument.

I cannot accept that. I do not think senators opposite can accept the argument that we can go forward, impose a tax measure of this nature, and then suggest to the Canadian public that it would not cost anything to reverse such a new imposition, such a new scheme.

Honourable senators, I want to return, if I can, moving towards the light at the end of the tunnel. I think the credibility of the Senate is at stake. The way we treat petitions, and the public, who are looking at us for the first time as a relevant institution, should be put in the scales for us to measure.

The Senate, despite what Senator Murray suggests, has become a relevant body in the last several months, much more so, according to Senator Steuart, than any time since he was here.

Senator Steuart: That is right. And before.

Senator Grafstein: And before. Why is it that at the same time when we hear the Prime Minister blaming the Senate, we hear the Leader of the Government here blaming the Senate, and we hear ministers of the Crown abusing the Senate? We have all heard those comments and none of us like them. I am sure that senators opposite did not like the comments made by ministers of the Crown about the Senate any more than I did, because when they criticize the Senate they criticize all of us. And we do not like that, none of us like that.

The government has decided, as a question of policy, to trash the Senate, not just the Liberal-dominated Senate, the Senate, the senators. Minister Jelinek did not discriminate when he made an adverse comment about senators. He lumped us together.

Senator Austin: Do you recall what he said?

Senator Grafstein: He spoke for himself. I don't want to repeat a canard. None of us liked that. Some of us felt for the first time that even a comment from Minister Jelinek made us more relevant because we know that each time a minister opens his mouth and criticizes, somehow, in a strange way, support for the Senate ratchets up.

Honourable senators, think about the relevancy of the Senate and about what we are doing, if we are all concerned about this institution of Parliament, because this motion is to undermine, in my view, the routine business of the Senate, which includes petitions.

So it is an extraordinary motion to do that. It is an extraordinary step. There have been a number of extraordinary steps, but each time there has been an attempt by the government to facilitate the public business and to leap-frog into the debate on the Orders of the Day, each time that happens, and each time we on this side resist by unreasonable or reasonable means, our popularity goes up.

Why is that? Senators opposite, new senators and old, have you not asked yourself that question? Why is it that all of a sudden 50 per cent of the population approves, notwithstanding the destructive—and I am using the terminology of the side opposite—destructive, ungentlemanly, unreasonable, abusive techniques we used? Senators opposite are nodding their heads. I have talked to a number of them and they have commented upon how unhappy they felt, how ashamed they felt, how humiliated they were when we were pounding our desks. By the way, do you think we on this side felt proud of ourselves when we were pounding our desks mindlessly for six or eight hours?

Notwithstanding that, notwithstanding what was an extraordinary event in Canadian parliamentary history, the Canadian public now says that what we were doing was right, that our tactics were correct if they helped to defeat the GST. That is what the Gallup poll said. Fifty per cent. We have never had such a high rating. So I think it is important that we do have to listen.

When governments refuse to listen, they destroy themselves. They undermine the institutions they represent when they refuse to listen. Is not that the lesson of Parliamentary history? It is not that they are bringing opprobrium against themselves, they are bringing it down against the entire institutions, because people do not segregate in their own minds or discriminate politicians from the institutions. They think they are one and the same thing.

So why is it that in that same poll, despite these unreasonable and so-called abusive tactics, we are up to 50 per cent?

I will tell you why. It is because the House of Commons has gone down. And why has House of Commons gone down? Because the legitimate voice of the regions of the country, the population of the country, were not heard in that other place. We have heard Senator MacEachen make that very eloquent statement. Is not, with all due respect, Senator MacEachen one of the great Parliamentarians of our age?

Some Hon. Senators: Hear, hear.

Senator Grafstein: Senator Doody, when you smile, I know you smile with respect.

Senator Doody: Are you speaking for or against the motion?

Senator Grafstein: I am speaking against the motion.

Senator Doody: Thank you.

Senator Grafstein: And what Senator MacEachen was saying was that the other side obviously refused, not just on this tax measure but on a number of other measures, to listen to what the Canadian people have to say. So there is a death wish. There is a terrible death wish.

I am an amateur historian; I like to read history, and I like to read what people say about history. I picked up a very interesting book today by one of the world's greatest writers, who also happens to be a politician. His name is Vaclav Havel. There is a soft cover-book which was recently published called *Living In Truth*, which is a series of essays written by Havel about the individual and the state. I do not want senators opposite to take my comments out of context.

• (2350)

I do not want senators opposite to take my comments out of context, because in no way, shape or form am I suggesting that the government office is authoritarian or totalitarian. I am not suggesting that at all. But I am suggesting that the book contains some appropriate ideas that appeal to me and which may appeal to other senators. It says that a government takes on a death wish when it stops listening, starts deluding itself, and starts putting a spin on its own policies that over and over again seem to be out of sync with the general population. There are a number of essays here, but he says that a society is reduced by a policy where the only aim is superficial order and general obedience regardless of by what means and what price they have been gained. He then goes on to say that order has been established at the price of a paralysis of the spirit, a deadening of the heart and a devastation of life.

Now, those are exaggerated comments, but there is a germ of an idea there in what he is saying. He said that when a government refuses to listen and to respect the views of the governed, then by itself it is a death wish, and it corrodes public dialogue in the country. That is why, Senator Kinsella, I think that petitions at this particular moment in Canadian history, with this tax measure are more than justified. What does it matter if we take a month, or two, or three to listen to those parties and hear them out?

Hon. Michel Cogger: May I ask a question?

Senator Grafstein: Sure. Go ahead.

Senator Cogger: I am trying to follow what you are saying, and you are making very good points. You are speaking to us quite reasonably tonight, and for a while you were taking off, and Senator Simard intervened. Your point would appear to be that if it were not for Senator Murray's nasty or ill-timed motion, all we would need do on this side would be to listen to you gentlemen and we would hear the real people speaking to us.

Some Hon. Senators: Hear, hear.

Senator Cogger: That seems to be your point. How do you expect us seriously to believe that, when for weeks on end we have listened to every kind of nonsense, from Bible readings to discussion of—

An. Hon. Senator: Do you call the Bible nonsense?

Senator Cogger: Chinese restaurants in Antigonish—please, senator—to Senator Van Roggen's 1971 speech. Your point seems to be that if we are just good boys and forget about that motion, then all of a sudden there will be no more nonsense, no more time wasting or anything, and finally you guys will come to your senses. Please be serious; we cannot accept that.

Senator Grafstein: There has been one beneficial impulse coming from the other side in the last week or so; and maybe I am misreading this impulse, because it is unexpressed. It is inarticulate, but I am detecting it as I listen carefully to the comments from the other side. Today, for some reason best known to each individual senator, there appears to be a desire to listen to substantive issues.

An Hon. Senator: We always were ready.

Senator Grafstein: Honourable senators on the other side read the same numbers we read, and the same newspapers we read and then get the same reaction we are getting. It is no different. I am sure that all senators are receiving the same public reaction, and I detect, on the other side, a pause, a thought for pause, and the thought for pause is as other senators gear themselves up for the grand debate. Now, I am not suggesting that we on this side are still uniform about what we think is the best prescription for the illnesses that we all know are plaguing the economic body of this country. There is no question about that. But I assume that I am correct when I suggest that senators on the other side, and the government more so than senators, are beginning to think about this GST in a way they did not think a month ago. I detect that in conversations, in comments that I hear here, in comments that I hear from the other place, and in comments that I hear from people who are in contact with ministers about how to address this. We have one specific example from the mouth of the Prime Minister himself who, until a month ago, would brook no amendment whatsoever to the GST. He received similar pleas to those I have received from the University of Toronto. Responding to a plea he received in person at the University of British Columbia a student who said, "Look, are you going to tax knowledge? Are you going to tax my books?" he said, "We will deal with that, we will satisfy you." He did not put a timeframe on it, but he said that he would. And that is a change. I consider that to be a positive change.

So it is not just senators opposite that we on this side are concerned about, because the ultimate changes will not be made by senators opposite. They will be made by the government.

Senator Cogger: You referred to in the University of British Columbia. Can you explain to me how you consider you are helping the student in fighting his case by forcing us to listen to 50 points of order on Senator Murray's motion? I do not see the connection. It is unfair to that student, because if we do not pass the GST, how can the Prime Minister fix it as you have suggested he indicated?

Senator Grafstein: He could fix it right away by unilaterally suggesting—and I would not not have to read these mindless petitions—to the students of Canada that there will be no GST against textbooks, that there will be no GST against residents' fees, there will be no GST against locker rentals, there will be

no GST against student transfer fees. That is how we can solve it, and all of a sudden, that is set and the next generation will be put to bed instead of being aroused and anxious. What happens when students get animated? They tend to do mindless things.

So, honourable senators, the book goes on to speak of something else that I think is relevant, and that is the role of the citizen versus the state. I think it will be of interest to senators opposite if I brought some historic context to this. In this very interesting essay, "Citizens $%versus$% the State"—it was not written by Havel himself, but by a gentleman called Harry Jarv, for Havel—he dealt with Socrates, and he referred to the role of a citizen in a democratic state. He said:

> 'Law and order' are not sufficient criteria for a good society. For this one must have *good* law and order. This allows for any amount of disputes on questions of values.

• (0000)

> This allows for any amount of disputes on questions of values. Continual discussion is necessary. Laws can be unjust and harmful.

He goes on to make a plea for continual debate where people perceive laws to be unjust.

Clearly, the Canadian public, rightly or wrongly, perceive the GST to be unjust. He goes on to say:

> Socrates was prepared to suffer unjustly, but the Athenian state could not force him to act unjustly. Aristotle said, "An unjust law is no law." Yet the consequences of this pronouncement was not drawn until the middle of the 19th Century, when Henry David Thoreau created the concept of civil disobedience.

Honourable senators, we all know the consequences of civil disobedience. It is important to remind senators where the concept in Henry Thoreau's mind—the originator of the modern concept of civil disobedience—came from. What was he being civilly disobedient about? Honourable senators, do you know what it was about? It was about a tax, an unjust tax. He gave a speech in which he said a citizen has a duty. I quote again from this article "The Citizen Versus the State:"

> His basic proposition (referring to Thoreau) was that all governments, including those that are democratically elected, can be corrupted by abuse of power. The integrity of all governments depends on the individual citizen's feeling of responsibility. Thoreau sets the individual conscience against the majority decisions, the individual sense of justice against the law.

The next argument in this magnificent essay is a quote from Goethe, the greatest writer of German classical literature. Goethe had formulated a similar but more exacting maxim, and this is what he said:

> Government is best which teaches us to govern ourselves. Anarchy does not mean chaos but freedom from rulers.

What is the essence of this idea? The essence of this idea is that to deny individual citizens the right to redress a government measure which they feel is unjust—correctly or incorrectly, it does not matter—to deny them the opportunity to petition, not to have their voices heard here, is to invite civil disobedience and to erode democracy and to erode Parliament.

When Senator Murray stands in his place and argues that we have no right to do what we are doing on this side, when we are seeking to get these citizens' voices put forward in this highest court of the land, the court of Parliament. To deny us that right, even if it takes two or three weeks or a month, is to deny the essence of Parliament.

These are not my thoughts. This is based on Havel, a president who was prepared to be incarcerated for his conscience. I am not suggesting that we should be put in that category. I don't want to sanctimoniously promote ourselves to that situation.

Senator Olson: Go ahead.

Senator Grafstein: No, no. It is not fair and it is not reasonable. However, to deny people the right to have their court of last resort is self-destructive. It is a death wish for the government and for Parliament. That is why we are animated on this side when we see a vote taken without our being present. We know the games that people have to play, but when you push the game too far people get animated because all of us believe that what we are doing is somehow, in some strange way, trying to defend the institutions that we respect. We think that this institution is probably working better now than it has ever worked before.

I know that this does not agree with Senator Molson. I know that. He is not here. I heard his speech. He got indigestion when he saw the commotion. We all remember what Teddy Roosevelt said, "Politics is getting into the arena." By the way, none of us like to get our hands dirty. All of us would like this cup to pass from our lips, but we believe that what wer are doint here is grappling with a tax measure which by all accounts is unprecedented in its scope. The Prime Minister has said that, Mr. Wilson has said that, and the public just isn't ready yet. The is no question that the public is not ready yet, and to impose it upon them will invite civil disobedience, and if we do invite civil disobedience, we erode Parliament. Skipping the laws, using leap-frogging procedures, and not letting this passion ebb, is wrong.

So, honourable senators, I conclude by reading some excerpts from a book I have referred to many times. Each time we read it, I believe it informs us. It is Barbara Tuchman's book, *The March of Folly*. I believe every parliamentarian and every political figure should read this book because it talks about judgments taken by political leaders that cause unintended consequences that are horrendous. It talks about a series of decisions taken by government that not only destroyed the messengers but destroyed the institutions that the messengers represented. I would like to read two brief excerpts because I believe they are informative.

The first excerpt is found on page 384, and it talks about errors. When a government has made an error, how does it gracefully withdraw? I wonder if honourable senators opposite

would agree that if we could relive last year, the government might have approached the GST differently? We have been told that. We have been told that by Dalton Camp, whom I respect. A great Canadian, he has been very complimentary to me over the years. We have heard from Dalton Camp, a Conservative, a great public servant and a great advisor.

An Hon. Senator: Diefenbaker had him nailed.

Senator Grafstein: Well, I had a high regard for Diefenbaker and I have a high regard for Dalton Camp. Dalton Camp has written that if the government could replay last year, they would have done it differently. Perhaps they would not have split the bill. Perhaps they would not have split the income tax giveaway, and decoupled the giveaway with the bad medicine. Perhaps they should have kept them together, but they did that in aid of an election. They wanted to give a tax reduction. Senator Castonguay is not here, but I wonder what he would think about a government that would decouple this bill with a tax give-away prior to an election, and then in the early part of the next regime, bring in the bad medicine by keeping the decoupling silent and suggesting that by keeping the bad medicine silent they could somehow force the poor patient to swallow the medicine. Now, they would have played it differently. So, there is clearly a consensus on the other side, if the polls are correct, that they have made some errors.

Back to Barbara Tuchman. What does she say about errors? She says:

> The test comes in recognizing when persistence in error has become self-damaging.

That seems to be the case here, honourable senators. She quotes Machiavelli:

> A prince, says Machiavelli, ought always to be a great asker and a patient hearer of truth about those things of which he has inquired.

• (0010)

> He should be angry if he finds that anyone has scruples about telling him the truth. What the government needs is great askers.
>
> Refusal to draw inferences from negative signs is under the rubric "woodenheadedness", which has played so large a part in these pages. This was recognized in the most pessimistic work of modern times, George Orwell's 1984, as what the author called "Crimestop". "Crimestop" means the faculty of stopping short, as though by instinct, at the threshold of any dangerous thought. It includes the power of not grasping analogies, of failing to perceive logical errors, of misunderstanding the simplest arguments, of being bored and repelled by any train of thought which is capable of leading in a heretical direction. "Crimestop," in short, means protective stupidity.

I ask honourable senators on this side, is that not what we are talking about when we oppose the motion that would, in effect, say to the Senate that it should stop listening to people who are asking questions? Is that not the effect of what we are doing?

I would like to conclude with an analogy that I think is a good one. Let me say that we on this side have made many political errors.

Senator Steuart: Not many.

Senator Olson: Not since we have come over here.

Senator Doody: Never apologize.

Senator Grafstein: I know that I have made many political errors. I have given advice that has led to many political disasters. Of course, we would try to fix things up afterwards. There is not a politician or public servant who has not made mistakes. By the way, if one says that he has not made mistakes, he is not a politician, because the essence of politics is mistakes and errors. The difference that separates good politicians from bad politicians is when they recognize an error and redress it. They withdraw, pull back or change course. Then they put a spin on it. I am not suggesting they should not have the spin doctors up there spinning when they make a u-turn. What I am suggesting is what Barbara Tuckman, Socrates, Aristotle and all the great voices of time have said: when you make an error, try to change, withdraw, correct, attack or pull back.

If I may, I would like to end with a reference to a good politician and exemplar. There was one exemplar in history.

Senator Bonnell: Trudeau.

Senator Grafstein: There was one exemplar in history. Let me deal with Trudeau for a moment. I agree that honourable senators should be concerned about Trudeau, and particularly Quebec senators, because he changed the country. He changed this country in a way that is so massive and so overwhelming that we have yet to grasp the full import of that change. What was the change? Earlier Senator Castonguay castigated Trudeau for this change. He said that Trudeau compelled Quebec not to join the Constitution in 1982.

Senator Lynch-Staunton: He did not say that.

Senator Grafstein: What did he say?

Senator Lynch-Staunton: He said that he did not keep his word.

Senator Grafstein: What did he say?

Senator Beaulieu: He said in 1982 that Quebec is not in the Constitution.

Senator Grafstein: Fine. What Canada and Quebec got is something that changed the political structure of this country, that empowered people in a way they have never seen before. We got the Charter of Rights and Freedoms. It said that peace, order and good government, as we used to know it, is out the window, that governments are not always right. The ordinary citizen now has a way of petitioning government in this place and in the courts in a way he never had before. Why is it that there is such a swing in public opinion between parties now? Because people are thinking for themselves. We must govern differently. The next generation will have to

govern differently. Government will not be respected or taken at its word. They will not believe government.

Honourable senators can see examples of this in the briefs presented to Senate committees. I suggest that honourable senators read the briefs that were submitted to the Senate Baking , Trade and Commerce Committee. I have read 40 of them. One of the best briefs I have read was one presented the other day to the Legal and Constitutional Affairs Committee by a women's legal association. It was as magnificent a constitutional brief as I have ever seen. I am not suggesting that I agreed with all the arguments, but it was magnificently prepared and magnificently argued. Surely there is a connection between Pierre Trudeau's Constitution, which encapsulated the Charter, and that brief one decade later. The connection is that women now feel empowered in a way they never felt empowered before. Why do they feel that way? Because they fought and they got their right and recognition under the Charter. They were not satisfied with the first round, and they remonstrated and petitioned and got their way. Politics will never be the same in this country.

I know of one senator who was a great Liberal and who fell out of bed with the Liberals in this chamber because of the Constitution and the Charter. He felt that it would destroy the common law, that we did not need an articulated Charter that gave clear-cut rights, that we could rely on case studies, experience and common law to present petitions, and so on. That has changed, not only in Ontario, but in Quebec. All one need do is look at the cases that now go before the courts in Quebec, and I am not simply referring to criminal law. Quebec has changed. Canada has changed. It is tougher to govern today. I once thought that the greatest thing that someone could achieve in Canada was to be the leader of a political party and the Prime Minister of the country. I watch political leaders pretty carefully. Senator Castonguay said that the greatest Prime Minister of Canada was Mr. Pearson. I came into politics because of Mr. Pearson.

Senator Beaulieu: That is not what he said. He said that Mr. Pearson was the last one of your party to understand Quebec.

Senator Grafstein: I accept that.

Senator Lynch-Staunton: Good. That eliminates Trudeau, and I accept that too.

Senator Grafstein: I have worked with Mr. Pearson.

Senator Lynch-Staunton: I did too.

Senator Grafstein: I also knew Mr. Diefenbaker well, and I grew to respect him.

• (0020)

I respected him for one singular passion of his, and that was the Charter of Rights. I can tell you, honourable senators, that without the Charter of Rights—which broke ground and applied only to the federal jurisdiction—I do not think we would have been able to convince enough of Parliament to support the Charter of Rights and the Constitution. There is no question at all that he was the godfather of the present Constitution.

I had the pleasure and privilege of working with Mr. Trudeau and watching and observing him at close hand, as I have Mr. Mulroney and Mr. Clark. Mr. Clark, Senator Cogger and I bumped into each other in the sixties because we were doing things. We were active for our political parties and we had a mutual camaraderie and respect for one another. But, honourable senators, it is much more difficult to govern this country than it was before, because you have to deal with the public, who now feel empowered—that is, each individual group—to come forward and make their views felt in a way that we have never seen before. That is a tribute. In some sense it is a great improvement, because you cannot impose laws. You cannot bring in laws without satisfying yourself that not only are they correct but that people buy into those laws. I do not think there is a continual adversarial atmosphere outside this arena. I know that provinces and cities work where they have politicians of different political stripes. It can be made to work because there is a consensus about fundamental issues. On this issue, honourable senators, obviously there is a huge conflict in the country. To ignore that and to say that it will go away, and to expect that one year from today people will accept our hard medicine because somehow it will be good for them, will not be accepted. That is why the Meech Lake process broke down, because the public wanted to participate. The Prime Minister has acknowledged that. He has said, "next time around we will listen."

Is that not the substance of this motion? We are saying, "listen to petitions."

Let me conclude, honourable senators—because you have been very patient—with one of the great examples in history of a great politician. His name was Solon of Athens. In *The March of Folly*, Barbara Tuchman states that he was the wisest of the great politicians and is worth a glance.

Solon was called upon to be the chief magistrate of Athens in 6th Century B.C. at a time of great economic distress and social unrest. It was not too different from the atmosphere in this country. He was asked to save the State and to compose its differences.

The reason why the State was in a state of unrest at that time is that there were harsh measures that were perceived to be harsh. There were problems with creditors, taxes and the rich being perceived as becoming richer while the poor got poorer. There was a difference between land-owning classes and slaves and slave holders. Solon was called upon because, even though he was wealthy and comfortable, he was perceived to be just. He was accepted by the rich, according to Plutarch, because he was a man of wealth and substance, and by the poor because he was honest.

In the bodies of law he proclaimed, Solon's concern was justice—that is, fair dealing between the weak and the strong and a stable government. So he abolished some of these hard

measures. He had to convince the land-owners and the slave-owners that their credit and taxes and burdens against the poor and the slaves were unfair and unreasonable. He changed the way of doing business by changing the currency. He regulated weights and measures so that people in business would not cheat. He established legal holds and the civil rights of citizens. He established fair penalties and, by taking no chances, he then exacted an oath from the Athenian council to maintain his reforms for ten years. He then left. They begged him to come back. It was a wonderful moment in history for a politician who took on those responsibilities. The people begged him to come back, but he refused to return because he felt they would cause him to change the balance he had struck.

What did Solon suggest that he learned from all this? What was the lesson or the moral? Was it personal ambition? No, it was not personal ambition. At the end of his life he wrote—and he put it in the third person—that each day he grew older and learned something new.

Honourable senators, I urge you to reject this motion. I urge you to listen. I urge you to listen to these petitions, because I believe that each day all of us can learn something new.

[*Editor's Note: For continuation of proceedings see Issue No. 105F.*]

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105E.*]

● (0025)

Thursday, November 1, 1990

BUSINESS OF THE SENATE

MOTION TO CALL ORDERS OF THE DAY—DEBATE CONTINUING

Hon. D.G. Steuart: Honourable senators, earlier today, when we were discussing the motion made by Senator Murray, someone on this side said it was a disgrace. But Senator Murray put the disgrace on this side. He gave us a lecture on the way we behaved and how we embarrassed him and this institution, and how we took this institution, Parliament, and held it up to ridicule.

There is no question that there was some ridicule by some of the press about senators opposite. But I want to review the situation to see who held up this institution to ridicule and who, in his words, "prostituted the rules,"

It started on October 4—

Senator Simard: No!

Senator Steuart: October 4 is when it started.

Senator Simard: No!

Senator Steuart: —when you broke the rules—

Senator Simard: No!

Senator Steuart: When you used the Speaker, someone who enjoyed a reasonable—

Senator Simard: No, it started on September 24th!

Senator Steuart: —reputation across Canada, and you destroyed his reputation. You destroyed his reputation, and you started with Brian Mulroney.

Senator Simard: You said that majority rules. That is what Senator Buckwold said.

Senator Steuart: You are ashamed of what you did—and you should be ashamed.

An Hon. Senator: Never!

Senator Steuart: You should all be ashamed of what you did. You broke the rules of Parliament, and you know it. That is why you are shouting, because you are ashamed—and you should be ashamed.

An Hon. Senator: No!

Senator Steuart: You are, the whole bunch of you, a disgrace—the new ones and the old ones.

Senator Beaulieu: You should be ashamed of yourself! I was ashamed of you last night when you made a noise like a crazy guy. You are 74 years old.

Senator Steuart: I have been around legislatures, city councils and parliaments and I have never seen the rules trod on and broken as you people have done. You all stood there like sheep when we were locked out five minutes before the vote. You broke the rules, and you know it. You are the ones who prostituted this institution. Some of our people said they felt badly about how we acted. I did not feel bad about how we acted. I reacted, and will react again, if you try that again, because you do not have the right to do what you did, and you got caught. You are the most inept, thickheaded group of people I have ever seen here.

● (0030)

The only thing I can think of is that your leadership must be lying to you. I do not believe that you are that bad. I think your leader, Lowell Murray, went out and said, "They are already breaking the new deal." I invite senators opposite to read that to which we all agreed. I invite you to close your mouths and listen and read that deal. What it said is exactly what we agreed to. We did not agree to anything more or anything less. There was nothing in the agreement that said we would go to the top of the order paper.

On the top of the order paper is Presentation of Petitions, followed by Reading of petitions. Then we have Reports of Committees. Further down there is Question Period. It is our right as parliamentarians to speak to those orders of business. Yet you again used the Speaker to try to bulldoze a rule that was wrong.

What did he do? He listened for four hours. He then said, "I am going to need 10 minutes to consider what has been said." He came back into the chamber in 10 minutes with a typewritten sheet in his hand, a sheet which must have taken two or three hours to prepare—

Hon. Jean-Maurice Simard: Senator Steuart, may I be allowed to ask a question?

Senator Steuart: Certainly.

Senator Simard: Before I do, I want to remind you that what you said about Senator Charbonneau is not totally accurate. It is inaccurate and incomplete.

Senator Doody: It is wrong!

Senator Simard: It is true that he listened for four hours, or perhaps more than four hours. What you forget is that from 6 p.m. to 8 p.m. that evening he sat down with the people from the Table to review the arguments that had been made and decided on what the ruling would be. He then came back here,

listened to the same crap—the same arguments, I mean—which added nothing to the debate. Then he went away for 10 minutes and came back.

Senator Steuart: To make a decision?

Senator Simard: Yes, because he had prepared his ruling between 6 p.m. and 8 p.m. That is what happened.

Senator Steuart: Senator Flynn probably wrote that thing. Senator Flynn has been your quarterback. I understand that you are paying him. My God, you had better get your money back.

Senator Simard: I bet you wish you had a quarterback like Senator Flynn as Leader of the Opposition. I am telling you, Senator Steuart, I will take Senator Flynn as my quarterback anytime and you can have all your Friths and MacEachens. You can keep them.

Senator Steuart: And you would lose every time.

Senator Simard: We are not going to trade Senator Flynn for any six or twelve from your side.

Senator Olson: How much are you paying him?

Senator Steuart: What was your question? You got so excited you forgot your question.

Senator Simard: With the GST, money is no object.

Some Hon. Senators: Oh, oh!

Senator Simard: Because the GST is important for this country.

Senator Steuart: Tell me something, how much are you paying Senator Flynn; and who is paying him?

Senator Simard: Do you want to know?

Senator Steuart: Yes, please.

Senator Simard: I do not know.

Senator Steuart: That is the first honest statement we have heard today.

Senator Simard: Ask someone else.

Senator Steuart: I will tell you something else. I bet you don't want to know, either.

Senator Olson: He told us it was more than he made before.

Senator Steuart: Every time Senator Murray gets up and looks over at his old mentor, Senator MacEachen, I am always reminded of a little mouse. Senator Murray is the little mouse and Senator MacEachen is the tiger.

Senator Simard: Jealously will get you nowhere.

Senator Steuart: He gets up and he says little words and places that embarrassed grin on his face. Senator MacEachen sits calmly and listens to him. Then he gets up and pounces on the little mouse that is Murray and destroys him every time. But Senator Murray must have some sort of death wish. He cannot resist. He has to take on Senator MacEachen every time.

[Senator Simard.]

As someone said in the newspaper, Senator Murray used to be Senator MacEachen's student. It was stated in that paper that it was thought that Senator MacEachen must have hidden some of the books on him. By God, I think he did. Senator Murray did not take the whole course. He should go back for a refresher course. Someone called senators opposite "the gang that couldn't shoot straight." I will tell you, every time you get up here to shoot us, you shoot yourself in the foot, and it bounces right off and hits Mulroney in the head. You are having a bad time.

Senator Simard: Senator Steuart, you can do better than that.

Senator Steuart: I haven't got warmed up yet.

Senator Doody: We know.

Senator Steuart: In fact, I want to deal strictly with the point under discussion, which is the motion of Senator Murray to move to the Orders of the Day.

Senator Olson: We want to move to Question Period. Is that okay with you guys?

Senator Steuart: Yes, let us talk about the Question Period. Have we not a right to a Question Period? I have questions to ask about our farmers in the west. They are in terrible circumstances. They are in the worst economic situation and they have been in it for 30 or 40 years. Yet we are being denied the right to ask what, if anything, the government is doing and, possibly during that Question Period, make some suggestions.

What about the Rafferty dam? It is a big issue in Saskatchewan. It may be a big joke here in Ottawa, but it is a big issue in Saskatchewan. We cannot get any answers. I am here representing Saskatchewan. Premier Devine is going ahead and building that dam. When I look at both sides of it, I think he has every right to build that dam. I think he did get what he thought was a gentlemen's agreement from Minister de Cotret. However, I think that when he got down here he was told that "if you back away in Saskatchewan we might have to back away from the James Bay." I watched de Cotret's interview outside while he was getting into his car. If I ever saw a man who is not telling the truth, it was de Cotret. We want to ask questions about that, but we are denied that right because you are going to take us from the Reading of Petitions and Question Period right down to the Orders of the Day.

What about the Indians in Saskatchewan? We are all very concerned about the Indians, as we should be. They have been trying to settle their land claims. Some have been settled. They have over a million acres coming to them. They also have money coming to them. This is not something new but something which has been on the books for years. We do not have a right to find out where they stand. We do not have a right to get information from the government to take back to them. They might get that information in the House of Commons, I do not know. That does not mean that we should be denied the right in this House of Parliament to get that information for the people we represent.

There is a war crisis going on. The matter has been brought up before in this place. When are we going to have a discussion about it? If you people have your way, we will never have a discussion about it until next January, February or March, if you ever get the goods and services bill passed.

What about petitions? What is said about petitions? This has been read to you before, but you do not seem to pay any attention to it. It is the right of citizens to petition the Crown and Parliament for redress of grievances. It is a fundamental principle of the Constitution. It has been uninterruptedly exercised since very early times. It has a profound affect on determining the main forms of the parliamentary procedure. We are denied that right. Yet senators opposite say, "You have had petitions. You have had lots of petitions." We have over two million of them. Is there some limit on their number? Is there something in the process of parliamentary procedure which was changed while we were not looking, which now says that we can listen to 1,000 and that is the end of it? Then does someone say that the rest can be thrown in a cardboard box to be put in the basement?

In talking about business, I wish that Senator Barootes were here now. I have a number of petitions from business people in Regina who are dead against the GST. They say it will hurt them. One of the people who went and gathered the names on this petition is someone Senator Barootes knows. I refer to Ross Gravely who is a Conservative, or he was. He ran against Mr. Blakeney about two elections ago.

Senator Olson: I bet that Senator Balfour knows him too.

Senator Steuart: Is he still a Conservative? I don't think so.

Senator Balfour: Once a Conservative, always a Conservative.

Senator Steuart: It is that bad. It is life-threatening. It is incurable. There is a cure. Seven years of Mulroney will cure almost anyone from being a Conservative.

Senator Balfour: Is that what happened to the Liberals in Saskatchewan?

Senator Steuart: My right to present petitions before the Parliament of Canada has been taken away as a result of your motion.

Who are the people who signed these petitions? The petitions I have in front of me are signed by people from Regina.

(*Names of signatories read*)

Senator Oliver: That has nothing to do with the point of order.

Senator Olson: Yes, it does. It denies the petitions. That is our problem.

Senator Steuart: Is there a problem?

Senator Olson: Senator Oliver says that it has nothing to do with the subject. He is dead wrong.

Senator Steuart: From your point of view, petitions have nothing to do with anything. You say that the people are ill-informed, that they cannot grasp the issues and that you do not want to hear them. I do not blame you for saying that you do not want to hear them.

Senator Olson: You are going to hear from them at the next election, at any rate.

Senator Balfour: That is what you said before the last one, Bud.

Senator Olson: I did not say that.

Senator Balfour: Yes, you did.

Senator Steuart: I will tell you that as soon as the people get a chance to correct that, you will get the bum's rush. It will be the same even in Quebec. They might not vote for us in some places in Canada, but they certainly are not going to vote for you.

● (0040)

(*Names of signatories read*)

There are pages and pages. These are just petitions from a group of businessmen in Regina. I cannot put them on the Table. You are denying that right.

I have another group from Prince Albert. They wrote an interesting petition. It is called "Contract." They have them numbered, and this is 1005. Just see what they want you people to hear, but that you are refusing to hear. The words of the petition are their words, not mine. I would never use rash words like that.

> "The GST is threatening to murder the economy of Canada and maim the lifestyle of all of its citizens. I, the undersigned, hereby put out a contract on the life of the GST. It must be stopped, forever buried deep beneath Parliament Hill. The pay-off for the death of GST will be the deep gratitude of all Canadians and the survival of thousands of Canadian businesses. The GST must die."

(*Names of signatories read*)

Many of these people are from the province that was the home of John Diefenbaker. Do you think John Diefenbaker would stand up for their rights to petition Parliament, either house of Parliament?

(*Names of signatories read*)

As I say, there are 1,005 names. I have brought just a few, and I will not try to impress you with all of them; but we still want the right to be able to read the names and put them on the record.

Here we have businessmen from Regina, businessmen from Prince Albert, and ordinary petitioners from all over Saskatchewan.

(*Names of signatories read*)

Canoe Lake, Saskatchewan. I have been in Canoe Lake. I made a speech there. Half of Canoe Lake is an Indian settlement and the other half is a Métis settlement. I went up there and made a speech at one time, and the chief interpreted it for me.

The biggest thing they were complaining about was the fact that every Christmas they were allowed to go and hunt on the

Coal Lake shooting range. That particular Christmas the federal government had turned them down.

I eventually got in touch with the federal government and it lifted the ban, which was a stupid ban to begin with, and allowed them to go on.

Now, here are other names. It includes a relative of the chief.

I am going to tell you something. We have a senator from Alberta who should be listening to this. The Indian people are outraged. They are going to have to pay this tax. The Indian people do not pay the sales tax in Saskatchewan, but they are going to have to pay this tax. The honourable sanor is shaking his head. Well, you are going to have to check the record. They are going to have to pay this tax, and they don't like that, and they are angry. If you do not change your vote, change your mind. They are going to be awfully disappointed with you.

(*Names of signatories read*)

There is page after page of them, from Saskatoon, Indian Head, Regina, Saskatchewan, Moose Jaw, from every town and city, large and small, in the province of Saskatchewan.

These are just some of them. Senator Buckwold has them by the boxful in his office. These people took the trouble to sign these petitions, to fill them out and send them in. Why? Because they are disturbed, they are outraged, they say this is a wrong tax, at the wrong time, on the wrong people.

Senator Perrault: By the wrong government.

Senator Steuart: But I find it amusing when senators opposite get up and read them. The Canadian Manufacturers Association and the Chambers of Commerce want the tax. Why would they not want the tax? Of course they want the tax—because they know that someone has to pay to lower the deficit, and if they can put the tax burden on the little people, then they will escape it one more time. That is the unfairness.

I am totally unimpressed when I see big business supporting this tax. The Regina Chamber of Commerce presented the worst brief I ever heard. The Chamber of Commerce of Saskatchewan supported the tax, but in their brief they denounced the tax for five pages. They said it did not fit one criterion of a fair and good tax; and they then had the gall to say at the end, "but we want you to go back down and pass it."

An Hon. Senator: Right.

Senator Steuart: He says "Right." He must be a member of the Chamber of Commerce. I used to be a member. I recognized that when the Chamber of Commerce people went into the meetings they were individually quite bright, honest, and decent people; but they used to hang their brains up with their hats; because they would make decisions in the meetings that they would never stand for individually.

I asked how many members of the Saskatchewan Chamber of Commerce supported the GST and how many opposed it. He could not tell me. Since then I have done a survey, and I am willing to bet that 60 or 70 per cent of their members oppose it.

[Senator Steuart.]

The Saskatchewan Chamber of Commerce is in a great deal of trouble. All kinds of people are cancelling their subscriptions. They are pulling out because they said that those people who came to the meeting in Regina in support of the GST on their behalf and stated that they represented so many thousands of businessmen, didn't have that right. They had not surveyed their membership. They were not speaking for their membership, they were speaking for a few big businesses, and most of the small businesses were dead against it.

But when you see this happening, how can anyone be impressed with the very few people who are supporting the GST?

Hon. Jean-Maurice Simard: If you will allow me a question. You know, you are a wise politician. You can read. You know the people. I am sure you know what it takes to be a real leader. In other words, look at the business legislation, assess it, discuss it and then make up your own mind. You do not need the advice of the Chamber of Commerce. You know enough to know whether a piece of legislation or a tax measure, what have you, is right or bad. So why do you list all those people? You know what needs to be done for this country. Get over the deficit, put people to work. You may not like all aspects of this legislation, but what have you got to offer?

I know, we all know, that the NDP would like to tax to death, at the 100 per cent rate, all our big corporations, but the problem, I suggest to you, Senator Steuart, is that there are not enough big corporations in Canada, there are not enough millionaires in Canada; and even if they were going to be taxed at the rate of 100 per cent, that would not change the deficit very much. It is a Liberal deficit, I might add, as I was reminded by Senator Doody.

So what do you do, senator? Is it to tax big corporations? Is it to let the deficit zoom? Because, since I have been here, a little more than five years, every time this government has suggested ways, and brought in legislation, to implement cuts to VIA Rail, or cuts to some provinces when it came to equalization—not cuts but frozen payments—you are against that.

• (0050)

You were against taxing pensions for people earning $50,000 or more; so you can't be in favour of reducing expenditures. So what is your solution, if GST is not your solution? Would you let us know before you leave in January, so that some of us can consider that as well? But from what I have heard from you and your colleagues, you are not prepared yet. Are you siding with Mr. Chrétien in his wish and his call for more studies and more committees, to study, and form a committee and so on? Senator MacEachen has proposed that, Mr. Chrétien has proposed that in his day, and Mr. Lalonde did the same thing—and we got the report that Lalonde ordered and had prepared. So what is your solution?

You do not want cuts to anyone, and your bleeding heart is showing every time an attempt is made to control expenditures–and I have mentioned your opposition to any other tax. You

have shown opposition and you fought and were led by Senator Hébert in the Liberal Party's fight against the UI system reform. So what are you for? Tell us. Tell us those words of wisdom before you leave, and you will then leave a good legacy. Please go ahead, take the next hour.

Senator Steuart: Could you repeat the question?

Senator Simard: I will try again. The government expenditure reduction program is not acceptable to you, as you have demonstrated to me in the last five years, yet every time the government has proposed a reduction or a freeze, or some control over these expenditures, you have said no. So you must be against any reduction in government expenditures. You obviously are against saving $1.5 billion, roughly, that will result from UI reform. You fought that and delayed that for a year. You were against that; and you were against cuts to VIA Rail. You were against every cut.

So what is your program to bring the finances of Canada under control? Tell us.

Senator Steuart: I would like to deal with the first statement you made. I have been in politics long enough to know that when you look at a piece of legislation you recognize it is good and you vote for it, and you do not need to listen to petitions or go out and hold hearings, which you people are against. Is that honestly the way you governed in New Brunswick? No wonder you were thrown out 100 per cent. No wonder you were thrown out. You did not listen to the people.

Senator Simard: I did not say close your mind. You listen to them, but there comes a time when, having looked at a situation, a government, or a minister, and, I suggest, a senator—

Senator Steuart: You're the judge when the time is up, eh?

Senator Simard: Yes.

Senator Steuart: You never gave a hearing in the House of Commons—

Senator Simard: Chambers of Commerce do not get elected by the people of Canada, and city councils do not get elected by Canadians at large—and each of these interest groups do not get elected; they are not accountable to anyone. Someone has to make the tough decision, and you, being a parliamentarian, you have been in politics, a long time, you have led your party, for a number of years, in Regina, in Saskatchewan, surely your experience should have taught you that at a given time, having listened to people, considered everything, balanced the requests of the various interest groups, you have to make decisions.

So if you are now placed in that position, try to put yourself in the position of Mulroney and the government; try that and still remain loyal to your conscience and the committee, to the good of Canadians at large. That is very much the desire on the part of Canadians to get this deficit under control. What would you do? You might say, "Well, I'm not in that position," but it is also your duty, I believe—

Senator Steuart: Why?

Senator Simard: —to suggest an alternative to this GST. What is yours?

Senator Steuart: Wherever did you the idea that the Opposition's job is to propose alternatives? Occasionally it does. It is not the opposition's job. You people were elected. You were the people who said you were going to draw the budget under control. You are the people who said you would bring the country together. You are the people who said you would bring an end to confrontation. You are the people who said you would bring Quebec into Confederation. You are the people who said you would heal the so-called wounds that Trudeau is said by you to have caused. What did you do? Quebec is worse off than they ever were. They are talking separation and sovereignty association, whatever that means. Every day of the week it is on the rise. The west is alienated.

Senator Simard: No, no, senator. Remember, I am not preaching independence.

Senator Steuart: You have made a mess of Canada.

Senator Simard: Pierre Trudeau said in 1975-76, before the election, that separatism was dead. He said that.

Senator Steuart: Who said what?

Senator Simard: Trudeau said separatism is dead, and within a year we had a separatist government in Quebec. So don't bring Trudeau into it. Stick to taxation, stick to the question I asked you. What would you do if you were elected? You say it is not the role of the Opposition—-

Senator Steuart: I haven't finished.

Senator Simard: I am not finished either. You say your role is not to present alternatives, that it is not the traditional role of the Opposition. Surely the Liberal Party of Canada studied, for all those years, various alternatives to the federal sales tax and couldn't make up its mind when it was in power. So I was hoping that maybe, being in the political purgatory of this country, it would, in opposition, have an alternative. It obviously did not have one when it was in power. I was hoping it would have one in Opposition.

You were telling me I was right, but you yourself—leaving the Liberal Party aside—as a distinguished, about-to-be-retired senator, should give us your words of wisdom and tell us what we should do as Canadian parliamentarians.

Senator Steuart: If I know the economy of the country, I know there ain't no free lunch. But, mind you, that's not very popular in all of Canada.

Senator Simard: That's right.

Senator Steuart: I was a Finance Minister for years. We had a strange idea. We used to call ourselves the Treasury; we were not the Finance Minister. The NDP, when they came, called it the Treasurer, and I tried to figure out what was the difference between a Finance Minister and a Treasurer. I figured the finance minister in the Province of Saskatchewan cost the government about $2 billion more a year than a treasurer used to, because we always balanced the budget. That was considered a proper thing to do until a few years ago.

What would I do? Well, to begin with, let us start at the beginning with this tax. They started something and said that the tax that was there had to go. "It is a terrible tax, just a killer of jobs." I look back and say, yes, there was something wrong with that tax, lots of things wrong with it. But it's an amazing thing. Under that tax, for 30, 40, 50 years, this country saw some of the greatest years of prosperity and we had the second-highest standard of living in the world. We haven't now. Wwe are seventh, or eighth, or ninth. Not every year, but year after year we had a record balance of trade, billions of dollars, and more exports than imports. Our dollar was sometimes higher than the American dollar, sometimes lower.

If it was such a terrible tax, how did we do that? I am not sure that it was such a terrible tax until you people got elected and raised it from 9 per cent to 13.5 per cent.

● (0100)

That is when it started to be a terrible tax. Perhaps you could have taken more time to study this tax change before you tried to ram it through. When you started with this tax change, what were you going to do? It was going to be on everything. You were going to reduce the income tax, as they did in New Zealand and other countries, and put this tax on everything. Soon you started to lose your nerve and you took it off food and other things. Then you lowered it to 7 per cent.

Any country that has this tax does not have states or provinces. They have a unitary system of government. That is why the United States has never implemented it. The government knows it would wait 1000 years before it could get the United States ever to agree to meld the tax.

Senator Simard: What is your point?

Senator Steuart: I have not got to that. Just be quiet. Calm yourself. You are young. As you get older and wiser, you will be like I am—more steady, calm and peaceful.

I am giving you the theology, as Senator LeBlanc says, of where you got to where you are—the mess you are in now.

Instead of finding out and making sure that the provinces were going to meld the tax, you said to the provinces, "You can reduce your sales tax. Apply it on everything. It will be on a wider range of goods and services, so you will collect more money with a lower rate of taxation. You will look good. The federal government will collect the tax. We will take the political brunt. We will do the collecting and you will have all the glory." The only province that has taken this so far is Quebec. If you ever get this in—and I pray to God you never will—a lot of provinces will fall in line. I think Atlantic Canada is getting ready also. Once a new government comes into Saskatchewan—if there is a change—they may implement it. When they do, the people will pay more. But you could not wait. There was no rush. If you had done what you said you were going to do and brought in the income tax increase and put it on everything and had a lower rate and got the provinces to agree, you would not have this trouble. But you thought you had to ram it through. Someone said earlier that you could not wait for the income tax deduction. You were in trouble in the last election, so you lowered the income tax and you got elected.

But now you are in such financial trouble that you cannot lower the income tax again. So you are trying to ram this tax through. What would our answer be? We would never have got in this kind of a mess. When we are elected, Mr. Chretien has said he will wipe out that tax. Right now he is studying how to replace it with a tax that is fair and equitable, and that is what we will implement.

Senator Simard: What is a fair and equitable tax, Senator Steuart?

Senator Steuart: It is one that does not put an undue burden on the poor people. It is one that relates to the ability to pay. It is one that treats all regions fairly, unlike this tax. This tax is harder on those regions farther away from the centre, harder on those regions in the north and harder on the poor people. When a sales tax is put on something, the poor people spend a greater percentage of their income on goods and services than the rich people. This is an unfair tax. No one can convince anyone that it is a fair tax. You have not been able to convince 90 per cent of the people that it is a fair tax.

Senator Simard: You would start by exempting a far away region?

Senator Perrault: Equality, for heaven's sake.

Senator Simard: Or you would give exemptions to several categories of taxpayers?

Senator Steuart: We will wipe this out. We will start over again. In the meantime, the tax we have now is not doing too badly. Canada has done well under it for 40 years. It can wait another two years until we get a reasonable and fair increase in taxation. Then we could take a look at the programs and decide what is will be cut. There are a lot of programs that could be cut, but they have to be looked at fairly and reasonably. In this country, we have wasted billions of dollars.

Senator Simard: We are having a good debate here, Senator Steuart. I would like you to be more precise. I had reminded colleagues that every cut or freeze in expenditure that this government has brought in since 1984 has been opposed by senators on the other side of this chamber. You are telling me there are many things to be cut. What expenditures would you cut?

Senator Steuart: You could start off in the Prime Minister's Office and reduce the number of employees. Any Prime Minister would be better off if he took 80 per cent of those little gremlins that are running around trying to advise him and giving him bad advice.

Senator Simard: Would you say that would cut approximately $2 million.

Senator Steuart: Far more than that. When you are the government, you study all the programs and see which ones are bad.

What do you call those people you stuffed in when you did not have the nerve to fire the civil servants? You were elected

to government and your party wanted to see blood running in the streets. They wanted to see deputy ministers put on the run out of Ottawa on every train and plane. But when you got in, what happened? You fired Mr. Pitfield. That is all.

Senator Simard: What do you mean, we "fired Mr. Pitfield"?

Senator Steuart: You made it uncomfortable and he left. He was the only one that went. The rest of them you kept. You kept them all and they are still there.

Senator Nurgitz: You guys fired him.

Senator Steuart: I thought perhaps a few bureaucrats would go. I thought we would see a little shakeup here. I thought there would be a little tremor in this great bureaucracy. What did you do? You were afraid to fire anyone because you realized that you did not know anything. Just to make your people feel happy, you hired a bunch of political hacks and said, "We'll put you in right near the top, right next to that deputy minister we really want to fire but do not have the guts to do so. You watch him and you make him act politically." So you added a whole new layer of bureaucracy.

Senator Simard: How much do you think that would cut?

Senator Steuart: It would be many millions. As someone once said, you save a billion here and a billion there and pretty soon you are talking about real money.

Then there are the airplanes. They forget Mulroney and they have to go back to pick him up. There are so many places where expenditures could be cut.

Ross Thatcher used to say, "If I ever get to Ottawa, I would go in there with a meat axe." He was a little indelicate. Perhaps a carving knife would have been more appropriate.

You could hardly wait to get into government to cut all these things. Why didn't you? You would be more popular today if you had. But you failed the people with every promise you made. You promised that you would straighten up the government and make it lean, mean and tough. You did not do it. You just brought in all your pals.

Poor Joe Clark. The Tories waited for years to get in government. They had their noses pressed up against the glass waiting to get into all those goodies. They said, "Those dirty Grits have been at the trough for 20 years and its our turn. We're going to get in the old candy store and we're going to load it." Then Joe Clark got defeated. He did one of the most honest things—politically stupid—that I have ever seen a Prime Minister do. He had 1,000 or 1,500 appointments on his desk and he refused to sign them because he had been defeated. He had the legal right to sign them. Mulroney got his gang to rush out and get every one of those names. They said, "Hey, gang, we'll get this guy." They all showed up in Winnipeg and voted against poor Joe Clark. The Tories said, "We've been waiting all these years to get at the goodies," and Joe Clark slammed the door shut. They were outraged. That is why Joe Clark was defeated. That is why he was run out. That is why you could hardly wait to get at him, because he denied you the trough you had been waiting to get at for years.

• (0110)

It was not as big as you thought, because the Liberals were very honest and had very little patronage. However, when you got in there, you managed to create a few new patronage appointments. You criticized poor old John Turner because he had put in a few people that Trudeau had asked him to put in. You said that you would never do that. What did Mulroney say? That he did not have to do it. But once he got elected, he did a quick about-turn.

What has Mr. Mulroney's record been since he became Prime Minister? All one may do is look across the floor to see the patronage. In fact, we had to put more chairs in the chamber. That is the first time in the history of Canada that we did not have enough chairs to accommodate new senators. All the senators opposite were patronage appointments. If they think they are not, they are kidding themselves and they are in "cuckoo land." Prime Minister Trudeau was the only Prime Minister ever to appoint people other than Liberals. He appointed Ernest Manning of the Social Credit Party, a great appointment. Senator Duff Roblin was appointed by Trudeau.

An Hon. Senator: Prime Minister Mulroney has appointed Liberals.

Senator Steuart: And lots of them. He simply waved a Senate seat at them and they came over like a shot. Where did their principles go? They have been trampled underfoot. Everyone criticizes the Senate, but if you wave a Senate seat at them, they fly through the air to get it. Who is happy? They are happy and their wives are happy, and everyone else is madder than hell. So do not kid yourself, there are lots of Liberals over there. They are hiding their colours right now. I think that before this debate is finished—

Senator Lynch-Staunton: What debate?

Senator Steuart: The debate in which I am engaged. I hope to hear the honourable senator also engage later on in the debate. I am sure that when he hears our great arguments, our cogent, reasoned and steady arguments, his conscience will get the better of him and he will realize what he is doing.

Senator Simard: Senator Steuart, I would like to get you back on track here. You said, that you would list a number of cuts that you would make. I am keeping score and I am up to only about $6 million. Do you not realize that you have to go up to $21 billion, which, as has been forecasted, the GST will bring in?

Senator Perrault: It is supposed to be revenue neutral!

Senator Simard: You will have to keep making your cuts. You are only up to $6 million.

Senator Steuart: We will lower the interest rate. That will take care of billions right away. People will prosper, businesses will open up again, people will get off unemployment insurance, and so on. That is just one move that would save billions. I do not know why Mr. Wilson does not take our advice. We

have been sincere and it comes from the heart and the brain. We are doing our best to get you people elected again, but you do not seem to understand. So we know of ways to save a lot of money.

Let me come back to the motion. Senators opposite have tried to force us off petitions, away from Question Period and on to Orders of the Day. Every time they try something like that it backfires. Why do they not just relax and let nature take its course? We would read a few petitions, ask a few questions and then we would get to third reading. At third reading we will introduce some amendments, debate them for a while—

Senator Simard: What is "a while"?

Senator Steuart: A little while. Then the independents would introduce a few amendments, if you will allow them, and if you are democratic. Eventually we will get to the vote. By that time, some of you may have passed away and some of you may have retired. Some of you may even have changed your mind, and you may lose the vote.

Senator Simard: Are you suggesting that we take those chances?

Senator Steuart: When the time comes we will take our chances. First, we have to go to court to see if my friend, Eric Berntson, is legal. I think he is. He is big enough to be legal and big enough to be anything. He is a friend of mine. However, some of you might not be legal, and may have to go. If some of you go, you are in a lot of trouble. You are right down to where you should be, and then we have you.

Senator Simard: Is that your bottom line, to get us?

Senator Steuart: We would love to get you.

Senator Simard: Is that more important than the GST?

Senator Steuart: Getting the GST and getting you at the same time would be like winning a double header. We would be so happy. I am not going to lie to you.

So I suggest that honourable senators opposite relax, that they not break the rules or again drag the Speaker down into the mud. Leave him alone. He is a nice fellow, and I think he wants to do what is right. Every time Senator Murray gets a little uptight he gets the Speaker in trouble. I can imagine what he says, "We got them this time. We have out-foxed old MacEachen." Of course, who has out-foxed whom? When the little mouse squeaks, MacEachen pounces, then you realize that he has got you again. How many times does he have to get you before you realize that he is better than you? I suggest that you follow the deal that you made and that you not break it.

Senator Nurgitz: Tell us again about how the elected should bring in solutions, that we are not supposed to propose alternatives. What does the election have to do with things when you are telling us it does not matter who got elected?

Senator Steuart: The job of the Opposition is to keep you honest. There is very little democracy in the other place. The Prime Minister rules, and if anyone steps out of line he is kicked out of the caucus. So they vote like sheep because if they do not, they will no longer be in the Tory party. The Senate is the last hope in this democracy. I never thought that I would see the Senate as being the last hope for anything. It is the last bastion, the last hope for democracy. Perhaps I should read some of these petitions to enlighten Senators opposite as to what they are missing. Here is one from Rosetown.

There is not a Liberal in Rosetown. It voted Conservative, but I doubt they ever will again. When they were not voting Conservative, they were voting NDP. They voted Liberal once, and it was the happiest four years they had in their life.

Senator Nurgitz: So they never wanted to be that happy again?

Senator Steuart: That is right, they could not stand it. They said that it was really good, that it had never happened to them before. Then they voted NDP, which is a fate worse than death. To tell you the truth, I would sooner have them vote Tory, although I am changing my mind.

Senator Simard: How do you know they voted Tory?

Senator Steuart: We questioned them on the way out. If they knocked us down we marked them "doubtful." Here is another petitioner.

Senator Simard: You are out of order.

Senator Olson: Why?

Senator Simard: We are debating the motion, not petitions.

Senator Steuart: I am not reading petitions. I am trying to let you know the kind of people who would like me to read their petitions, if I were allowed in this democratic process. If we could convince you to defeat this motion, then I could tell you about Janice Frederick of Box 4, 1344 Rosetown, who wants you people to stop the GST.

Senator Deware: You have had lots of time to do that, but you have been filibustering. You have been reading books, talking about dinosaurs and saying all kinds of things, instead of putting those petitions on the Table where they belong.

Senator Steuart: If you give us a second chance we will never make that mistake again. I am not sure that we made a mistake in the first place, but we have learned our lesson. Here is a petitioner from Prince Albert, my old home town and John Diefenbaker's old home town. We used to split the vote. Honestly, whenever we ran in a parade, I always stayed close to John, so that the people who hated me would not throw rocks for fear of hitting John. It was a wonderful thing and I never got hit once.

• (0120)

There is a letter from Prince Albert, Saskatchewan; one from Rosetown, Estlin and Saskatoon. These people are serious. If any of the senators here are from Saskatchewan—and Senator Berntson can tell you—they are in real trouble. The public cannot stand this tax. They hate it. They are afraid of this tax. That is the straw that will break the camel's back out there. I am speaking for Saskatchewan here. When Senator Berntson gets up to speak, I am sure he will back me up.

Before it is over, I think he will support me. I am not sure, but I hope that he will.

Senator Simard: Do not hold your breath!

Senator Steuart: I cannot tell. As I told him, unless we get him in the courts, no one else can get him because he is here forever. He is very young, and he is here for a long time.

Senator Nurgitz: He is a good guy.

Senator Steuart: He is a very nice fellow. In fact, he is almost as nice as Senator Barootes.

I have a letter here from Red Deer, Alberta. They were visiting in Rosetown when they signed the petition. I have another petition from Rosetown, Humboldt, Swift Current, Regina and Moose Jaw. Every part of the province of Saskatchewan wants us to read these petitions and put them on the record to convince you people to change your minds. Open up your hearts and minds. Do not come in here with your mind set like that and say, "We cannot change anything". That would be a terrible mistake for the country and for your own political party. We are suggesting that you listen to us. We are trying to do you a favour.

What about this motion? First, it is out of order. It should never have been put forward. Secondly, it is terribly undemocratic. It is denying us our privileges. We may have to bring up some points of privilege. I hate to think of it, because it may drag things out a bit longer, which we may find abhorrent at the time. I am hoping to get home for Christmas, but we may have to do it. It might be our duty, because you have denied us our privileges. You have tried to walk over us. However, every time you have tried to walk over us it backfires.

I suggest you have a meeting with Senator Murray and say, "Look, you never get anywhere with bulldozing. You cannot bulldoze people".

What about Senator Thériault? He made a great speech. He said that as long as he has breath in his body he will stand up and fight you for trying to break the rule of law in the Senate. Every one of us feels the same way. Before you tried what you did on October 4, we were just 51 or 52 senators. Some of us felt we should fight the bill a little bit. We were not united.

Senator Simard: What is the proportion?

Senator Steuart: With one bulldozing action—that is, breaking the rules and trying to trample over us—you changed us from 52 senators who were going this way and that to a unified team. You now have to recognize that. We are a team. But you are not a team, because most of you have a bad feeling—at least some of you do—about what you did.

Senator Lynch-Staunton: You did not show up for the vote.

Senator Simard: You give us the weekend. When you come back, it will be passed! Watch out. I would not go away!

Senator Steuart: I talked about the farmers, but did I talk about the Indians?

Senator Simard: No.

Senator Steuart: I wanted to talk about them because they are very important. They are waiting impatiently for governments—not just the federal government but also the provincial governments—to take some action on their land claims.

In Saskatchewan we do not have the largest Indian population of any province, but we have the largest percentage of Indian population of any province. The largest number of Indian people are located in British Columbia. But we have the largest percentage. When you add to that number the number of Métis, we have an extremely large percentage of aboriginal people in Saskatchewan. We have not dealt with the land claims of the Indian people—that is, the Treaty Indians or the registered Indians. We have not been able to look at the claim of the Métis people. They have a legitimate claim. They are asking for far more than they will probably get, but that is the nature of negotiations. But we have not got around to that. We do not have the right either to petition on their behalf for some action or to ask questions about what is happening. When they phone us and say, "What is happening? Can you make them move? Can you do anything?" We tell them, "Look, they do not even let us get to that point on the Order Paper," but they do not believe us. They cannot believe that we go, day after day, and cannot even ask the government questions and expect answers.

We thought that when we got back here that every few days we would have a chance to make a few petitions and ask some questions. But you have already shown very clearly, yesterday and the day before, that you have no intention of letting us do that. Yet you ask us to act in a parliamentary way and deal with you in a rational and reasonable manner when you refuse to do the same for us.

The purpose of a Speaker and the purpose of rules—and you know this—in any legislature is for the orderly business of the government. That is the only one. The other part of it is to protect the Opposition. You have the majority now. You have more people than we have, so you can get your way when it comes to a vote. The only protection that we have is this rule book and the Speaker. But the Speaker is not on our side anymore. He is putting a uniform on and is playing on your side. So that protection is gone. This rule book means nothing. I do not know if the new members have read it, but if they have read it and they can see what you are doing to it, I am stunned they would not be rising up like we are and demanding that you behave yourselves and follow the rules.

Senator Simard: I have a question, Senator Steuart. The rule book is one thing and the interpretation of the rule book is another thing.

Can you remember, Senator Steuart, over the last five years how many times you, as part of the Liberal majority, overruled decisions of the Speaker, who tried his best to apply the rules and interpret the rules? How many times have you used your majority to overrule the Speaker when his decision did not meet your strategy and did not please you? How many times? Can you tell us?

Senator Steuart: I do not remember. Every now and then you make a mistake and we correct it.

Senator Simard: How many times did you respect the Speaker by overruling him? At least five or six times over the last two or three years.

Senator Steuart: Oh no!

Senator Simard: Oh yes!

Senator Steuart: You are exaggerating. We overruled the Speaker in the Chair when we were in the majority?

Senator Nurgitz: Yes.

Senator Doody: Yes.

Senator Steuart: I find that hard to believe.

Senator Nurgitz: Including Speaker Molgat.

An Hon. Senator: You did not vote it down.

Senator Steuart: You know. Seriously, Senator Molgat? A very fair man?

An Hon. Senator: Yes!

Senator Steuart: We only did it when they were wrong.

Senator Doody: I love it!

Senator Steuart: But you people do it all the time. You never overrule him?

Senator Nurgitz: Only when he is wrong.

Senator Steuart: Well lately he is wrong all the time. Do not try to get out of this. You are breaking the rules. Do not trying to wriggle.

Senator Simard: I thought I had you for a while. I think I still hold you, but you will try to wriggle out of this one!

Senator Steuart: You will find out, senator, that the second thing that goes when you get old is your memory. I cannot remember what the first thing is, but by God that is the second thing. So do not ask me to remember that. Just ask me if we stuck by the rules, and we did. We never held a secret vote. We never locked the door and kept you people out.

Senator Simard: Whenever are you going—

Senator Doody: Where were you?

Senator Steuart: We let you walk in—

Senator Lynch-Staunton: What about your kazoo?

Senator Steuart: I did not have a kazoo.

Senator Lynch-Staunton: You had your desk lids going, and you made comments about a miserable old bugger. You were more un-parliamentary than the rest of us. Why do you not apologize now and put it on the record?

Senator Steuart: I will tell you something: I will do it again if you people try to trample on me. You do not like it because we stood up for ourselves. We stood up for the rights of Canadians—

Senator Lynch-Staunton: With filthy language!

[Senator Simard.]

Senator Steuart: You are not going to bulldoze us. You are not—

Senator Lynch-Staunton: You used insulting language!

Senator Steuart: If I called Senator Barootes something that he is not, I apologize, and I apologized to him.

Senator Lynch-Staunton: Good. Let that be on the record!

Senator Steuart: Let me tell you something. I have heard two or three members saying, "We were kind of embarassed about the way that we acted." I was not embarassed. We were fighting a dictatorship. I thought dictatorship was—

Senator Lynch-Staunton: You do not fight with low blows in a Parliament!

Senator Steuart: I was not ashamed of what I did then and I am not ashamed of what I am doing now. If you try to bulldoze us again we will do it again, and we will whip you again. Make no mistake, with all your majority.

Senator Lynch-Staunton: I am afraid that you will try.

• (0130)

Senator Steuart: You cannot bulldoze Canadians. You will find that out soon. You may be a recent convert to the Tories—

Senator Lynch-Staunton: I am not. Do not try to analyse my way of thinking. Try to behave in a parliamentary fashion and set an example.

Senator Steuart: Are you behaving in a parliamentary fashion, screaming from your seat?

Senator Lynch-Staunton: You won't listen if I speak quietly.

Senator Perrault: If you want to speak, then get up and speak.

Senator Steuart: Stick to the rule book.

Senator Lynch-Staunton: Then let us get to it.

Senator Steuart: Read the rule book and show some spirit. Show some independence. You seem to have all the character. You are a wonderful parliamentarian. You haven't shown it yet. You have buckled every time they try to trample on our rules. Your record is not very long but it is pretty shabby, let me tell you that.

Senator Nurgitz: And you can recognize shabby.

Senator Steuart: Is shabby nice? It is a lot better than what I used to say.

Senator Doody: It is better than what Barootes got. Poor fellow, he is still in shock.

Senator Steuart: He has forgiven me. He tells me that the biggest thing that made him mad is that I said he is little. Compared to me, he is not.

I am just about to wind down, and I know senators opposite will be sorry—

Senator Doody: Relax, Davie, it is only a couple of more months.

Senator Steuart: I might get an extension. I will be asking for one from the Prime Minister.

In closing, I want to say this. Talk to your leader. Your second in command is very reasonable. But Senator Murray has been given all these jobs to do. He has bungled every one of them. He is so determined to get a victory before he goes that he cannot wait. I do not think that he understands people. He needs just a little patience. You people had us on the verge of dispersing all over the place. Then you acted so thick-headed and dictatorial that you welded us into the fighting machine that we are today. We intend to stay that way. Take my advice, which is from the heart; act decently and sensibly, and we will act the same way.

Hon. Lorna Marsden: Honourable senators, like my colleagues, I want to protest against this motion which is unconscionable, although I will not be nearly as amusing or as entertaining as the senators on this side of the house who spoke before me.

We have thousands of names on petitions to present, and not only with respect to the GST. There are hundreds of petitions which are arriving in my office every day protesting Bill C-43, the abortion bill. At some point, we will want to get to those petitions. I am sure that senators opposite are also receiving them in their offices. All those petitions will need to be put on the record in this house. We want the opportunity to express the views of those Canadians who have taken the time to sign these petitions and who have organized to make a legitimate protest against a tax they do not want. They protest the government's actions which have been arbitrary, to put it kindly.

I particularly want to protest the use of the Speaker to bully the opposition into abandoning a legitimate right and power which has been established, not only by history and precedent but by the actions this very afternoon of the Leader of the Government in the Senate, who said that it was a legitimate right to present these petitions and statements in this chamber. It is this type of bullying tactic that is really upsetting the Canadian people. The more it goes on, the more petitions, the more protests, phone calls and telegrams there are, the more times we hear from increasingly irate Canadians.

Let us remember that the motion is not only forcing the Senate to abandon the reading of petitions in the chamber, but underscores a whole series of events which started on September 25, the first day we came back into the chamber. At that time, members on the other side of the chamber began to filibuster with questions of privilege on committee proceedings. The rules are very clear on that matter You cannot do that. Eventually, the Speaker had to rule that it was all out of order. However, it went on for two days. It used up the time of the house.

What we ought to have done in this chamber very recently was to have a decent retirement celebration for Senator Bielish, who was given the bum's rush out of this place on September 27. Do senators opposite remember what Senator Bielish said to us? She said, "I had planned to make a lengthy speech."

Senator Doody: Then she was ushered out under the pretext of calling for the removal of strangers. The poor lady was not even allowed to finish her speech.

Senator Marsden: Nobody called Senator Bielish a stranger.

Senator Olson: No one did that. That is your own interpretation.

Senator Doody: Some honourable senators did not even rise when she walked out.

Senator Olson: You spirited her out. Tell the truth. You took her out.

Senator Doody: I will not forget it.

Senator Marsden: She was hauled out of the house by her colleagues before she had a chance to say the things that were on her mind.

Only the night before that, I had a talk with Senator Bielish. She described all the things that she intended to do. It is a shame that she was put into that position, no doubt with the same kind of pressure tactics which are being placed on this side of the house.

Senator Bielish went, and even as she was giving her parting speech, the eight additional senators were being bundled up the back stairs and secretly being sworn in. Unlike every other senator who is sworn in at the Table, they were sworn in in secrecy—another tactic to which Canadians object. There was, of course, the use of section 26 under the most extraordinary circumstances. We will eventually see what the courts have to say about that. But we know what the people think about it.

Senator Lynch-Staunton: There has already been one judgment of the court, but your leader ignores it.

Senator Marsden: The matter is still before the courts. However, senator, I look forward to your speech, but at the present time I have the floor.

We know that on November 13 we will get back into that discussion. However, I am not concerned about what the courts have done. You know very well, since you must have read the polls, that the Canadian people overwhelmingly disapprove of the government's use of section 26, regardless of what is the eventual judgment of the courts. The people are opposed to it.

On October 4 we had the Speaker's decision to call a vote, a decision which broke the *Rules of the Senate*, in particular Rule 70. It disregarded the traditions and practices of this chamber. No notice was given other than to a select, few senators. In fact, we do not even know if Senator Waters ever received notice of that vote. Two or three days after it took place we know that he still had not received the notice which was allegedly sent to him. He may never have received it.

Before we come back after a recess, each one of us receives a separate notice that we are to come back. That day, apparently, we could not have any notice at all. The people of Canada understand that.

In addition to the Speaker's decision being illegal in many ways, it was a stupid decision, a dumb decision, a decision that was totally avoidable. In a way, that is the true humiliation for the Speaker in terms of what he has done. Then what happened? After an appropriate protest, we came to an accommodation between the two sides, and it was written into the record of the *Debates of the Senate* that Speaker Charbonneau was not to reappear and that we would start at the top of the Order Paper after the weekend. Immediately, Senator Murray went out and appeared before the television cameras to say that he would not abide by that. He said that he did not agree with what he had just agreed to. There was one story inside the chamber and another story outside. People noticed that.

Thus, a discredited Speaker has been put back in the Chair, a Speaker who no one trusts. Certainly, no one who lived through the experience of October 4 can trust him.

● (0140)

The practice of the Speaker continues, the rulings continue to be non-neutral, non-impartial. So it is up to the opposition in this chamber to express the views of the people, to read their petitions, to read their letters, and I am glad that Senator Simard this afternoon read a letter from one of the people who had written to him.

The upshot of this, of course, is that some of the senators on the other side mock the people's efforts to protest against a tax they dislike and a government they equally dislike. Senator Simard is particularly virulant in his mockery. He mocks the people who appeared as witnesses in front of the Banking Trade and Commerce Committee all the way across the country, including retired people, senior citizens in Toronto, people who will really suffer a decrease in their quality of life as a result of this tax.

Senator Simard made fun of them. He said it did not matter. He made fun of people who tried to protect them. He mocks the citizens and he mocks the Senators. We have just seen ago that being done a few minutes to Senator Steuart as he was speaking. Senator Steuart doesn't mind, but the people do mind it.

I am sorry Senator Simard is not here, because he asked a question of Senator Stewart: What are the alternatives to the GST? Llet me suggest what some of the alternatives are, because of course there are alternatives which are suggested in the report of the Banking, Trade and Commerce Committee. There are a whole bundle of them suggested in there, with their strengths and weaknesses reviewed.

There is no perfect tax, so the question is: How do you get the best possible tax under the circumstances? The first one that the Banking, Trade and Commerce Committee talks about is the one that Professor Neil Brooks proposed, which was higher personal income taxes. He proposed that the federal sales tax be eliminated and that the revenue from the FST be replaced by a combination of higher personal income tax, income surtaxes, increased corporate income taxes, and some increases in the usual excise taxes, such as alcohol, tobacco and gasoline. He reckoned that this would raise $10.5 billion dollars on personal income surtaxes. All the various features of what would be raised and now are spelled out in that alternative proposal to the GST.

The question raised is whether Professor Brooks underestimates or accurately estimates the amount of revenue that could be raised. But as the committee report pointed out, even if it is technically flawed, the principle of that tax is sound. Also,there are principles in the GST that are simply not sound.

What one is looking for, of course, is a progressive tax system. An income tax is one of the progressive ways of raising tax. There are some people who don't seem to understand the progressive possibilities in income tax, although it was encouraging to see that in the Auditor General's report yesterday, he pointed out that there is no need to accept people who do not accurately report on their income taxes, and that the government could gain a great deal of revenue if it deployed the tax inspectors from National Revenue more efficiently.

Income Tax remains probably the most progressive way of raising taxes in this country. Sales taxes are inherently regressive taxes. Regardless of the kind of tax credits employed, they are very clumsy and difficult to use. Sales taxes are not only regressive, but they are inefficient taxes, a very inefficient means of raising tax compared with personal and corporate income tax systems.

As every Canadian now knows, the government is estimating that they will need 4,000 extra employees who have already been hired at a cost of $200 million or more. That says nothing about all the additional employees that will need to be hired by every municipality, every hospital, every university, every small business, every large business, and many individuals who will have to hire more bookkeepers, more tax accountants, more paper workers in order to cope with the burden of administering this tax. The burden of administering this tax has not begun to be comprehended by a great many people in this country.

Of course, there are major criticisms Brook's proposals for a higher income tax. One of them is that higher income people will leave the country. As other witnesses before the Banking, Trade and Commerce Committee pointed out, such as Professors Minz and Wilson, is that if people are rational about calculating their taxes, they will look at the total bill for income and commodity taxes. They will not just look at marginal tax rates. The kind of people who have that kind of choice to leave the country are not the kind of people who would make a simple-minded decision just by looking at marginal tax rates.

Why do they care whether the government replaces the FST with another sales tax or with higher income taxes? The higher taxes, of course, have to be matched against the kinds of benefits, such as health care and many other benefits that Canadians receive from the tax system.

One of the other objections to this Brooks proposal is the discriminatory treatment of savings. This is a very significant criticism of the Brooks tax proposal, that after-tax income can escape further taxation when it is spent on consumption but

will be taxed again if it is saved. Fortunately, however, Professors Wilson and Minz have a solution for that one as well in their alternative proposal. So there are reasoned, calculated, well-thought-through alternatives that stem from Professor Brooks' higher income tax proposal.

Then there is Mel Hurtig's proposal for higher corporate income taxes. Mel Hurtig presented a very widely circulated brief, so that whole classes of students are studying Mel Hurtig's brief and analyzing it. Thousands of Canadians are now very well aware, through all of the data he presented, drawn from official sources, the Department of Finance and elsewhere, that the corporate tax rate is not fair, either to corporations or to the Canadian people; furthermore, that the Canadian people are receiving skewed or obscured data about what actually goes on.

So the alternative that Mr. Hurtig presented was that the GST should be rejected in favour of higher corporate income taxes, an increase in the progressivity of the personal income tax system, with more corporate audits, the introduction of inheritance taxes — we are unusual in not having one of those—and so on. An example that Mr. Hurtig used was the metal mining industry, which made profits of $2.355 billion in 1986 and 1987 and paid provincial and federal income taxes at an average rate of only 7.7 per cent. There are other industries, and the data was also presented on these other industries. It shows while the natural resource industries are paying very low rates of taxes, although uneven ones, the financial sector is paying at a much higher rate. The financial sector, of course, is one of the engines of the country at the present time, certainly the part of the country which I represent. So the taxation system is unfair among corporations, and it is certainly unfair to the low-income, or even to the high-income-earning worker who is under a huge burden of income tax while corporations escape.

● (0150)

The criticism is made that Mr. Hurtig's percentage of tax rates are based on book profits rather than taxable income; so when the recalculations are made using the taxable income as the tax base, the average percentage tax rates for '86-87 become 27.8 per cent for the metal mining industry, 29.3 per cent for the petroleum and coal industry, and a still highly unfair 41.1 per cent for the financial sector. So whether you use Mr. Hurtig's original rates or whether you recalculate them on taxable income rates as opposed to book profit rates, you still get a great unfairness in the corporate income tax system. And comparing the corporate tax system with the personal income tax, you see that the burden in this country has been shifted onto the back of the working person and off the corporation.

No one is saying that corporations should bear an unfair burden, but it has to be shared. Well, the advantage of higher corporate tax is, of course, that this can be done through the existing income tax system. You don't have to hire those additional—how many is it?—4,000 employees in the federal government and all the thousands of other employees in the private sector. And this income system is efficient and well-established. So the administration costs connected with this would be significantly lower, and at this point in our history, or probably any point in our history, that's a very important consideration.

So there is a higher corporate income tax proposal that should be considered and has been considered and may be one of the alternatives that Senator Simard doesn't seem to have any imagination about. Then, of course, there is this question that has been raised in the Senate committees before about vacating the sales tax field, and those members of this chamber who have taken the time to read Professor Robin Beaudway's paper on the interprovincial tax transfers will know he makes the argument that the federal government should stay out of the sales tax field because it complicates enormously the tax system. He makes a very well-reasoned argument why the interprovincial transfers, and the paper burden of the interprovincial transfers, and the getting back the rebates on imports will be horrendous and a nightmare for many manufacturers and other people in this country.

The Standing Senate Committee on National Finance a few years ago presented a report on the financing of post-secondary education, in which it made a proposal which was rejected but which was very consistent with the idea of vacating this field, because, of course, the federal government transfers under EPF large sums of money and cash which are tax points to the provinces, and so the federal government could eliminate the FST, reduce its payments to the provinces by a similar amount and leave the sales tax field to the provinces exclusively. This is a very neat way of dealing with the inequalities of the tax system. It means that much of the burden that the federal government now picks up in terms of health and education, and those costs which are a great burden would be at the level of accountability at the provincial level, and this is highly consistent with the recommendation made by the National Finance committee of the Senate, and it would resolve in many ways this tax conundrum that now faces us. It was similar to a proposal made by the Carter Commission in 1966, and all of that is spelled out.

The problem there is, of course, that the provincial sales tax will suffer from some of the same problems that plague FST, and that would leave the provinces to raise their provincial sales tax, and it would perpetuate the economic inefficiencies that are found in the FST. It would put pressure on some of the governments, such as Alberta and the NWT, to put on retail sales taxes which they don't already have.

I think that most important of all, the disadvantage of vacating this field is that if the federal government reduces its transfers to the provinces, it reduces considerably its ability to redistribute among the various parts of this country the economic resources—and that is unfair, very unfair, to provinces that are suffering temporary or long-term losses and the ability to raise revenues. It would create the worst inequality this country has ever seen, and it already suffers from considerable inequality among provinces, and even within provinces, from one region to another. That puts another burden on the next

generation, on the children, on their parents, on the education system, and on the health system. It is highly inequitable.

Another of the alternatives Senator Simard might consider is moving the FST to the wholesale level. The FST is levied at the manufacturers' level, with some exceptions. So what one would do here is just move the point of tax to the wholesale level for all commodities. It would be imposed on the sales to the retailer, whoever made the sale.

One of the great advantages is that what now exists, the preferential treatment of imports over domestic goods, could be considerably reduced, and much of the expense associated with the distribution and promotion of imports, which escapes taxation under the current system, would be included in the tax base. When taxing the sales at the retailer, there would be less incentive to hive off market and distribution operations from other activities, and the tax would avoid entering the same tax field as the provinces, which would relieve the country of this compliance problem of the two-tier sales tax system.

The Carter Commission said that if this proposal were undertaken it would be no more costly to operate than the existing FST. There would be an increase in the number of tax filers, but there would be fewer evaluation problems than under a federal sales tax, where a minority of goods is passed through independent wholesalers.

As with every other proposal, there are disadvantages. Some retailers buy directly from manufacturers, whether domestic or foreign. The retailer then picks up the costs of marketing and distribution, and they don't constitute part of the taxable base. So if goods were sold through large retail chains, they might bear a lower rate of tax than those distributed by independent stores. This is a very major problem which could not necessarily be resolved. There are other problems with this tax. It doesn't solve the problem of taxing business imports, especially capital, and there are a number of tax evading in other provinces associated with that. There would still be all kinds of difficulties in evaluation.

So that is a proposal, a proposal examined in 1966. It is a proposal with a lot of disadvantages, but it is an alternative, and Senator Simard is very anxious to hear alternatives.

There is also the question of the retail sales tax—single-stage tax imposed at the point of sale and user; and if that is going to happen, business purchases would, of course, have to be exempted, and sales to the consumer and other trade levels would have to be included in the tax base. This has a number of advantages. Nine out of ten provinces operate a retail sales tax, so businesses have a lot of experience in using them, businesses which don't have experience in using a value-added tax and a two-tier tax system. No one has any experience in that except the Brazilians, and they are not a model.

● (0200)

If a number of conditions could be satisfied, this would be an attractive tax. If you go back to the original documents which the Minister of Finance tabled in 1987, this comes closer to his preferred proposal at that time than the proposal that was finally put in front of Parliament and which is in front of the Senate now. However, it also has many disadvantages. It suffers from tax cascading, where purchases are made at the retail level without an exemption and are used for production of other taxable goods or services. The tax may be embedded in the final price of goods or services that are not taxed directly, and exports are not totally tax free under a retail sales tax system. There is also a problem in taxing services because of the mixed use to which services are put. There is a problem in taxing services no matter how you go about it, as everyone who is involved with the consideration of the current proposal knows.

Then there is the question of the personal expenditure tax. There are a number of varieties of this tax. This tax represents one of the interesting proposals. It is a consumption tax calculated either by summing the expenditure on each purchase or by subtracting savings from income and then taxing the balance. This has the advantage, of course, of encouraging savings. These have all been worked out. The individual's tax liability can be calculated and tax paid directly through the already existing income tax system, which Canadians are familiar with and, with some reassurances, most Canadians trust and know how to use. The existing income tax system already deducts some forms of savings such as registered savings plans. So we already have a partial expenditure tax under way. If we had a full-fledged expenditure tax we would effectively register all income savings and borrowings, tax the sum of borrowing on income less the amount of savings.

There is a simplified version of the consumption tax, called a simplified consumption tax. If you had a 6 per cent simplified consumption tax you would yield approximately the same revenue as the existing federal sales tax. You would take away that unfair burden and you would not add to administrative costs. The advantage of the simplified consumption tax is that it can be made progressive throughout the full income range simply by raising the rate on taxable consumption above a certain threshold. This is a great advantage in a society where sharing the burden used to be one of the bases of the social contract, and still is in the minds of the majority of citizens in this country. It totally eliminates any compliance cost for business since the tax would not be applied on sales. This makes it a superior tax to any indirect consumption tax.

The administration cost is considerably less than that of the retail sales tax. It would operate through the income tax system. All those additional employees pushing paper and doing bookkeeping would no longer be needed.

The personal expenditure tax has all the advantages of eliminating the existing FST, and there would be a minimal additional compliance cost because you simply change the personal income tax. It would not have an unfavourable impact on the tourism balance of payments, and you cannot avoid the tax by travelling abroad which is exactly what millions of Canadians will be doing under the GST. The lineups at the border to the U.S. continue to grow as thousands of Canadians continue to do their shopping in the U.S., pay the duty and still come out ahead of where they are now and

certainly way ahead of where they will be under the GST. One of the advantages of the personal expenditure tax is that it prevents Canadians from thinking up ways in which they can engage in tax avoidance. Given the fragile nature of civil order in this or any other country, that is a highly significant advantage.

There are always disadvantages. This one, too, has disadvantages. There is very little international experience with a personal expenditure tax. The question arises: How do you register all borrowings, savings and purchases of durable goods that are going to be included in the tax base? Some scheme would have to be thought out for that, and the authors of the proposal think there are simple ways of doing that. It is true that we have not seen it enacted, but nor have we ever seen a value-added tax imposed successfully in a two-stage or two-tier tax system, as we have in this country.

Another proposal—and this is not the limit of all the proposals—is the turnover or cascading tax, a multistage sales tax. This is similar to VAT, except that you do not have to go through the burden of getting credits for purchased inputs. The turnover tax is applied on sales at every stage of production and distribution of goods and services. Tax is compounded on tax at each stage of the production and distribution chain, although some countries that have done this have exempted certain goods or taxed these at a lower rate. This tax is relatively easy for businesses to operate since firms do not have to keep track of their input tax credits. Therefore, of course, administration costs are cut.

The disadvantages are that the amount of tax contained in a product varies according to the number of transactions in the production distribution chain, which depends on the organizational structure of the firm. If you have an integrated firm you attract less tax than if you have a non-integrated firm. This leads to problems in pricing and fairness of the tax. It would put a burden on Canadian firms to integrate, which may or may not be desirable. In some cases it certainly would not be desirable.

The rate of tax on similar goods could vary according to the organizational structure of production and distribution. That raises other problems of fairness. The compensation for that is not easily worked out except through subsidy.

Then there is the business transfer tax, yet another alternative that Senator Simard might be interested in. In contrast to the GST, the business transfer tax would not require separate invoicing of the tax. The total tax owed is calculated from the information already contained in company accounts. At the end of the period the firm simply calculates its tax base by totalling its gross receipts from taxable sales and subtracting its allowable purchases. Then you apply the appropriate tax rate to the calculated tax base. That is attractive because it does not require separate invoicing of taxable sales and purchases. Firms are able to extract from existing company accounts the information necessary to calculate the tax and so it is easier and less costly for firms to comply with than the GST, which is a very important consideration. The GST is putting firms—large and small—out of business all over this country. Even the threat of it is putting some of them out of business.

The business transfer tax is much easier to comply with than the GST because it would apply on a comprehensive base and there are very few exceptions. In fact, there really do not need to be any exemptions, although some countries exempt food and that could continue.

Since the tax is applied on an aggregate basis, firms would probably include the business transfer tax and their prices and apply the provincial sales tax at the point of sale. It would not show the tax separately on the sale's invoice and, therefore, you would not have to change the cash registers. If the tax were applied at a single rate on a comprehensive base, it would achieve all the benefits from removing the existing sales tax, such as eliminating the tax cascading and removing the tax on business inputs and exports as well as the preferential treatment of imports.

• (0210)

What are the disadvantages? Well, it does not employ separate tax invoicing, so the audit trail is less reliable than the GST—meaning that the business transfer tax would be subject to more tax evasion and avoidance. However, if it encourages firms to price on a tax-inclusive basis, the business transfer tax would be less visible. That is the situation we are in now—everyone knows that we pay the tax, so I do not see what difference that makes. It would require government to have a single rate with no exemptions, and this seems to be difficult to do, at least for this government.

Then, of course, we have the proposal for a single tax made by Dennis Mills, the member for Broadview-Greenwood. His tax is now widely supported and understood across the country. It is a flat tax imposed on personal incomes at 25 per cent marginal rate.

The great attraction of the single tax is its progressivity. The income tax system is maintained or enhanced, and there are large personal exemptions in his scheme and tax credits for families with children. We all know that some of the poorest people in this country come from families with children.

You could broaden the tax base by including 100 per cent of capital gains, except for principle residence, and by eliminating the dividend tax credit. There are various ways in which you could integrate by allowing corporations to deduct from income otherwise taxable any dividends paid to Canadian residents.

There are various other features to this scheme. Of course, the overwhelming attraction of the single tax proposal is its simplicity and its very broad base. It is a tax that people can understand. Nobody can understand the GST, but the single tax is applied on all forms of income, and its exemptions are well known, well understood and well defined, and every Canadian would know what they were dealing with.

The marginal tax rate would be lower for a great many taxpayers. Presumably that would make it more attractive to comply with, which in itself might induce people, who do not work an extra day because they have to pay so much tax on

what they earn, to become greater producers in our economy. There is evidence to suggest that there are supply-side gains from such marginal tax rate decreases. This is not a regressive tax like the GST, and therefore it would gain the support of many Canadians who want fairer taxes and who are protesting the GST because of its regressivity. As well, because the tax's incentive to induce distortions would be reduced, economic efficiency would be improved. So you would have long-term improvements and real impact, both for individuals and for governments.

Compliance would increase under the single tax and we would have less of an underground economy than we have now, and are about to get if the GST is passed. The marginal rate reduction is not enormous; so would it be a significant source of federal revenue? Of course, that is an empirical question. If there is no large recovery from the underground economy—and because it is underground no one can judge that very accurately—one has to induce economic growth, and so you need an increase in the tax base of perhaps 10 to 15 per cent of the GDP over and above the present growth projection. Of course, the demographic review carried out by Health and Welfare Canada already recommends means of increasing the GDP by 20 per cent through two fairly straightforward measures: first, pulling into the Canadian workforce the same proportion of women who were in the Swedish workforce in 1985, which alone is calculated to increase the Canadian GDP by 10 per cent; second, eliminating discrimination against women and minorities, which according to analysis of the demographic review would increase the GDP by another 10 per cent. That is a total of 20 per cent by those two measures alone. So what may be seen as a weakness of the single tax is not really a weakness at all, and it is fairly easily dealt with.

The problem of unincorporated businesses is one that would have to be dealt with under the single tax, and the question of single tax, of course, reduces some of the policy steering effects that governments bring about by using cash tools to induce people to do one thing or another. This would have to be replaced with direct funding where necessary, which is not an insuperable barrier.

There is another alternative, the U.S. alternative minimum tax. One of the most puzzling aspects of the government's proposal is that it is imposing a tax which is not being considered in any serious way in the United States, our biggest trading partner and the part of the world from which we expect to gain the most in visitors, tourists and trade. So why would we not look seriously at the minimum corporate tax that is in use in the United States? It is claimed that it would raise as much as $2 billion per year in Canada. U.S. corporations, as members of this chamber will know, pay corporate income tax in the normal manner. On top of that they calculate a tentative minimum tax levied at the rate of 20 per cent of alternative minimum taxable income. If the tentative minimum tax exceeds the regular tax, the difference between the two is the alternative minimum tax. It limits the range of tax preferences that corporations use to reduce permanently or defer temporarily their tax liabilities. It was designed to ensure that corporations with economic income did not avoid paying any tax in those years. It certainly has some attractions in the current Canadian tax environment, as Mel Hurtig pointed out.

The amount of minimum tax paid is allowed as a credit against usual income tax in other years, if that alternative minimum tax is due to restrictions on preferences which defer tax liability. So what that tax does in some ways is change the timing of income taxes paid but not necessarily the total amount of taxes paid. It limits the ability of corporations to reduce permanently the tax liability by using tax preferences.

Before Senator Simard rises to his feet again and asks what the alternatives are, I wonder if he would like to consider that there are some alternatives, some very interesting and fair alternatives, some alternatives that are not as regressive as the GST and certainly not as expensive to administer. There are alternatives that are not as complicated, that can be understood by the majority of taxpayers, that do not increase the underground economy, that do not induce Canadian citizens to engage in tax avoidance and so on.

To come back to the question of the current motion, which is to prevent the reading of petitions, senators will have heard Senator Stewart suggest yesterday afternoon, in his usual generous way, the problem senators on the other side are having in not understanding the provisional rules that have been established in the Senate because they have not been explained to them. I do not entirely share his generous view of what is going on with respect to this matter and to petitions.

● (0220)

I think that one of the reasons the government side of this chamber is so desperately anxious to stop the reading of these petitions into the record is that they are tormented by the names of individual citizens who have gone to the trouble of signing petitions to let the government know how angry and upset they are and how rejecting they are of this proposed tax; of the use of Section 26; and of the whole variety of bullying tactics that have been used to try to tax every service that they use, every good that they buy, every breath that they draw. Perhaps it makes people on the other side squirm to hear the variety of people whose names are on these petitions: people from every one of the communities that live within Canada; people from all parts of the economy; people from every region of the country; young people, old people and middle-aged people—hundreds of thousands of people who have gone to the trouble to find a petition to sign in the hope that senators on the other side would listen to them and take into account their point of view.

Of course, it is probably true that the majority of Canadians do not understand the intricacies of the rules of the Senate. Indeed, it seems that some senators do not understand the rules of this chamber. But Canadians do understand the terrible mistake that was made on October 4 by Speaker Charbonneau and they understand how unfair, arbitrary, inappropriate, foolish and unjust that decision was. Furthermore, they understand how necessary it is to protest that kind of behaviour. They may not understand the details of it, but they understand the spirit of it.

Canadians who are writing, calling and talking to senators here are revolted by this departure from the rule of law, because every Canadian understands and has direct experience of impartiality or the lack of impartiality. Every child who plays baseball relies on an impartial umpire, and every student who studies history or politics understands the importance of having impartial institutions, courts, agencies and speakers in which one can have some kind of faith and confidence. They understand the breakdown that occurs when that is not obtained, and how necessary it is to restore the faith and confidence of any institution, any social, political or economic institution, if it is to operate. One of the reasons that people protest the GST so widely is that they believe it will contribute to a breakdown of civil order in this way.

Certainly, students look at the history of the United Nations and its existence as a major international agency which plays a role of impartiality or balance. Canadians have been reading in the newspapers in the last couple of days about how the balance in the Security Council is changed as we lose our seat and someone else takes over, and what all that means and how it operates in light of the delicate situation in the Gulf and the necessity for negotiating peace.

Everyone knows what happened to the League of Nations and how easily it was destroyed by bullies and tyrants, who not only destroyed civilian rule and justice but also practised their butchery on the people of Ethiopia. Then, in that infamous moment in history, the League did not operate.

So the students in high school and university certainly understand what is going on in this chamber. They certainly understand the nature of the Speaker's decision. They certainly understand that a tax is being imposed through closure and time allocation on the other side and through a whole series of manoeuvres equally distasteful and unfair here. Even if they do not understand all that—and the vast majority do—they are still upset and angry. But in fact senators would be amazed at the sophisticated level of the questioning that comes from students. Indeed, Senator Simard's letter, which he read out this afternoon, was from a student who had a sophisticated series of questions. I trust and hope that he will receive straightforward, detailed and fair answers to his questions.

Students certainly understand that what the government wants to do is ram through a tax that will affect them in everything they do. They are especially outraged about the tax on books, periodicals and scholarly journals, materials that all students, and many other citizens, have to use in almost everything they do. They cannot escape using those things.

Students are focusing on the question of books. They find the tax on books, on reading and on periodicals infuriating; and they are angry about that. But now the government says that not only does that tax have to go through but also their voices cannot be heard and their petitions cannot be read. We have heard a most extraordinary series of statements today. Some senators have said, "So what? It does not matter whether the citizens are heard from." Of course it matters. It matters very much indeed. They should be, in one way or another—and of course they will be heard from.

Senator Murray said the most mystifying thing. He said that some of these petitions are in public places. Senator Murray seems to be saying that signing a petition is a private matter and should be done only in the privacy of one's home. One of the great freedoms of the country is that you can sign these petitions. You can sign your name, address and phone number and say that you do not like what the government is doing. Indeed, some of the petitions that we heard earlier were from members of the Order of Canada from vice chancellors of universities and a whole variety of citizens who were perfectly happy to be counted publicly on petitions against this tax.

The people of this country are begging for an opportunity to express their views. Senators on this side are being asked over and over again, "What can we do? Would it be useful if we of marched on Parliament Hill? What can we say to our MP?" Of course, what the citizens of this country would like the best is a chance to express their views through an election. They certainly should have a chance to express their views through an election before they are taxed out of existence, as this government is promising to do.

In the view of many of us, petitions are the best deal the government side of this chamber will get. They are quiet, orderly, civilized and are individual expressions. In my opinion, the conservatives and the government should be greatful that Canadian citizens are so peaceful and willing to express their views in such a moderate way and are lucky that they are not living in some other countries, where the people would use much more direct and uncivil methods to protect themselves against this tax.

● (0230)

We are enraged by this bullying tactic that prevents those of us who have received petitions from reflecting the wishes of the petitioners. They are simply having their voices dampened.

There are hundreds of petitions here in front of me from students of the University of Toronto. In fact, four representatives of the Students Administrative Council from the University of Toronto came to Ottawa last Thursday to deliver these petitions in person. However, they only delivered them to the Senate after they had tried to see the Minister of Finance, Mr. Wilson.

Mr. Wilson happens to be a graduate of Trinity College at the University of Toronto. The students at the University of Toronto wrote to him as an alumnus of the university and said they would be willing to see him at any time and at any place that he found convenient. Mr. Wilson said that there was no time and no place that would be convenient for him to see the students from the university from which he graduated, students who represent 37,000 undergraduate students alone. They represent, of course, a great many others as well.

The students placed in the Sidney Smith Building at the University of Toronto an unattended pile of petitions. No one was there hawking them. No one was there coercing or even inducing people to sign them. If you had entered the lobby of the Sidney Smith Building at any time over the last two weeks

you would have seen people making their way across that very large campus to sign these petitions because they wanted the opportunity to protest in this way. One thousand signatures were collected in about eight working days at the university. The students were still unable to see Mr. Wilson. They are very reasonable, well considered people who understand the complexity of government. Many of them are members of the Conservative Club, and active members of Mr. Wilson's party. However, they are outraged by this tax. They are totally unwilling to accept it. They regard it as a regressive consumption tax which places a tremendous burden on taxpayers in Canada.

They list some of the items that were previously untaxed and which will now cost more. I refer to their residence fees. The cost of living in Toronto is outrageous anyway, and now their residence fees will be taxed, as will their transit fares and locker rentals. Above all, they mentioned this tax being imposed on books and periodicals. As they point out, for the first time in Canadian history literacy nationwide and education are being taxed. The students look at it from their own personal point of view in terms of what they will have to pay. They are not looking at it from the point of view of administrators of universities.

I was contacted this week by the Canadian Association of University Business Officers who are very unhappy not only about the legislation but also about the attitude taken by the Department of National Revenue as they attempt to try to prepare for this legislation. They are looking for changes or relief. Many, although not all of them, would like to see this whole GST proposal thrown out.

Last Thursday, these students came to see Mr. Wilson. They brought with them a Mr. Popyk, who is one of the leading students at Trinity College. These students were the most bright and reasonable people you could ever hope to find, but Mr. Wilson absolutely refused to meet with them. Having been fobbed off on one of his assistants who could not answer their questions and who really did not understand very well what it was all about, they came over to the Senate with their petitions and asked senators to read the names of these students into the record. They showed that they care and that they wanted the chance for undergraduates of the country's largest university to have the opportunity to have their voices heard. Since a graduate of their own university had refused to hear them, they were trying the other means available to them.

As it turned out, Mr. Wilson could not see these people. But he did turn up outside the Senate at the moment the vote was taken in order to take advantage of the electronic throne to deliver his wisdom. Of course, the students were able to catch him there and he said, and I was there to hear it, that of course probably the government would want to remove the tax on books and periodicals, but not now. He said that, first, it wants to tax the students, put the publishers out of business, create enormous and hostile complications with foreign publishers at the border, engage in a labyrinth of complexities in the administration of this ill-conceived, ill-considered tax, and then maybe, when everybody was out of business, he would cut the tax. When every faculty member has adjusted their reading list so that students can afford to have the books they are required to have, and when the cost of government publications from Statistics Canada has been raised once again, then, maybe, Mr. Wilson allowed, the government would consider cutting this tax. That relief is not enough. It is not satisfying to the students, nor I am sure, to anyone else in this chamber. It is piffle. It is waffling. It is bullying. It is simply not the way to treat Canadians.

(*Names of signatories read*)

POINT OF ORDER

Hon. Jean-Maurice Simard: I rise on a point of order, honourable senators. I think what Senator Marsden is doing is trying to do indirectly what she cannot do directly. After all, we are discussing the motion of Senator Doody. The object of the motion is to take senators opposite away form the reading of petitions.

Senator Cogger: It is not easy to fill up an hour and a half.

Senator Simard: As my colleague Senator Cogger has said, it is not easy to fill up an hour and a half or two hours. You will have to be more creative than you have been for the last ten minutes.

It is always a pleasure to listen to Senator Marsden. However, before she reverted to the reading of names, she was talking about the substance of the bill and some possible amendments to it. At that time I was ready to jump in and invite her to support the motion in order to get to the study of the bill. On both counts, however, I think the senator was slightly off track. I am inviting her to come back to the motion without referring to a list of names. It seems that Senator Perrault is patiently awaiting his turn—

Senator Perrault: No, I am not.

Senator Simard: Perhaps Senator Marsden would like to yield the floor and offer it to Senator Perrault.

Senator Perrault: I have just a few petitions.

Senator Simard: I am sorry if I cut you short, but please come back and obey the rules.

• (0240)

Senator Olson: I rise on the point of order that has just been raised by Senator Simard. It is typical, of course, of Senator Simard to try to interfere when people are making speeches. His point of order is that—

Senator Simard: But the speech has to be on the motion.

Senator Olson: According to your interpretation. I have heard Senator Marsden speak many times about why she objects to this motion being passed. She is doing what every good senator, every good Member of Parliament, ought to do—

Some Hon. Senators: Hear, hear!

Senator Olson: —and that is explain why this motion is a violation of the right of the Canadian people to petition this

government, petition this Parliament. Surely you can get that through your head.

It is absolutely amazing, honourable senators, every senator who has got up on this side has tried to explain to you—

An Hon. Senator: You are like a broken record!

Senator Olson: —that you would trample on the rights of the Canadian people to petition Parliament by passing this motion. So Senator Marsden is trying to persuade you that you should vote against this motion. That is a perfectly legitimate thing for her to do. She does not have to be concerned with whether Senator Simard agrees with the way she has constructed her speech. The point of order is really a very false one. I am rather glad you raised it, though, because it gives us an opportunity to refer, again, to this disgraceful motion that tramples on the rights of the people. You are even going to trample over Question Period again.

An Hon. Senator: Oh, no!

Senator Olson: Senator Doody's motion, is that we go from Item No. 1 under Order of Business to Item No. 7. So all those items in between get washed out. It is terrible.

An Hon. Senator: Incredible! Absolutely awful!

An Hon. Senator: It is a shocker!

Senator Olson: Yes. I just wanted to point that out again. It seems like those opposite forget every few minutes what it is that we are doing here. You are slow learners. Senator Marsden has been trying to make a speech explaining to you, Senator Simard, why she objects to this motion. She has stated why over and over again.

So why do you get up on a point of order? You may not know it, but you do not have the right to interrupt her speech.

An Hon. Senator: Is this a point of order?

Senator Olson: Yes, it is. I am speaking to the point of order that was raised. I did not raise the point of order. It is terrible. You do not have the right to dictate to Senator Marsden what she puts in her speeches.

Senator Simard: You told us something yesterday, during the day. I must tell you, you are a much better player during the day than you are at night. I suggest that you talk to your Whip to make sure that you get reassigned to the daytime. Leave us alone here at night. Go and have a good sleep.

Senator Olson: The point I want to make is the same point Senator Marsden is trying to make, that you do not have any business raising a point of order on the content of her speech.

Senator Simard: The honourable senator is trampling on my rights now. I have every right to rise on a point of order. I have two points of order. You were reading a petition and you were trying, through the back door, to discuss the nature and substance of the bill, which should be discussed during third reading.

Senator Olson: Wrong again!

Senator Simard: There are two points of order in one, so you can have two for one.

Senator Olson: Well, I hope, Senator Simard, that you will raise a point of order every two or three hours. Every time you raise one you run the risk of getting 51 more speeches on it. I am sure that some of my colleagues will want to defend Senator Marsden's right to explain why she is against this motion. That is what this exercise is all about.

An Hon. Senator: You do not know that she is against the motion.

Senator Olson: Yes, she is against the motion. I hope Senator Simard will look in the red book that has the rules in it. Then you have to read *Beauchesne*, and *Erskine-May*, and you have to read several other authorities on the rule of relevancy.

The rule of relevancy is very simple. It says that you are supposed to discuss things. Senator Simard was trying to accuse Senator Marsden of being irrelevant. He then goes on to say, "Look, this is the way I want you to make your speech." You must make your speech according to the rules of Senator Simard.

You do not have that right. You do not have the right to tell her what she can put in her speech. She is against this motion. That is clear. She was giving the reasons why she is against this motion. She is not agreeing that she is out of order.

An Hon. Senator: That's what she said!

Senator Olson: Did she? Well, maybe we should hear from Senator Marsden. Did you that say you were out of order?

Senator Marsden: Well, of course, I am just delighted at Senator Simard's interruption, because he has made my point. My point is that every time you read the name of a citizen of this country who protests against what is going on here, it makes Senator Simard squirm. He cannot stand hearing the names. He is tormented by the fact that hundreds of thousands of Canadians are supporting this side of the chamber.

Some Hon. Senators: Oh, oh!

Senator Marsden: Let me finish.

Senator Simard: Do not accuse me of the same thing your colleague accused me of.

Senator Marsden: All you have to do, if the honourable senator will sit down for a while, is to actually read a name like Samuel Lopez or Shirley Young or Chris Martin or any other. He cannot stand hearing names. He has been tormented by the fact that hundreds of thousands of Canadians are supporting—

● (0250)

Senator Simard: Your are constructing my speech.

Senator Marsden: —this side of the chamber.

Senator Simard: You are guilty of the same thing your colleague accused me of.

Senator Marsden: All you have to do—if you would sit down for awhile—is read a name like Samuel Lopez or Shirley Young or Chris Martin—

Senator Olson: Point of order. I wonder if Senator Simard would withdraw his point of order now. That would be the decent thing to do, to get up, apologize, and say, "I am sorry, I did not have the right to dictate to Senator Marsden what she should put in her speeches. If you are not willing to do that, we have a few other people who want to defend Senator Marsden's right to make her own speeches.

Senator Simard: I will answer your question. You are not sitting down. We do not know if you are seeking the floor or not, you are half standing and half sitting.

I withdraw my point of order, if you will allow me. You have asked, yesterday, this afternoon and now tonight that all this be struck from the record because—

An Hon. Senator: Save a fortune.

Senator Simard: It would save a fortune. Do senators know how much this contract calls for?

This gives me the opportunity to come back to Senator LeBlanc's impartial report on the incremental cost of this all-night sitting. Senator LeBlanc tabled a sheet of paper last week. We went over it and the press has gone over it. We were all very disturbed by it because there were so many caveats to the estimate or "guesstimate", what it would cost to do these 24-hour sittings.

Actually the additional cost of $121,000 arrived at in that report is meaningless. It does not have the costs incurred by the Secretary of State, Supply and Services, and, worst of all, it does not have the printing costs of *Hansard*, which costs this house $1.5 million a year, for 16,500 pages. We have to assume that Senator LeBlanc has done his homework and has not signed a contract that calls for many thousands of pages in addition to the yearly average. Imagine what Senator Marsden's and Senator Olson's many speeches will cost. I predict that this fiscal year, because of the filibustering on the G.S.T. debate that you people have been guilty of since the September 25, and because I think we will go over 21,000 or 22,000 pages, it will cost another $300,000 or $400,000 just for the printing. I have some people working on it. I am waiting for the clerk to give me the average figures, but I assume that they only bargained for a $1.5 million, that they only estimated for 16,000 pages.

An Hon. Senator: Poor guy.

Senator Simard: At the rate we are going now, it may be close to an additional 325,000 for printing alone.

So, Senator Olson, I invite you to make a contribution here by ordering that everything you said earlier today and tonight be struck. You might save $5,000 or $10,000 by this measure.

Hon. Michael Kirby: Be specific!

Senator Simard: I am coming to you.

Senator Kirby: I have been waiting all evening. I am a night person, you understand.

[Senator Simard.]

Senator Simard: You can have the floor.

Senator Olson: Do you decide who gests the floor?

Senator Simard: I will withdraw my point of order if you will do what I asked you to do.

Senator Olson: I just wanted to say, before Senator Kirby takes the floor, that Senator Simard will not withdraw his point of order. You ought to withdraw it, no conditions, because you were completely out of order to raise it in the first place.

You can talk about all the costs you want, but I will bet you that it costs less than one-hundredth of 1 per cent to keep this Parliament going for a few days than it will cost the people of Canada if this iniquitous bill ever gets passed.

You talk about $400,000. Hundreds of millions, indeed, billions of dollars in tax burden will be transferred to the lower-and middle-income people of Canada, and they do not want it to happen.

An Hon. Senator: Is this a ruling?

Senator Olson: No, it is a fact. Senator Simard has asked if we would leave his point of order. He wants to raise points of order but he does not want anybody to argue with him.

Senator Simard: Are you saying that it will cost $400,000 for printing alone?

Senator Olson: It is very little compared to the costs surrounding this bill.

Some Hon. Senators: Oh, oh.

Senator Simard: When the Liberals were in power $400,000 was peanuts. Millions for Via Rail, peanuts. A million and a half for UI, that is nothing. You guys have not changed. You can change leaders, but you people over there do not change.

Senator Kirby: You are filibustering. Sit down. Let us get on with this debate.

Senator Simard: My next and final comment for awhile is that I am appealing your ruling! You ruled that I was out of order, and I am appealing it!

Senator Kirby: Honourable senators, I want to speak on Senator Simard's two points of order, although it is unclear which is the first and which is the second, and on his concern about Senator Olson speaking better during the day than at night. Some of us think we are better at night than in the day.

Senator Simard: Are you on a point of order?

Senator Kirby: I am responding to your point of order.

An Hon. Senator: He has just withdrawn it.

Senator Kirby: As I understand it, he did not withdraw it.

Senator Simard: Take five, take five.

Senator Kirby: And even if he did withdraw it, I want to speak to him.

An Hon. Senator: He has been waiting a long time.

Senator Kirby: With respect to the issue of the length of *Hansard*, the number of pages and so on, we on this side were sympathetic to your point of view and, in fact, were trying to cooperate with you. Clearly you have missed the point. Earlier this week, I guess it was on Tuesday, when we were reading in this chamber the names of ordinary, every-day Canadians who are opposed to the GST, we had understood that we were not wasting paper or lengthening *Hansard*, because we knew very well that those names were not being written into the record. So to accuse us of unnecessarily lengthening *Hansard* is clearly wrong. We had done everything we could to deal with the subject in a way which would not do that. So I think that you have misunderstood that point.

I must say, I am surprised at your second point. You quoted a number. I think you said $300,000 or $400,000.

• (0300)

That is small compared to the numbers you normally choose when estimating the cost of anything. As someone who travelled across the country with you all summer, by the time we got to Halifax, which was only the fourth stop, Senator Simard was already claiming that the GST committee was going to cost $1 million at that point. In fact, he said it had already cost $1 million.

Senator Simard: No, no, no!

Senator Olson: I heard you say that!

Senator Simard: I stand by my figures!

Senator Kirby: In light of the current economic climate, I am glad to see you are cutting back on the level of exaggeration you put into your costing figures. At least you are learning something.

To return to your original point of order, which was that it is wrong for Senator Marsden to mention the names of Canadians who are opposed to the GST in her speech. The minute you say we cannot mention the names of anyone—whether they are indeed in favour of the GST such as the Canadian Manufacturer's Association, the people on Senator Murray's staff, or whether they are opposed to the GST—you attempt to constrain senators in a way that goes beyond the rules of this place.

Senator Doody: Let Senator Olson continue. He is funnier.

Senator Kirby: Would you like him to get up again? I could ask Senator Steuart to return and we could have a committee meeting! Senator Simard and I always end up discussing these things seriously, as we did for several evenings a couple of weeks ago.

Senator Simard, we must be allowed to express the views of the people who take the time to write us in this chamber; and, if you prefer, it would be just as easy to read letters into the record rather than petitions. I have a stack of several hundred letters from people across the country who have written to me, and I would be delighted to read those into the record. They are letters, not petitions, in case you have any questions, and we have another stack right here.

Senator Simard: Are you still on the point of order?

Senator Kirby: I am on your point of order, which, as I understood it, said that those of us on this side were not entitled to use names. Not only does that violate all of the Senate rules, but it goes against the whole idea that we can reflect the views of our constituents in a way that clearly identifies us with them.

Originally you said you had two points of order; one concerned the names but the second was lost in your opening salvo. I would be delighted to respond to your second point of order, if only you would explain what it was.

Senator Simard: The first point I made, which is the second one I talked about, was the fact that Senator Marsden was trying to do indirectly what we were hoping she would do directly at the proper time. In other words, she was debating the substance of the bill and possible amendments while we are speaking to this motion. I was telling her she was out of order because she should be speaking to the motion. If she wanted to talk about the bill on third reading, she should support Senator Murray's motion.

Senator Kirby: But surely the two are inextricably linked. The motion suggests that we move to debate on the substance of the bill. Surely in responding to that motion one has to be in a position where we can talk about why we do not think we should proceed to deal with the substance of the bill. In so doing, we wind up talking about the bill indirectly. If you have difficulty with the logic of that, we can attempt to clarify it.

MOTION TO CALL ORDERS OF THE DAY—DEBATE CONTINUING

Senator Marsden: Perhaps I can explain what I was doing. I would like to have Senator Simard's attention. For Senator Simard's benefit, I spent most of my speech outlining one of the answers to the questions he had put to Senator Steuart earlier with respect to alternatives. Now that Senator Simard is back, perhaps I should begin again and go through the eight or nine alternatives. It did not arouse the same appreciation as the naming of a few people.

As it turns out, Senator Simard, these are letters.

Senator Simard: They are not petitions?

Senator Marsden: They are letters. We have hundreds of letters from people who are offended by this move to prevent petitions from being read, whereas you seem to have only one. That is best illustrated not by the contents of their letters, but by their names, which represent practically every cultural community that exists in this country. I could go on at great length listing the names of undergraduate students at the University of Toronto—there are thousands more who are lining up to sign petitions, in addition to sending letters—but I should like to raise another point which Senator Olson spoke to a few moments ago: We are not going to have the opportunity to ask questions.

One of the questions that one would have wanted to ask—because this is another offense against the ability of people being heard—are those about employment equity in the public service. The Treasury Board has just issued its report, which shows that aboriginal people, visible minorities and people with

disabilities are not receiving the opportunities they are entitled to in the public service. Those of us on this side, and perhaps some on the other side, want to have the opportunity to ask questions of the Leader of the Government with respect to that. I am sure he has some answers and explanations on that report, or I am sure he would be willing to prepare answers and explanations, because it is a commonly shared goal to improve opportunities for people in this country, which we are going to be denied as well. I had forgotten about that until Senator Olson raised it. This motion to move to Orders of the Day is frustrating to those of us who want to ask questions in this house.

I was almost at the end of my speech when Senator Simard interrupted. Of course he is worried about costs. He is inflationary in his own thinking, but this internal contradiction, which is to cut costs, is illustrated in the questions he raised here. The solution to the problem of the costs of long sittings would be for the government to withdraw this tax, which is what 85 per cent of Canadians want, to re-think the kind of tax this country should have, to carefully examine alternatives that experts in the field have put forward, and to re-examine the papers tabled in 1987 which most Canadians thought might lead to a fairer revision of the tax system and which no one seems to be protesting.

People realize that they have to pay tax and that the existing tax system is unfair. They have worked through a whole series of alternatives. We know Senator Simard is very concerned about alternatives. With those alternatives in front of it, not only has the government chosen an alternative tax that is unfair, regressive, hits the wrong people at the wrong time and will cause incredible damage if passed, but it does so in an unfair and bullying way at each stage of the game. This will destroy civil order in institutions. The government seems to be indifferent to the impact the tax will have on creating an underground economy.

If Senator Simard and others are worried about the costs of administering this chamber so that the voices of the people can be heard—starting with the senators on the other side—that this motion should not pass, then the best thing would be for Senator Simard and his colleagues to persuade the government to withdraw this bill. Other governments have done it. It is a perfectly honourable way of proceeding. If that happened, the costs would disappear immediately. We could proceed to other important business and, in fact, reflect what the people of the country are saying. That would be the proper way to proceed. There is a precedent for it; it would be welcomed; and it would even restore some of the popularity the government has lost, which I am sure would be welcomed by senators opposite.

I had hoped we would have received a favourable response. Perhaps the only way to achieve that end would be to read more of the letters that have been received. I am sure the names of the citizens will evoke the same reaction.

The motion in front of us should be rejected. The people who have written and petitioned us have the right to have their names heard and their views reflected in this chamber. It is done with respect to other matters, and it should certainly be done with respect to what is the most crucial matter on the minds of Canadians at the present time. I would urge all senators opposite, having thought it through, to reject the motion in front of us. Of course we will eventually debate this bill, but, in the meantime, Canadians have the right to be heard. Certainly it would be a pleasure to put the thousand names of the University of Toronto undergraduates on the record. I am sure they would be joined by thousands of other undergraduates from other universities across this country.

Some Hon. Senators: Hear, hear!

Hon. Herbert O. Sparrow: With respect to the motion, why should we move to Orders of the Day rather than reading those petitions when the right of honourable senators in this chamber is to respect the wishes of the Canadian people?

• (0315)

We have been accused on this side of the chamber of being obstructionist, of filibustering, and of causing delays in the proceedings of this chamber. To some degree there has been an effort to delay passage of the GST by this side. I am a part of that delay, but I have no apologies to make and no regrets. This bill, in order to be more palatable and fair to Canadian taxpayers, should be amended, at least.

We on this side of the chamber are following the rules. If Senators do not like the rules of the Senate, then Senators can change those rules and make them more reasonable. We are operating within the rules and bringing messages from the Canadian people to the Senate.

Talking about Senator's rights, our rights were trampled on by the Speaker on October 4. I do not want to see that happen again. Now we are working within the rules of the Senate and are bringing messages to the members of the government in the Senate, and of course we are also bringing a message to the Canadian people.

Someone said earlier in this discussion that Mulroney is not God's gift to the Canadian people, and if he is, that he is only God's gift to 15 per cent of the Canadian people. That is the percentage of the Canadian people who have confidence in this Prime Minister and this government as of today.

During the last general election the government of today received less than 50 per cent of the popular vote — I believe the government received 42 to 45 per cent of the popular vote then. The government did not, even at that time, represent a majority of the Canadian people, and now it is down to representing what we are told is 15 per cent of the Canadian people, or less. So I do not think that honourable senators opposite have the right to say that they represent the Canadian people today.

The people of Canada are telling us what they think should be done as far as the economic situation in Canada is concerned, and as far as the GST legislation is concerned. It is upsetting to me to hear a leader of this country tell us that there will be no changes to any legislation that is proposed by his government; that there will be no amendments to such legislation; that no commas or periods will be changed in the proposed legislation.

We went through that respecting the Meech Lake Accord. We were told there would be no changes to that legislation, and of course, that was defeated. Perhaps, in retrospect, some changes could have been made to make that accord to make it more palatable to the Canadian people, but the government said that that was not possible. The government is doing the same with the GST legislation.

Honourable senators opposite can say that the committee brought in a report without suggesting amendments, but with the government saying there would be no amendments accepted, that the government would have no truck or trade with the Senate, that it would hold no conference, there was little value in bringing forward amendments. If the government had said that it would accept amendments proposed by the Senate, then I think the situation would be entirely different and the Senate, as a whole, would look at this legislation in an entirely different way and, perhaps, make it more palatable to Canadians.

I must admit that, in order to make it fairer to Canadians, many amendments would be required, but I think they should be proposed.

I am not going to now, or at any time in the future, accept this bill as it exists. I believe it is my responsibility and duty to oppose this, to delay it, do whatever I can to stop this from being passed into law.

It was also stated earlier today that the government in the House of Commons used every avenue it could to ram the bill through that chamber. It used closure, time allocation, and so forth, and rammed it through that chamber.

Canadians are not ready to accept that. That is why we are bringing forward these petitions. That is why we are opposed to this motion to move to Orders of the Day. We think it is necessary to bring these messages from the Canadian people to the attention of the government.

I said earlier that we have the constitutional right and moral obligation to look at this bill, and if we really believe it is not good for the Canadian people, to do whatever we can within the rules to stop the bill from becoming law.

It is not reasonable for the Prime Minister of this country, or for Harvie Andre or Otto Jelinek, to travel across this country and tell Canadians that the Senate does not have the right to do what we are doing. That is another lie to the Canadian people. We do have the right, and the Canadian people must realize the we have the moral authority and, in fact, the obligation—

Senator Beaulieu: Then let's vote. If you have that right, let's vote on it. The bill will either be passed or defeated. Why take another month?

Senator Sparrow: You are right!

Senator Beaulieu: I know I am right.

Senator Sparrow: But we will vote on it in our time.

Senator Simard: You have already taken one month. Why take another month?

Senator Sparrow: This will take another two months, not a lifetime.

How ministers of the government can travel across this country trying to sell the GST and make false statements is beyond me. Surely if the bill is good for the Canadian people, it can stand on its own merits. There should be no attempt to muddy the waters by bringing forth falsehoods, as has taken place.

We have every right to do what we are doing, and every right within the rules to do that. I think, in turn, we have a moral obligation to do just that.

We in this country will soon be observing Remembrance Day. On that day we will remember the many people in the world who had their rights trodden upon. The message from Canadians then and now is that they did not and do not want to see their rights trodden upon by other Canadians. Canadians see enough of that all over the world. So, let us think about that. We do not want the rights of senators to be trampled upon, as the Speaker has done in the past.

Senator Murray keeps referring to the need for the GST and the need for a change in the economic climate of this country. He also keeps referring back to what happened in 1981-82. We all know what happened then; but we are talking about today. The Canadian people have some hope in their governments avoiding what took place in 1929, 1935 and 1982. But what Canadians see today are changes that are not for the better.

One would think that this government would have learned lessons from what happened in those days, but it has learned nothing. This government is saying that it will put things back to normal on the backs of the poor and on the backs of the unemployed. That is what this government is doing now, and by bringing in the GST, it is going to cause greater harm.

I wonder why the government cannot tell the Canadian people the merits of this bill, because there must be some. We should get the merits and not confuse the issue with red herrings and outright falsehoods.

The government talked about bringing in the GST at 9 per cent and then said it would be revenue neutral. Then it reduced the rate to 7 per cent and also said it would revenue neutral. That was to make it more palatable to the Canadian people. We now hear that the GST will help offset the deficit. If the tax was revenue neutral at 9 per cent, and if it was also claimed to be revenue neutral at 7 per cent, how can this government now tell us that it will help offset the deficit? If the tax is designed to offset the deficit, why can the government not tell us that? Is that because that would not be palatable to Canadians?

Honourable senators opposite say that those earning less than $30,000 a year will pay less in taxes. I do not know how they can justify those figures. Senator Poitras was going to bring me an answer to that question. I was hoping he could give me some information that I could not get directly from the Department of Finance.

Senator Simard: What motion are you on now?

Senator Sparrow: I am on the motion that is before the House.

Senator Simard: You are not talking on that motion; you are talking on the bill.

Senator Sparrow: I beg your pardon?

Senator Simard: Do you know what you are talking on?

Senator Sparrow: I am talking on the GST and the motion.

Senator Simard: I am asking you to revert back to the motion. I have all kinds of speeches in my desk, as do my colleagues, but we are waiting to deliver those speeches at the appropriate time—that is, when we are on the appropriate Order of the Day.

Senator Sparrow: Do you want to do that now?

Senator Simard: We are now on the motion. I do not have a speech to make on the motion but you should be talking on the motion.

You can say that you are sticking to the rules and that the Speaker made a mockery of the rules three weeks ago—which is unfounded, of course. Senator Marsden had been guilty of breaking the rules as has Senator Olson, but that is an old trick of his.

Senator Robichaud: What are you on now?

Senator Olson: Are you raising a point of order?

POINT OF ORDER

Hon. Jean-Maurice Simard: You are not dealing with the business at hand. If you were talking about landing a man on the moon it would be just as relevant to the motion as what you are saying now. Show some respect for the rules.

I know that Senator Kirby will support me on this, or he should. He is an aspiring leader. Whenever he wants to seek the leadership of his party he can come and see me and I will give him a hand, but in the meantime he should show us what he is made of and get his people back on track.

Hon. Michael Kirby: Other than the fact that I understand the concept of "beware of friends bearing gifts", I wonder whether you are just raising a point of order.

● (0330)

Senator Simard: I am just saying that it is an invitation to your colleagues to see the light, and to be reasonable.

Hon. Nathan Nurgitz: I would like to bring up a matter raised by Senator Simard, which is merely that . . .

Hon. H.A. Olson: Your point of order, is that you want Senator Sparrow to be relevant.

Senator Nurgitz: Yes. So I know that he wants to be relevant and I know that he wants to comply with the rules. So that we all want him to continue and we all want to allow him the opportunity to continue to speak to the motion.

Senator Kirby: Speaking on the point of order, surely the problem is the definition of relevance. Clearly, that is the problem.

[Senator Simard.]

Senator Nurgitz: It is either relevant or it is not relevant. What he said was not relevant.

Senator Kirby: For example, Senator Simard suggested earlier that when Senator Marsden was referring to some of the people who were opposed to the GST and therefore did not want us to take the part of the motion that we are debating, he did not want us to proceed to debate the GST. There was an argument made in a sense that was relevant, and I only point this out to Senator Nurgitz because it seems to me that relevance, like beauty is in the eye of the beholder. Faced with the problem, it seems to me that the speaker is absolutely entitled to define relevance as he sees rather than necessarily defining relevance as either Senator Nurgitz or as Senator Simard sees it.

So that I have difficulty with a point of order in which that subjective judgment of what constitutes relevance is made, not by the Speaker, but by the members opposite. That is my problem.

Senator Nurgitz: I accept that honourable senators, and now we will ask the good Senator Sparrow to speak and he will explain the relevance of what he is saying to the motion before this house. Then, I accept what you say but in doing that you are essentially saying that senators—

Senator Kirby: In doing that you are essentially saying—

Senator Olson: You have challenged his relevance.

Senator Kirby: What you are really saying is that Senator Sparrow, in addition to giving a speech, needs to give a sort of a Dick and Jane set of explanatory notes at the same time as he gives a speech so that you understand why what he thinks is obviously relevant is relevant. Is that correct?

Senator Nurgitz: No. I accept what Senator Kirby says that it ought not to be my subjective view of what is relevant, but he can tell us what the motion is, and he will tell us the contents of his comments and why it is relevant to the motion.

Senator Simard: Then Senator Olson will rule and if we do not like it, we will appeal his ruling.

Senator Kirby: You said that you want Senator Sparrow to begin by telling you what the motion is. He knows and he, I guess, assumed that you knew that the motion was Senator Doody's motion which was to move directly third reading. You are concerned that he does not know what the motion is simply because we are forced to speak to the motion without necessarily having heard Senator Doody put the motion.

Senator Nurgitz: Let him explain as to why it is relevant and I will accept it.

Senator Kirby: Sure.

Senator Simard: Senator Sparrow can speak to the motion. You can tell us in so many words.

An Hon. Senator: Is it Dick and Jane?

Senator Sparrow: I have the Dick and Jane story, if you would like to hear it?

Senator Simard: Oh, here is Senator Stewart. So, the forces are back. Did we confuse you, Senator?

Senator Sparrow: Yes, indeed.

Senator Nurgitz: No, I want to hear it and I will accept it.

MOTION TO CALL ORDERS OF THE DAY—DEBATE CONTINUED

Hon. Herbert O. Sparrow: First of all, I guess I wanted to tell you, and I think that I told you before, that I was opposed to the motion moving proceeding to Orders of the Day. If we were to do so, I would not have the opportunity to discuss these issues here and, if the GST ever gets to a vote in this house I will never have a chance again to make these points or to get this message across about the GST.

Senator Nurgitz: Indeed not.

Senator Sparrow: Let us give you this dress rehearsal.

Senator Perrault: You are just delaying the debate. Come on now.

Senator Sparrow: I will have to start over. Anyway, you wanted to hear the Dick and Jane story as well as the relevancy because I do have the Dick and Jane story here, if you will allow me to enter that into the record.

Senator Simard: We have to abide by the rules.

Senator Olson: Why not you tell him what the rules are. He knows why he is arguing against this motion too. Besides, you speak when you are sitting down so that is why I do it too.

Senator Sparrow: Yes, thank you very much for your help. It says the Dick and Jane story. You will remember Dick and Jane? Not to mention Spot the dog and all of the other memorable characters of your Grade II reader.

Senator Nurgitz: And you guys said that he never read anything.

Senator Olson: He is better than I thought.

Senator Doody: Let me hear more about Spot.

Senator Sparrow: You thought that you would hear about Dick and Jill going up the hill to fetch a pail of water, did you?

Senator Simard: Yes, that is it.

Senator Sparrow: Well, I am here to tell you that Dick and Jane are still with us. Sure, they are big people now, and Spot, the dog, with their one year old car. Everyone is alive and feeling well except for Spot whose battery is not what it used to be. So that I just bet you are wetting your pants like Spot if any one of you had a typical day in the life of your old friends Dick and Jane. And the dog. Especially in the age of the GST. I knew you were so that I am going to tell you.

Oh, is this pretty heavy for you.

Senator Doody: They can absorb it if you will go slower.

Senator Kirby: You remember how you did it when you were in grade 3?

Senator Sparrow: The day begins at seven when Dick and Jane got up for work. Dick reaches over Jane who sleeps like a log and switches off the alarm on the new clock they bought on the weekend just three days after the new tax became law. Look, Jane, he says, do you see the clock, it cost 7 per cent more on Saturday than it did on Tuesday.

An Hon. Senator: It is a little more quiet and genteel out here.

Senator Sparrow: Dick and Jane shuffle off to the bathroom to their Dick and Jane sinks. Jane picks up a toothbrush at her sink and cries "Look Dick, look, see the brush? It costs 7 per cent more too'.

This is what they wanted read, right ? Okay. 'Oh', said Dick, 'and the toothpaste too'. He looks at Jane. She looks at Dick. They all look at all of the stuff in the bathroom. Soap, shampoo, towels, toilet paper, everything is 7 per cent more.

Is this relevant? Is this all relevant to the—maybe it will be.

Senator Nurgitz: Perhaps he does not understand the difference.

Senator Simard: Well, the onus is on you to show the difference.

Senator Sparrow: Dick and Jane have three young children. Tom, Dick, and Harriet, but to avoid confusion, Dick calls Dick Rick and on the weekend, Dick bought Rick and Tom and Harriet new clothes, shirts, pants, socks for the boys and new shoes and a new hat for Harriet. As they were being dressed for school—am I going too fast?

Senator Doody: No, you are doing just fine.

Senator Stewart: So you wanted to know just what we did with our research money, did you?

Senator Sparrow: Behave yourself. As they were being dressed for school and handing their school books, they remembered that the books and the clothes also cost 7 per cent more.

Senator Kirby: They have trouble understanding it.

Senator Sparrow: He said nothing, but his brain went 'Oh, oh'.

An Hon. Senator: Make sure that the reporter gets a copy of that.

Senator Sparrow: Do you wish to have a copy of it as well?

Senator Simard: No, we don't get the *Hansard* for three days. Yes, I would like to get a copy of it. I would like to have it this morning because I would like to take it home and read it.

Senator Olson: Perhaps we can have an hour's recess and everybody can have copies.

Senator Sparrow: No, I have not made copies, but if you would like to have copies, I will make them. I could give them to you.

Senator Simard: Oh, is this just another Liberal promise? We want it. Okay? All right, we will take your word.

Senator Sparrow: Do you wish to have it in colour or uncoloured?

Senator Doody: It does not matter.

Senator Simard: We want the original. We want it all signed by all of you people over there.

Senator Stewart: So, what happened next, Senator?

Senator Sparrow: Well, with the kids off to catch their bus, Dick and Jane jumped into their new 7 per cent more car, backed out of the driveway and promptly had a flat tire. As Jane changed the tire—Dick was a mechanical klutz—she exclaimed 'Guess what, Dick?' 'This flat tire will cost 7 per cent more to be fixed.' 'Darn,' said Dick. 'Darn, darn, darn.'

I think I have lost their attention.

When the Darling Dick dropped his Jane off and later parked his car, he paid 7 per cent more to park. Later that morning at his break he paid 7 per cent more for his coffee and his muffin.

Who brought up this subject of Dick and Jane anyway?

Senator Olson: It was Senator Nurgitz. Yes, he wanted to hear the story.

Senator Nurgitz: No, no.

Senator Kirby: No, I think what happened is that Senator Nurgitz had difficulty understanding what Senator Sparrow was saying. I suggested it might help Senator Nurgitz if you gave a Dick and Jane explanation and Senator Nurgitz agreed that a Dick and Jane explanation would help, and I thought what you were trying to do was to, in fact, explain to the members opposite, and in particular to Senator Simard and Senator Nurgitz, the Dick and Jane implications of the GST, which is precisely what he asked for. That is my understanding of why it is important that you continue with your presentation of the Dick and Jane issue. Is that not correct Senator?

Senator Nurgitz: I do wish to congratulate the member opposite for his new levels of literacy. I think that it has been great.

Senator Sparrow: Senator Cogger wants some pictures. Do we have any that we could give to him that are in colour?

Senator Simard: I have my crayons right here.

Senator Sparrow: Just before lunch, for which he also paid 7 per cent more, Dick went around his office to collect for Mabel's going away gift, because Mabel was going away. Mabel was moving to Moose Jaw and so he had to add 7 per cent to what he had collected to cover the tax on the gift. That afternoon Dick slipped out of the office for a haircut and paid 7 per cent more. After work, he picked up Jane and stopped for gas and paid 7 per cent more. Then they stopped at the neighbourhood Home Hardware for some paint and paid 7 per cent more. Then the same for a brush. The same for a screwdriver.

While he was there, Dick bought Rick a new hockey stick and paid 7 per cent more.

It is so sad.

[Senator Simard.]

Since they were both tired and did not feel like cooking, Dick and Jane got a pizza for dinner and paid 7 per cent more.

As the next day was the Parent-Teachers day, the kids had no school and wanted to go to the movies to see Teenage Mutant Ninja Crocodiles, or Lizards, or Turtles, or something and Dick could not remember which, and so they finished the pizza and headed off to the theatre where they paid 7 per cent more for the show. Seven per cent more for the popcorn. When they got home and put the children to bed, Jane sat down to pay their bills. They paid 7 per cent more for furnace oil, 7 per cent more for electricity, 7 per cent more to the plumber who had fixed the leaky faucet in the laundry room.

Dick went into the family room to watch television and he walked across the new carpet for which they paid 7 per cent more.

He sat in his new chair which cost 7 per cent more and turned on the new boob tube which had set them back $590.00 plus 7 per cent more.

As he slumped there, not really watching whatever was going on, he began to think about his day, his seven per cent day and he got angrier and angrier. His 'oh, oh, oh' and his 'darn, darn, darn,' turned into 'damn, damn, damn.' He thought that they would all be better off dead until he remembered that funerals cost 7 per cent more.

You would suppose that they could have avoided the GST, that they could go naked and barefoot and unplug the phone, the television and the fridge and turn off all of the lights and shut down the furnace and freeze to death in the basement. But then there would still be funerals.

Disgusted he went to bed, pulled the covers over his head and had nightmares about the 7 per cent and of the police who were coming to get him.

In the morning, outside of his office, there was a man who was selling red buttons saying, 'Impeach Mulroney.' Dick bought six. One for himself, one for Jane, one for Tom, Rick and Harriet, and one for Spot. And oh, oh, he paid 7 per cent more.

I wonder if we could get a copy of this for Senator Simard?

Senator Olson: Now they understand why people do not like the tax better than they did before.

• (0345)

Senator Sparrow: And we will get the pictures, Senator Cogger, just as soon as we can. We will get the pictures.

Senator Cogger: And we will buy the crown before the 7 per cent goes into effect.

Senator Sparrow: Yes. Now speaking about relevancy, as far as the motion is concerned, I believe that the subject matter before us is very relevant because if we move to the Orders of the Day, we will get an entirely different subject matter. We will not be talking about the petitions that this motion has replaced, and we will not be able to get the message across that the people want brought to this house as far as what is going to happen if the GST goes into place. So I believe, in my heart, that that is relevant to the situation.

We talked about the rebate to individuals, and Senator Poitras—I know this is not a proper time and place to do it because it is not really in order to ask individual senators questions without the leader—but you did say that you would give me an answer to that question.

Would you happen to have that now or do you want to—

Senator Poitras: When we will be talking about the amendment or the bill.

Senator Sparrow: I thought you said you would bring it in the next day for me, but—

Senator Poitras: Well, I thought you would discuss the bill the following day. Normally we should have.

Senator Doody: We will get to this.

Senator Poitras: Yes, I think we should.

Senator Sparrow: Would you say that the figures I quoted and the information I got was relevant to this discussion and were factual? Would you suggest that?

Senator Poitras: I will answer this in due course.

Senator Sparrow: All right. Anyway, as we are talking about the idea that the people are going to pay less, that people who earn $30,000 are going to pay less. This is one of those falsehoods that keeps cropping up, those in favour of the tax keep telling us the big lie as far as this is concerned. If we are talking about the people earning $30,000 or less who will pay less tax, I wonder how that is relevant when a person earning $28,050 will get $5 rebate. If you are talking about four payments per year, you will be lucky. You will be waiting patiently for his cheque in the mail for $1.25 every quarter of the year, and I think it is just not fair to continue to say that people who earn less than $30,000 will pay less tax, because at a minimum, if they spent $15,000 only of their $28,000 on items other than food, they will have paid $150 in GST tax, and that would probably be twice or three times as much as the federal sales tax they pay now. So it is not fair to the Canadian people to tell them that they will be paying less. They tell us that it is good for the farmer, because the farmers will get a rebate on what they spend on capital items, but if they cannot afford in today's society to buy any new tractors, farm equipment or trucks, of course they will get no rebate at all, and they will still be paying GST tax on all of their items, except probably food and medical services. So it is not really necessary, I think, to tell the Canadian people those falsehoods. They say it is good for low-income people and are talking about the low-income people, the people who are below the poverty level—which primarily falls into this category of those people who are earning less than $30,000—and many people, of course, working at minimum wage earn only $10,000 per year, total, in this country. Many of them are supporting families on that. If it is a single person, he, in turn, if he earns $10,000, will only get $190 back, and of course, he is bound to pay more than that in tax. Yet, previously he never paid the federal sales tax because he couldn't afford the items that were affected by the federal sales tax.

We have been talking about the small farmers. People have said—and Senator Olson knows this—many times, "If you want to be a small farmer, you start out as a big farmer, and it doesn't take you long until you are a small farmer. We are getting smaller and smaller and smaller." Pretty soon we will not have an agricultural industry in this country, and certainly not in Western Canada, as the cost balloons in not only because of the GST tax, but because of the inflationary interest rates, and, of course, the cost of fuel.

The same consideration applies to small business. The government says, "it will be better for you." I really don't know what they refer to as small business. If they are talking about a small business that takes in under $30,000 a year, okay, they may not have to pay the federal sales tax or the GST tax. They may be excused from that, but the businesses that take in less than $30,000 are a very small percentage of the business people in this country. We are asking the people who earn $30,000 or more to collect that sales tax and then pay it to the government, less the balance that they are allowed as an expense. We are asking that small business person, who may be a plumber or an electrician who works by himself or who has one or two or three employees, and who works on the job all the time himself—now we are asking him, when he gets off the job site not only to calculate the unemployment insurance, the income tax, the Canada Pension Plan contributions, workmen's compensation, holiday pay, et cetera for these employees, now we are asking him to turn and do the calculations on the GST.

So, the message that we want to bring, or, at least, I want to bring is that not only can we not afford this tax within the community, but we can't really afford the extra work that it is going to take.

We are faced with an added cost in the small business community now with inflation rates at 4 per cent that we will have to adjust for. We will also have to adjust for the 7 per cent GST tax. Then any business that uses vehicles in trucking or in construction, indeed any of those businesses that are higher users of fuel will find that their costs have increased almost overnight with a 15 per cent increase in fuel prices. So we are talking now about the business community being faced with at least a 26 per cent increase in the cost of operation, and indeed we cannot afford that.

We were talking about the idea that to sell the GST the government will use any message to do it. I want to just read for you an item in the *Globe and Mail* of October 17 written by Linda McQuaig. It refers to the suggestion by the government that this was in their platform in the 1988 election campaign that they were going to bring in the GST tax. This is what that article states.

> One of the most misleading statements coming out of Ottawa these days is the contention of Brian Mulroney's government that the goods and services tax was part of its 1988 election platform.
>
> The government is advancing this theory now, of course, in an effort to suggest that it was elected with a

mandate to impose the GST. Even if the electorate is now overwhelmingly opposed to it, the theory goes, the public elected the government knowing full well of—even presumably endorsing—the GST.

This is a considerable distortion of what happened. It is true that the government had indicated in vague terms in its 1987 tax-reform documents its intention to replace the Manufacturers Sales Tax with a new sales tax. But the government went mum on the subject during the 1988 campaign. This silence was with good reason.

The new tax was going to benefit only a small segment of the population—primarily manufacturers, who had long disliked the existing sales tax and would enjoy a much lighter burden under the GST. Indeed, some $4-billion of the sales-tax burden was to be transferred from the corporate sector to the household sector.

So the government saw no particular advantage in mentioning the new tax to the general public during the election campaign. It was bound to raise suspicion that the tax would be used to soak additional revenues out of the public for the ongoing war against the deficit.

For the Tories, there was no advantage in turning the GST into an election issue. Everybody who would like the new tax—manufacturers, business economists, tax experts—already knew about it. The rest were better kept in the dark.

So the government was set to let the issue slumber throughout the campaign, even though the GST was a central part of the Tory plan for its second term and all was in readiness to set the wheels for the new tax in motion as soon as the votes were counted. Everything was going according to plan when Don Blenkarn stumbled onto the scene.

Mr. Blenkarn, the feisty Conservative chairman of the House of Commons Finance Committee, was scheduled in the early days of the election campaign to make what promised to be one of its dullest appearances. He was to address a tax conference at Osgoode Hall Law School in Toronto. The event actually had nothing to do with the election, having been booked months earlier.

In the course of the day-long session, Mr. Blenkarn told the audience of economists and tax experts that the government planned to collect billions in additional revenues through the GST.

This evoked little interest: the tax specialists in the audience already knew it. But when Mr. Blenkarn's comments about the additional revenue-raising potential of the new tax were reported the next day on the front page of the *Globe and Mail,* the cat was out of the bag. The increase that only experts were supposed to know about was now in the hands of the electorate—a dangerous place indeed. So how did the government react? If it is true, as the Tories now maintain, that the government had "campaigned" on the GST, surely its response would have been to say, 'Yes, Mr. Blenkarn is right, the new tax will raise considerable extra revenue and this is necessary for deficit reduction.' They would have said then what they are saying now.

But both Prime Minister Mulroney and Finance Minister Michael Wilson were quick to deny the accuracy of Mr. Blenkarn's comments, insisting that he did not speak for the government.

As the issue percolated over the next few days—Ontario Treasurer Robert Nixon piped in with comments about how Ontarians would find themselves paying a lot more sales tax—the government repeatedly denied that the new tax would raise any additional revenue.

Mr. Wilson insisted that it would be "revenue-neutral"—that is, would not raise additional money. It was not a vehicle for deficit reduction. With the government's assurances, the issue died.

Since the election, Mr. Wilson has been more frank. On CBC's Morningside radio program last month, he told host Peter Gzowski that the GST would raise additional revenues for deficit reduction.

"But I thought it was revenue-neutral?" Mr. Gzowski said. Mr. Wilson replied: "Well, no, it helps us get the deficit down." So much for honesty on the election trail.

The government now argues with ferocity that the GST is really the only option for reducing the deficit—choosing to ignore the other fairer options, such as a detailed proposal developed by Osgoode Hall tax professor Neil Brooks to abolish regressive sales taxes altogether and raise the lost revenue through modest increases in the income tax. This option, which the government has refused even to consider, would save Canadians hundreds of millions in administrative costs alone.

• (0400)

The Tories now concentrate their fury on the evils of an unelected Senate, insisting that the shenanigans in the upper chamber are blocking the will of Canadians to have the GST put in place. But Canadians never endorsed the GST—not now and not during the election campaign.

Is the Senate really blocking the will of the people, as the government suggests, or simply blocking the will of the government, on an issue where the government was less than honest at the one time when Canadians were in a position to register their opposition?

Could it be that the Conservatives don't trust an informed Canadian public to make the right decisions, that they believe the only way to put their policies in place is sometimes to circumvent the will of the people? Are the antics in the upper chamber the real threat to democracy?

Honourable senators, I do not think that the upper chamber is the real threat to democracy in this country.

I want to quote from the *Winnipeg Free Press* of Tuesday, October 30, 1990. This is a poll of what the people think of the Prime Minister. The article is headed "Waiting for the Malaise". It states:

> Most Canadians believe politicians are increasingly corrupt, tell a lot of lies, don't know where the country is headed and how to get there and usually can't be trusted to do what is right.

I think this is what the Canadian people are now realizing because of the half truths and, I suppose, outright big lies that have been put forward with regard particularly to the GST.

> Most want Canada to have a leader with a vision for the country who won't be distracted by critics, but they do not want that leader to head a government that will do what it thinks is best for the country even if the majority of people disagree.
>
> Some observers, who looked for a bright side in the survey of Canadians' views of their politics and politicians made public this week by the Toronto *Globe and Mail* and the Canadian Broadcasting Corporation, found in it evidence of profound ambivalence. In fact, that ambivalence may be the real problem.
>
> Canadians, on the evidence of the poll, have not quite given up on their politicians, though they admit that their opinion of the breed has been going steadily downward. They have not quite given up on the political process either. Most of them rejected the invitation to agree with such expressions of political cynicism as: "The way I feel about politicians these days, I don't much care whom I vote for."
>
> Seventy per cent of those polled did care whom they would vote for. Hardly any of them, not surprisingly, would vote for Brian Mulroney.
>
> The response to the poll has been widely interpreted as evidence of a political malaise in Canada—a deep seated sickness in Canadian politics. But not liking the party in power is not necessarily evidence of a malaise. It can reflect nothing more than a healthy political judgment. If the party in power has adopted a failed constitutional policy, an economic policy which has resulted in a recession and a tax policy which people fear will pick their pockets, it is perfectly natural for the voters to dislike it. Their judgment may or may not be right, but it certainly is not sick.
>
> There is a sure cure for an unpopular government. Either it persuades the voters that its policies will, after all, benefit them, or the voters will kick it out. Some voters may complain that they won't get the chance to kick it out soon enough but, if the government really does remain deeply unpopular, there is a chance that defections in its own ranks will speed the day of its dismissal.
>
> The real malaise sets in if it turns out that the quick cure did not work; if the government which replaces the previously unpopular one turns out to be just as bad. For many western voters, that is what has happened since 1984. They turfed out Pierre Trudeau's Liberal government because it failed to address the needs of the West and elected Brian Mulroney's Conservatives who proceeded to fail as well. Canadians in other regions of the country have suffered similar disillusionment.
>
> If, two or three years from now, the voters face the same disappointment, Canadian politics could get truly sick. The rage and disillusionment heard today could sound tame if a Liberal or New Democratic government should take office after the next election and fall as short of expectations as Mr. Mulroney's Conservatives have done.

One of the next half-truths or falsehoods that is taking place is the statement that the federal sales tax that we now have in place is no good, that it is a detriment to the Canadian industrial complex and to Canadians as a whole. I suppose it should be on the record—and I think that Senator Stewart has made reference to this earlier in the debate—that when the Conservative government came to power the tax was only 9 per cent. If they thought it was such a bad tax for the Canadian people, why, then, did they raise it on October 1, 1984 from 9 to 10 per cent; on January 1, 1986, from 10 to 11 per cent; on April 1, 1986, from 11 to 12 per cent; and on June 1, 1989, from 12 to 13.5 per cent?

If the Conservatives believed that it was such a bad tax, why, then, do they keep raising it? Perhaps it is worse now than it was because of those increases. Perhaps it was not that bad when it was 9 per cent. Perhaps it is much worse—and I think, of course, that it is—at 13.5 per cent. The adjustments could be made to those figures without burdening the Canadian people with this new tax.

I want to talk for a moment about the Canadian people. They want a decisive government. They want leadership that is decisive. I do not argue with that, of course, but when we talk about the present government and the present Prime Minister, I have to point out that there is a difference between being decisive and being stubborn, mean and unyielding. There is a difference between being decisive and coming to the Canadian people with a holier than thou attitude.

Surely the Canadian people have some thoughts about what should happen in their country. Surely they should have some input in addition to the input at election time in the way this country is governed. I think today, in this discussion, we in the Senate are trying to reflect what the Canadian people want.

The Canadian people want compassion, understanding and a leader of the people, not just a leader of corporations and the rich of this country. We are looking for leadership and I am just telling senators that we are not getting it.

I want to refer to another article in the *News-Optimist* from North Battleford, Saskatchewan, which reflects what is happening across this country but brings it a little closer, at least, to my home. It states:

> Town council has jumped on the anti-GST bandwagon.
>
> During their regular meeting Monday, councillors received a copy of an anti-Goods and Services Tax resolution passed by the city of North York, a suburb of Toronto.

The resolution says the tax will "adversely" impact on the city and North York taxpayers.

In addition, it notes the federal government appears determined to pass legislation implementing the GST, despite the fact that some 80 per cent of Canadians oppose the tax and about $260 million will be spent in salaries and promotion to implement it.

The resolution describes that as "an outrageous waste of our tax dollars".

As a result, it calls on all 4,000 municipalities across Canada, including Battleford, to endorse the resolution and "voice their concern in the strongest terms possible to the Prime Minister and federal Members of Parliament."

Honourable senators, the terrible costs associated with the GST—just the cost of advertising for the institution of the tax—are basically unbearable. We have spent literally millions of dollars in advertising in the form of pamphlets. We are now faced with a further notice sent out by the government to all business places. This pamphlet includes decals to be put in places of business showing the guidelines for collecting the tax. Some of the signs state, "These prices in this store include the 7 per cent GST." Other decals state that the 7 per cent GST is included "where applicable". We were told initially that the tax would be up front, that it would be shown at the time the item was purchased. But that is not necessarily true any longer. This could in fact be a hidden tax.

Honourable senators, I assume that we are spending thousands of dollars on this very pamphlet, and people will not necessarily know whether the tax is hidden.

People have said that the collection of the tax will cost in the neighbourhood of $4 billion of the $20 billion collected in a year. How we can impose this additional cost on the Canadian people is beyond my thinking of what is possible.

Finance Minister Michael Wilson was quoted in the Canadian Press recently as saying, "Canada has slipped into a recession, but it should not be severe . . ." Well, I want him and honourable senators to know that the recession is severe and that it is going to get worse. In fact, in Saskatchewan at the moment it is considered to be a depression, not just a recession. We are faced with many aspects of a depression: Our individual bankruptcies are up and our business and farming communities are going broke. That, in my opinion, is a depression, not just a recession.

When I look at the pamphlet that has just gone out, I see that it talks about the great things the Government of Canada is doing for the people of this country. It talks about how the GST is going to help them and how it is going to affect them. I think this is another aspect of the big lie. I was about to read a number of these items into the record, but I think I will leave that to another time.

Hon. P. Derek Lewis: If I may, I would ask Senator Sparrow a question. With his great knowledge of soils, can he tell us whether there is any danger to soils under the GST?

Senator Sparrow: You've got to be kidding. Honourable senators, I covered this subject some time ago in this chamber.

[Senator Sparrow.]

Of course the GST will have a great effect on the agricultural community. The money that will be flowing out of the agricultural community will make it literally impossible for a farmer to be a good steward of the soil and protect that soil. He will not be able to afford that.

I have told senators, and I will tell them again, that the most serious crisis facing the agricultural industry is soil degradation. This whole aspect of the GST—the economic timeliness of it—does not lend itself to conservation in any area, particularly that of soils.

If I might, I will just add—and it is not necessarily in answer to Senator Lewis's question—that what the government is doing is destroying small business in this country. We know that bankruptcies are up in this country by 40 per cent this year over last year. I heard on the news today that there is a 40 per cent increase in people who are 90 days behind in their mortgage payments. Honourable senators, this is shocking. People across the country are losing their homes. We are destroying the homeowners and we are destroying the small businesses. While we are doing this, the government has the gall to send out a pamphlet that is in turn costing hundreds of thousands of dollars.

● (0415)

It says "For the Small Business, Getting Started: Guides to Rules and Regulations Concerning the Establishment of Small Businesses in Canada". What a time to send out such a publication! We should send out a publication that tells us how we can salvage the small businesses we have, because who in their right mind would start a small business in this country at the moment? We should salvage the businesses that are in place.

Why are we increasing immigration to increase employment when we have no jobs for our own people at the moment? Thousands are being laid off across the country, but the government thinks we need to bring in additional immigrants. The government says it is great for the economic situation to see people unemployed. It must be great for the Conservatives in this chamber and throughout the country to know that someone is going to have to tell his wife and family that he just lost his job and he does not know what he is going to do to keep making the payments on his home and car or how he is going to feed his family. Yet the government is sending out pamphlets on how to get started in small business. What kind of nonsense is that?

In the agriculture community people are presently going broke. I have a study of poverty in Saskatchewan. Some other time I would like to discuss how this tax will affect those people. I also have a special supplement that was included in the Regina *Leader-Post* discussing poverty in the province and how the small businessman is now on welfare and going to food banks, along with many members of the agriculture community. It also discusses how the need for food in the school program has increased 20 to 30 per cent per year in the last three to four years, and the situation is going to get worse. I would love to have the opportunity to further explain those issues at another time.

Some Hon. Senators: Hear, hear!

Hon. Raymond J. Perrault: Honourable senators, from time to time it is useful to ask ourselves why we are in this chamber. I do not mean why we are here at 4.30 in the morning. May I suggest, facetiously, that the continuing source of inspiration for those of us who speak at ungodly hours like this is the fact that all of Canada is listening to every word we are saying. But, again, we have to ask ourselves what role we play in the Senate. At the present time the Senate has a credibility problem, which predated the incidents that occurred in the past couple of weeks. We were certainly not sent here to be automatons, trained seals or to march in step behind declarations of prime ministers or party leaders. Senator Hatfield, with his experience in the Atlantic provinces, knows full well we were sent here to effectively and authentically represent the regional hopes, dreams and aspirations of the people out there who are extremely worried today. It was indeed the contribution of the Maritime provinces to the Confederation debates that led to the creation of the Senate. John A. Macdonald said that this chamber would represent regional interests and protect them against the overwhelming power of the central provinces of that time. Surely that is still one of our roles. We shall not come here at the direction of some politician who say, "Do this or else!"

The Senate needs fundamental reform. We should be freer from party discipline; and, in return for an elected Senate with equal representation for the provinces, perhaps we should give up the veto power the Senate possesses and have a suspensive veto, which would enable groups of senators to hold up certain bills which might be injurious to their regions. Those would be some features of the modern Senate I would like to see. Yes, and, a Senate which would have the power to question the suitability of certain appointments to major government boards and agencies, as it does in the United States. We could be a more effective chamber if we were restructured along some of those lines, instead of being a cockpit of disputation—its members participating in black-and-white exchanges when all of us know few issues are black-and-white.

I had an opportunity to visit my province in recent days. I have been in public life since 1959, and I have never seen such anger, fear and apprehension out there about the state of Canada today. It would not be fair to blame that on one particular party, as easy as that is to do. The average Canadian in British Columbia, which is the region I attempt to represent, is worried about the future and the loss of employment.

The first reports we have received with respect to the Free Trade Agreement in our province have been bad. I hoped that the ultimate impact of that trade deal would be good for the country, but so far it has been disturbingly bad. Statistics Canada shows that 170,000 well paying, industrial jobs have been lost in Canada. It is true a number of jobs have been created, and it would be unfair to make my statement without that qualifier. But those jobs have been primarily in the service industry, which are traditionally lower paying. We have seen a steady departure of hundreds of companies to the United States since that the Free Trade Agreement was signed. That is of vital concern to Canadians, regardless of the way they vote. The woodworkers in the province of British Columbia are desperately appealing to the government to rescind the forestry agreement with the United States, which states that lumber exporters in British Columbia and most of the other provinces must be subject to the equivalent of a 15 per cent penalty for the honour and right of selling their products in the United States, when at no time were the Americans ever able to demonstrate that they were involved in unfair competition from Canadian forest companies. In retrospect, I do not think we should have given way on that particular point. Perhaps the deal can be renegotiated, and we should try.

Honourable senators, too many Canadians are losing their jobs and suffering in the process. We do not want to create the impression that the Senate is fiddling while the country is burning. I would almost be prepared to support a bipartisan, multipartisan conversations with respect to the financial and economic future of the country. I may represent a minority opinion, but perhaps the national situation requires something like this. The welfare of this country is more important than whether you or we win the next election.

I am getting to the subject of the suitability of ruling that petitions are not important and that we should move on to Orders of the Day. I went shopping in a supermarket in my province over the weekend, and prices are outrageous. I do not know whether they are being boosted in preparation for the events which may occur on January 1, but they are outrageous. I was stopped by seven people in one supermarket saying that they are totally behind the effort to stop the GST. They think it is wrong and discriminates against British Columbia. At the present time, we have many stresses in the province and in the country.

It is wrong to assume that the question of the separation of Quebec from the rest of Canada is the only threat to Confederation. The movement toward protest parties in Western Canada is awesome—indeed indescribable. People are very upset with what is going on in this country. They are having a difficult time articulating the reasons for their concern, but the feeling is there.

Under this proposed bill, we in British Columbia are going to have to pay about 25 per cent more GST as a result of transportation costs on certain articles. This was raised time and time again in the hearings across the country and since the beginning of this debate. Yet the government persists in the view that there is a "seamless web" and nothing may be touched. I want to ask Senator Hatfield if he is prepared to vote for a bill that is clearly and demonstrably discriminatory against the Atlantic provinces. Government officials admitted that in our hearings. The people of northern Canada are going to have to pay 158 per cent more on certain articles. Is that fair? Is it too much to ask the government to resolve this issue and not put in place a discriminatory tax proposal of this kind? If we are authentic representatives of our regions, what are we going to do about it?

In conscience, I cannot support a measure that is going to severely discriminate against my own province. For years in British Columbia we have been paying more to ship from west to east than from east to west. The freight rates have been discriminatory. Davey Steuart knows how discriminatory the rail rates have been in western Canada. It is said that the gradient from west to east is more steep than the gradient from east to west. Translated, that means it is easier to be a manufacturer in central Canada and ship west than it is to sell from west to east. Is that the Confederation package we bought in 1867? Did we buy that discrimination? Is it not important to bring these problems to the attention of central governments? I think both major parties have failed to address adequately the problems of the regions on a consistent basis. As a British Columbian, I resent it. It is wrong, and I am prepared to fight for my people. I know central Canada and eastern Canada have problems too, but the anger I see in the west is awesome.

I want to share some of the letters I have received with you. They summarize the anger that is out there. I know that those of you who have travelled recently have not seen anything like it.

● (0430)

This is from a chap in Kelowna. He states:

> The writer is a Senior Citizen who has served his country in both war and peace for nearly seventy years. Now retired, my wife and I have lived frugally and carefully during the forty-eight years of our marriage, in order to assure a comfortable retirement. Neither we, our three adult children and six grandchildren, nor anyone connected with our family have ever accepted any government hand-outs—with the solitary exception of OAS which we paid for through a special surtax commencing in 1951—and we have always paid (God—how we've paid!) our income and other taxes in full and on time.
>
> Now we feel betrayed!
>
> A lifetime Conservative, I finally recognized some four years ago that the man for whom I voted was an egocentric, power-hungry—

I will not quote the rest of what he says because that is unkind to the Prime Minister.

But he adds:

> the proposed GST, like many of the 1989 federal budget proposals, is an abomination. The clawback on Old Age Pensions coupled with the Partial De-Indexation Factor, jeopardizes the future welfare of every Canadian who had saved and planned for a stable retirement. In my considered opinion, the GST, as proposed, will prove to be a "cash cow" which will do nothing to reduce the burgeoning National Debt but will only permit the Prime Minister to promise more goodies before the next election. It will only lead to ever-higher taxes, greater spending, and more waste.

This is one opinion. He goes on to state:

[Senator Perrault.]

> The GST is regressive, inflationary, extremely costly to administer and will hurt business.

That is the consensus out in British Columbia. The support for the GST is minuscule. I ask myself how supporters of this legislation sitting in this chamber can rally such personal support for this measure, condemned by so many responsible bodies. Are they really trying to tell Canada—because we are talking to Canadians in this place—that there is not one provincial minister of finance who has any brain and common sense? Are they saying that the universities are all wrong? The churches have told us that the distribution of the rebates will be almost impossible, that it will totally impracticable. John Bulloch of the Independent Business Federation of Canada said that the bill should be fixed up and left for a few months because economic circumstances have changed. Are honourable Senators opposite prepared to say that the whole country is wrong and they are right?

Then this tax-paying Canadian, who has a long and distinguished military record, who put his life on the line for this country states:

> The GST is regressive, inflationary, extremely costly to administer and will hurt business. Above all, it is unfair, especially to middle—and—lower income Canadians and seniors who have no way of overcoming the ravages of inflation.
>
> Shockingly, according to figures just released by the Department of Finance, taxes on Old Age Pensions and the "Baby Bonus" boosted Ottawa's revenue from personal income taxes in April, May and June of this year by 34.3 per cent over the same period of 1989.

Senator Marsden: Would the Honourable Senator read those figures again?

Senator Perrault: The writer states:

> Shockingly, according to figures released by the Department of Finance, taxes on Old Age Pensions and the "Baby Bonus" boosted Ottawa's revenue from personal income taxes in April, May and June of this year by 34.3 per cent over the same period of 1989.

Those are savings realized.

He continues:

> Equally shocking is the fact that Revenue Canada applied the "clawback" provisions of the April 1989 Budget Proposals to that year's income tax returns EVEN THOUGH TO THIS DATE, THE CORRESPONDING LEGISLATION HAS NOT BEEN PASSED BY PARLIAMENT.

It has now been passed. Honourable Senators opposite — and I can forgive the new ones—were very concerned about this aspect of the "clawback" legislation. We wanted to have a conference with the leadership of the other place, which is a standard Senate procedure. When I was leader of the government in the Senate I used to have conferences with the Liberals in the other place and fought for changes and amend-

ments to bills that were subsequently accepted. That was done consistently by the Senate.

Senator Marsden: Where those amendments accepted?

Senator Perrault: Yes, we were successful in achieving many amendments and were thanked by the Cabinet Ministers in question, as we have with this government; I believe that since this government came to power in 1984 it has accepted some 18 amendments, with full approval of the responsible ministers.

The writer continues:

> The result was an increase in personal income tax revenues $16 billion in the quarter, up from $12 billion during the same period last year. In contrast, corporate income taxes fell by 4.4 per cent.

Do Honourable Senators opposite realize that of all the countries in the western world, we have an easier corporate tax. I can put some figures on the record in this regard. The Japanese pay some of the highest corporate taxes in the world. That country is doing extremely well, yet we hear from some Senators opposite we must not deter the productive effort of the Canadian corporate sector.

The writer goes on to state:

> In 1988 the Mulroney government reduced the corporate tax rate from 36 per cent to 28 per cent. More than 60 thousand corporations paid NO TAXES AT ALL, including some of the nation's largest companies, mostly foreign-owned-or-controlled. In addition to contributing nothing to Federal Tax Revenues, a great many companies received tax credits amounting to many millions of dollars.

Do honourable Senators opposite think that there is such a thing as a corporate welfare bum? That phrase was used some years ago, one does not have to be a kept socialist to be concerned that certain sectors are not pulling their full weight economically in this country. One does not have to be a raving Marxist to have some suspicions from time to time.

I recall attending a reception put on in Ottawa by the oil companies. That was in the final year of the Liberal government. They told me how badly they were doing by the Liberal government. Finally, I could not take that any longer: "I have checked the record and you have not paid any corporate tax for the past eight years." I told them that the Canadian people had paid most of their oil exploration costs and not to complain too bitterly.

Yet honourable senators opposite say there are no alternatives. Come on! Senator Marsden outlined very well, intelligently and constructively a number of alternatives. Is the only alternative available to us as legislators the immense transfer of the tax burden from the manufacturing sector in this country to the middle income groups and the lower income groups and the poor? I ask that because that is what is being done.

That is not Liberal campaigns oratory ; that is a fact, one revealed by Global economics and other economists in this country.

The writer goes on to state:

> Now Mr. Wilson, The Minister of Finance, in a speech to The Chamber of Commerce, blandly announces that his February budget figures were wrong—that the expected deficit for the current year will come in at close to $30 billion in lieu of his forecasted $28 1/2 billion!
>
> Brian Mulroney's latest efforts to salvage the GST by calling upon Her Majesty, the Queen of Canada, to permit him to "pack" the Senate are beneath contempt and an insult to Canadians.

I agree with that, especially regarding the appointment of certain Senators I will not name because I want this to be a constructive contribution.

The writer goes on to state:

> I am reminded of Oliver Cromwell's address to Parliament some three centuries age—

So says this old Tory from the interior of B. C., a life-Conservative:

> —he said; "You have sat here too long for any good you have been doing. Depart, I say, and let us have done with you, In the name of God, Go!"
>
> As a Federally appointed Senator from B.C., I expect that you will be sensitive to the fact that the citizens of The Province of British Columbia, like virtually all Canadians, overwhelmingly oppose the GST.
>
> I urge you to VOTE NO ! to the Goods and Services Tax.

Should a plea of that kind be ignored and should we simply slide into the Orders of the Day and say that petitions do not mean very much?

I have served in the British Columbia legislature and in the House of Commons, and petitions have always been an important part of a member's activities in those chambers. We should not denigrate the process or downplay it or attempt to minimize it.

Senator Kirby: Would the Honourable Senator permit a question?

Senator Perrault: Indeed.

Senator Kirby: I ask this question particularly because the Honourable Senator has been a member of a provincial legislature and a member of the House of Commons. I ask him to comment on two issues related to the point he just raised, which is the way in which petitions are handled in the British Columbia Legislature, the seriousness, or lack thereof, attributed to them; and secondly, given his years in public life, whether he could tell us how the number of petitions he has received with respect to the GST compares to the number of petitions he has received on other issues.

Senator Perrault: Honourable Senators that was not a set-up question. I can assure you honourable senators opposite of that.

I have received more mail—I am sure that it is true of all Senators including those sitting on the other side of the chamber—on the issue of the GST than on any other issue in my entire time in politics. The former premier of New Brunswick, Senator Robichaud, is in agreement.

Senator Frith: Likely more than all others combined.

Senator Perrault: Senator Frith is absolutely correct, more than all put together. I have never seen such a torrent of mail, and that cannot be ignored.

Respecting the British Columbia Legislature, when I was one of the opposition leaders, W.A.C. Bennett was in power. He was a difficult man with which to cope, at times, but he never short circuited the process of tabling petitions. They were always given significant weight in the legislature. We were not met with people saying, "just table them." We were allowed to speak on the petitions. That was why we were there. We were not sent there, nor were we appointed to the Senate to be "Charlie McCarthy Dummies".

If the Senators on this side had not reacted vigorously to what was attempted the other day, we would have permitted a precedent to be established in the Senate that would have been terribly damaging to this place for evermore.

• (0445)

We had to act. In effect it was a move to reduce the opposition to an ineffectual role in this place and indeed, almost an effort to abolish the opposition and I suppose the principle is lost to some of the newcomers here, but I have never seen it attempted before.

You simply cannot lock the door on the opposition and say, "you have to stay out and that we will run it ourselves." That is what they do in dictatorships.

On March 23, 1933, Adolph Hitler asked for special powers. He said, in order to run the new Germany, that he had to have these special powers and some of his advisors said, 'You should keep out the opposition, Adolph, and do not let them vote on this March 23 day in the Reichstag.'

'No', Hitler said, 'I will not block the opposition. Let the opposition in.' Eighty-four of the members of the Reichstag voted against Hitler on that occasion. Four-hundred-forty-four voted for it and gave him his special powers.

The significant thing is that in a Nazi dominated nation, they would not lock out the opposition. And you wonder why we were concerned? You wonder why this was a rather unusual incident in this place? You do not do that. It is unheard of. What states do you find it in? I do not know of any such states.

Senator Frith: The Nazis didn't do it, apparently.

Senator Perrault: Not even the Nazis did it in 1933. We are not saying that you are Nazis, but there is such a thing as our British Parliamentary standards.

In 1945 when the late Winston Churchill was reduced unexpectedly to the status of an opposition leader, he was defeated in that election in the surprising post-war election, he said, 'I did not come to this place to remain supine and silent while all that I have fought for and all of the principles that are represented here are put at risk.' You would think that if anyone had attempted to close the door to Winston Churchill in the British House of Commons, the Government would have been dismissed immediately and the Speaker would have been the first one to go.

Senator Marsden: Senator Perrault, if I may, may I ask a question? Will you entertain a question?

Senator Perrault: Indeed.

Senator Marsden: On the question of those other states that might exclude the opposition, I wonder if you know whether Colonel Khaddafi has an opposition and how that operates?

Senator Perrault: That is a good question. I doubt whether Colonel Khaddafi has an opposition.

Senator Frith: He did not lock the doors.

Senator Perrault: It is one of those incidents that not even the media or the editorial writers appreciated, I think, at the time. That was not specifically about the GST. That was a basic affront to the rights of every parliamentarian whether you sit on that side or on this side. It was not only a tactical mistake; it was grievous error.

So the people have a right to be angry, they have a right to have their petitions brought to this place.

Here is another letter, from another British Columbian.

> Way to go. Hope you keep it up. Please defeat G.S.T. Canada is counting on you and your fellow senators.

Here is another letter.

> My family and I would like to extend our heartfelt gratitude for the valiant fight that you are waging to defeat the G.S.T. We are running a family-sized software house service bureau servicing medium-sized businesses in the accounting field.

You know, we are doing very well in the area of developing software in Canada, as you know. One of the best development groups is located right here in Ottawa called Corel people. They are among the leaders in the software industry.

They are really one of the dominant graphics programmers in computers and there are many others.

> We have probably suffered proportionately more than anyone as most of our custom-written programs had to be amended by this abominable tax. We have been working for most of the year on this and our clients cannot be charged as most of them have a tough time as it is. Clients cannot afford to pay for it.
>
> No one doubts that our Nation's finances are in terrible shape and that more revenue must be found. However, with Mr. Mulroney's track record, all would be squandered away.

Also, this tax was probably the worst solution possible.

This is a small businessman. A number of them are closing up. They are just throwing up their hands in despair. It is a nightmare to administer.

> Just imagine up to eight remittances and claim backs from the mind of the final consumer. Are these people insane?

He is talking about you people, I assume.

> I have restaurants and delicatessens on my system. There is total confusion as to the cut-off of what is taxable and what is not.
>
> It will devastate across-the-border trade. Already lots of people go south for their shopping or holidays while many of their tourists won't come here anymore. All that's left for us is the provision of medical services on a reduced tax base.
>
> Much of the trade will go underground as people will try to stay under the thirty thousand dollar limit, thereby losing additional tax revenue and making criminals out of lawful citizens.
>
> There would have been all kinds of easier solutions to raise more tax revenue 'surtax on income actually spent rather than saved, and so on'.
>
> Please continue all you can to defeat this abomination.

The interesting thing in these letters is that none of them denies the fact that there is a debt and a deficit and they all say that they want to pay their fair share, and that comes through very, very honestly and very sincerely.

But they have an instinct, you know, the public instinct in a democracy is a marvellous, marvellous thing. And we have seen it manifest itself in elections. Our party has been through the experience and so has your party. Suddenly there is almost a national consensus that something is bad or that a government needs changing and they go out and march to the polls and the change is made.

Look at the Ontario election. They simply decided that it was not the time for an election and that it was wrong to call it and so they decided to beat the premier. Well, the same phenomenon is occurring today with respect to the GST and perhaps we would be wise to listen.

Senator Simard disagrees, which is his right, but you know, the economic conditions have changed since this idea was first developed.

Senator Marsden: So was the proposal. This is the original proposal.

Senator Perrault: Yes. Everything has been changed. Originally there was going to be a hidden tax and it was going to be integrated with provincial taxes. It was 9 per cent and then it went down to 7 per cent and it has become a very complex thing. Perhaps in all honesty and in conscience we should question whether or not it is wise to proceed with the measure in its present format at this time.

Perhaps, as an interim step we should say we will hold it for six months, because this is what John Bulloch and some of these people have suggested, and do some work on it and take out these features which are obviously discriminatory against certain of the regions.

It is beyond disputation. I have not heard a Conservative stand up and deny it. If it is there, then let us say some bureaucrat made a mistake, which probably is the case, but don't try to defend it.

It is the same as trying to defend ridiculous mistakes. I choose to say that it is a mistake. That is ridiculous. You do not support that. We do not support that. Why does not someone phone up a bureaucrat and say, look it, pass a regulation that you will not be taxed.

John Bulloch sent this out just the other day. He says you should withdraw Bill C-62, the GST legislation that is presently before the Senate. Fix the flaws, and delay implementation of the new tax by a period of one year.

The Conference Board of Canada has confirmed that we are now in a 'Made In Canada' recession as a result of the government's high interest rates. To make matters worse, inflation and declining output are now being compounded by high energy prices.

No one could have anticipated the situation in Iraq and we are not blaming you for it. We could not have done any better to anticipate that problem than you. We are not blaming you for it. But all the conditions are changing.

The figures are coming in differently. We have a deficit that we had not anticipated. It is higher, the Auditor General said this week. To make matters worse, says Bulloch, inflation and declining output are now being compounded by high energy prices. This is not the time, therefore, to introduce a massive consumption tax and drive consumers and small businesses into the ground.

When the GST was first contemplated by the government, the Canadian economy was enjoying a period of robust economic expansion, relatively low interest rates and inflation, and a competitive Canadian dollar. Times have changed.

You cannot argue with what Bulloch is saying. It is true. The timing of January 1 for this horrendous new tax could not be worse.

You know that Bulloch is not saying that it should be totally tossed out. He is saying give us a few months. I think that would help. He says that people are hurting in this country. Oh, how they are hurting.

Did you see that television clip in the news two nights ago about that woman who had just lost her business and had mortgaged the house, is losing the house, was crying on CBC television the other evening. Your heart went out to her. Innocent victim. There are thousands of them. Losing their homes and their hopes and dreams shattered forever. People who are reduced to penury.

Well, it is not funny, senator. You are laughing, but I do not think that it is very funny. You are not crying. You are putting on a nice fat cat conservative senatorial performance. It is not funny to the unemployed.

You know, you hired guns who were brought into this chamber to vote immediately for the GST should wrestle with

your consciences a little bit. You can go ahead and call anybody you want, but do not laugh at the unemployed.

Senator Olson: Yes, let the record show that there should be a little more decorum in the chamber.

Senator Perrault: Yes, the Senator is having a great laugh at the expense of unemployed in Canada. People are hurting in this country. They are losing their jobs, losing their businesses, and more and more, are losing faith in their country's leaders.

That is correct. And, all politicians in this country are under a little bit of a pall. The faith is not there anymore. Right, Senator Nurgitz?

This is the time for the Prime Minister to show economic statesmanship rather than brinkmanship and perhaps it is time for all of us to demonstrate that.

The welfare of the country should be foremost, but do you really want to dismiss this Canadian Federation of Indpendent Business viewpoint as meaning nothing?

We go to the province of British Columbia. It is an interesting thing. The N.D.P. and the Social Credit parties have never agreed on anything except the GST and the Reform Party—all of the provincial parties—are supporting opposition to the G.S.T. because it is so demonstrably discriminatory against our part of Canada as it is in certain other provinces.

British Columbia has opposed the replacement of the existing Federal Sales Tax with a Federal-Only-Value-Added Tax. It was opposed when the Federal Government first floated the idea as a trial balloon in 1985 and it has been opposed since the GST was announced in the 1989 federal budget.

Despite these stories that we hear being circulated that it was discussed by the Prime Minister during the last election campaign, now, you Conservative senators know that is not true at all.

He said that there was going to be tax reform and he said that he was going to make it more equitable for the people of Canada. That is a long way away from the GST.

You cannot really be serious that what is being attempted here is en route to a more equitable taxation system.

This is what he said. These are the original Conservative promises that were made. Called 'A New Direction For Canada.' and 'An Agenda For Economic Renewal.'

> The Mulroney government told Canadians what they could expect from Conservative rule.
>
> Focusing on government revenue and expenditures in an effort to slow down and eventually reverse the growth in both the deficit and the public debt.

Well, they have doubled the debt since 1984. Second, redefining the role of government in the economy so that it allows market forces to predominate without undue government interference. This approach was supposed to foster higher investment, greater innovation, increased competitiveness and create a positive climate for new business enterprises.

This positive climate for new business enterprises is translated into the Tory lexicon, I suppose. Well, that is the Tory lexicon, but translated into basic English, that means to take the burden off the corporate sector and put it on the middle income group, the lower income group, and the poor people.

Third. Bringing about changes without sacrificing the basic sense of compassion, tolerance and justice that characterizes Canadian society.

Your government promised that it would not weaken.

I am using the words "the sacred trust of basic income support programs that have served Canadians so well in the past." Well, I was involved as parliamentary secretary of the Minister of Labour when we brought in the Unemployment Insurance Act and was involved in some of the early studies of U.I. You know what we have done? We have now adopted the American system of unemployment insurance. The government is right out of it.

● (0500)

I suppose this is part of the level playing field concept that the Americans have demanded.

Senator Marsden: At the expense of the unemployed.

Senator Perrault: We've gone American. We were Canadian when we were constructing the plan in the first instance, but now we have gone American-style. You wonder why we fought it for so long here?

> Fostering national reconciliation by reintegrating Quebec into the Canadian constitutional family and promoting harmonious federal-provincial relations.

Totally commendable objective. We should now talk about reintegrating western Canada into the Canadian constitutional family as well.

Finally:

> Placing Canada's friendship with the United States above all the other elements which make up the Canadian foreign policy.

This is right from the paper, *New Directions for Canada.* Well, they have been doing that. You have been doing that. Your Prime Minister becomes misty-eyed every time he talks of George Bush and his old friend, Ronald Reagan.

Senator Beaulieu: What's wrong with that?

Senator Perrault: Well I think you should be realistic and not just misty-eyed every time you think of the great presence. He doesn't become misty-eyed over Margaret Thatcher, I don't think, to the same extent. So the marketplace has really meant that—and this is a source of some of the concerns that people feel who write us and want their petitions to be tabled—"Reliance on the marketplace has meant that fundamentally your government has no industrial development strategy at all." Now it is in tatters. The number of companies that have closed down in Ontario alone, let alone B.C., is absolutely frightening. Have you checked them recently? Now some of you senators who were appointed recently, you have won your own personal battle against the war on poverty, but by gosh, many of the people that are in your regions haven't won that war. They want you to work for them just as my people want me to work for them.

> Professor Richard Harris of Queen's University noted in his very important research from the Macdonald Royal Commission on the Economic Union and Development Prospects for Canada, 'it is doubtful whether a small economy like Canada can afford a hands off approach by government.'

Harris argued that it is imperative Canada focus its industrial effort on key high-growth sectors. This requires an important guiding role for government, something the Conservatives are very loath to provide. I think you still sort of believe way back there in the trickle-down economic theory that if you make the rich a lot richer, somehow a few cents are going to trickle down to the little guy at the bottom of the economic pile. Remember some of you who studied economics at university, do you remember that theory?

> Instead your government has opted for an unfettered open-for-business style that runs throughout your economic policy that trade and foreign investment policies pursued by the Tories since 1984 provide an excellent illustration of this.

You mentioned the Free Trade Agreement a moment ago.

> It has done little to establish an institutional framework within which Canada can effectively manage trade and investment flow, rather the door has simply been thrown open. Little or no attention has been paid to how freer trade and investment can be maximized to the benefit of all Canadians.

Free trade did not win in the province of British Columbia in the last federal election, and it would go down to a dismal defeat now.

> In the regions that you represent are the citizens organizing in riotous support for the free trade deal and the wonderful benefits that it has brought them since it has been enacted by your government. Has it meant new industrial expansion in the Atlantic provinces and in central Canada?

Quite the contrary has occurred. So much so that some towns are putting signs up like, "the last person to leave this town, please turn off the lights." Have there been huge benefits pouring in from the province of Quebec? The statistics do not indicate that.

> Free Trade Agreement with the United States has done little to establish an institutional framework within which Canada can effectively manage trade and investment flows. The doors have simply been thrown open. Little or no attention has been paid to how freer trade and investments can be maximized to the benefit of all Canadians. The government has assumed that simply eliminating tariffs and other forms of protection would usher in a new era of prosperity.

Now they want to bring in Mexico. Some of the parts manufacturers in Ontario have pulled out and are now manufacturing those items down in Mexico at the present time. You know it and I know it, and they make them for 85 cents an hour in this so-called zone, the manufacturing zone down there.

> In return for this uncertain benefit, you have unblinkingly sold off Canadian sovereign control over key economic growth sectors such as energy and manufacturing. Free trade has left Canada economically dependent on the United States running counter to the Canadian tradition of seeking diversified trading relationships in a global economy.
>
> Finally, the 20 per cent appreciation of the Canadian dollar has threatened to cancel any possible benefits that may accrue to Canada through an improved export position.

They have done other things, too, that have led to the malaise and the upset in this country. Why do former Conservatives write angry letters like the kind I have quoted. Your own supporters.

> Replacement of the Foreign Investment Review Act by the Investment Canada Act has further impeded Canada's capacity to freely determine its economic future. Since its start up in 1985, Investment Canada has approved or more appropriately simply recorded 4,000 foreign investments. The review process has been largely cursory. Even when so-called undertakings are demanded of the investor, there is little clout to ensure they are enforced. Not surprisingly, foreign investors have been quick to respond. Cross border direct investment flows have doubled from $4.5 billion annually in the early 80s to a high of $12 billion under the Tories. Acquisition of Canadian assets by foreigners have risen in recent years. At one time they accounted for less than 10 per cent of foreign direct investment. They now account for over 55 per cent. Among the better known foreign acquisitions have been several high-technology firms, including Mitel, Lumonics and Connaught BioSciences. Connaught acquisition used to be one of the great prides of all Canadians from coast to coast. Illustrates the potential cost associated with the government's open-for-business approach. Acquired by the Institut Mérieux of France, a state-owned Connaught competitor, significant rationalization will inevitably follow the merging of the two business enterprises. Given the obligation of Mérieux to respect the ownership interests of the French government, one does not need a degree in economic theory to see that the rationalization would likely be at the expense of Canadian interests. The Mulroney government felt obliged to follow the dictates of the market and award the takeover to the highest bidder. This despite the fact that an alternative bid by a Swiss-American consortium was clearly a net benefit to Canadian interests.

And so it goes on and on. We are chastised for bringing to this chamber the petitions of the people that we represent. I mentioned that the B.C. legislature passed a unanimous resolution condemning the GST and urging the federal government to withdraw the proposed new tax. They believe that the GST is seriously flawed, that more importantly the whole

rationale for imposing a federal retail tax is flawed when the current fiscal situation is reviewed. You are going to dismiss the concerns of Canada's third largest province? Obviously you are not concerned about penalizing Canada's third largest province by making us pay 20 per cent, 25 per cent more in GST on certain items because of transportation. That doesn't bother you. You don't think that is any risk to Confederation. All that does is drive another nail into Canadian unity when you do things like that.

Senator Simard: Clothing.

Senator Perrault: You can defend anything, senator. We are not all trained seals.

Senator Simard: Is that all you are good for in opposition. You didn't have the answers when you were in power, and now you seem to have them all.

Senator Perrault: It is no secret that the federal government sees the GST as a solution to its current budgetary crisis. Long ago we gave up the pretences. This is revenue neutral. Remember that old line, it is revenue neutral. That means it isn't going to hurt you any more and it is going to be wonderful. They have given that one up now. It is an attempt to stem the red ink and slow the growth of a mountain of debt. If the $350 billion federal debt was translated into $100 bills, we could pave the TransCanada Highway from Vancouver to Toronto. I think we are in serious straits financially in this country, and a fair tax system has to be evolved in order to meet the problem. Any party that announces that it is critical about GST has to have alternatives. We suggested some here today. I suggested some the other day. Our leader has now formed a group to present some options. I don't think that this crude tax grab is the only solution to the fiscal dilemma. There is another option. That is, to cut expenses. It is not the time to go to the people for more money, but it is the time to get our house in order and reduce the debt by managing expenditures more effectively. Social welfare ministers sit down and see if we can reduce or eliminate duplication, make the administration of social welfare benefits fairer to the people in need. I know that you have got a program to cut back on spending. It is not easy to find all the areas where you would make substantial savings. No one said it was, but you chose to be government and people are asking you to perform. Everyone agrees that the existing 13.5 per cent federal sales tax is flawed, and as the British Columbia Minister of Finance said the other day, "Well", he said, "Conservatives going around the country preaching the 13.5 per cent federal sales tax is flawed," he said, "I should observe that these flaws were far less important in 1984 when the tax rate was only 9 per cent and the Conservatives decided to keep on shoving it up." Unfortunately this is the opinion of the B.C. legislators, the GST cure is worse than the ST disease.

> The most obvious flaw of the GST is that it is extremely complex.

This is the view held in my region.

> It will make Canada the first developed country to impose two distinct levels of retail sales tax.

[Senator Perrault.]

Can't you get together with those Ministers of Finance and at least try to work out a deal. In my local supermarket, the manager came up to me when I was shopping last Saturday and he said he has to buy $40,000 worth of new cash register equipment in order to meet the GST deadline. Forty-thousand bucks. Has any consideration been given to the plight of these two young men who are trying to make a living out of a supermarket store that they purchased just a couple of years ago and they are up to their necks in debt?

● (0515)

This tax will make Canada the first developed country to impose two distinct levels of retail sales tax. Retailers, whose jobs are not easy at the best of times, will suddenly be faced with problems in terms of whether things are taxable federally, provincially, neither or both. The so-called "simplified accounting methods" that are to be used to deal with this problem are not as straightforward as has been claimed, according to small business people in my region. Ironically, it is the small to medium sized businesses that will be the hardest hit by the complexity of the GST. Given that this sector is the key to job creation and economic health, we should be extremely wary of adding to their administrative burden.

Why do we always victimize the weak in society? The Canadian Manufacturer's Association has had a cheering section for this deal for months. This association thinks it is the greatest thing since the second coming. The little guy, who provides most of the jobs, is not enthusiastic. It is hardly surprising that the small business community has been a particularly vocal critic of the GST.

By the federal government's estimates, the introduction of the GST is going to add 1.25 per cent to price levels. Tell this to Murphy!

Honourable senators, I took a look at a document citing New Zealand's experience the other day. I see that the New Zealand government has been thrown out because of its introduction of a tax similar to the GST. Have senators opposite seen that? Does that send chills up their spines?

Senator Simard: A few years ago you were citing New Zealand as being a model of the world. Now you and your NDP friends say that Sweden is the greatest.

Senator Perrault: I will pay $100 to your favourite charity if what you say is truthful! You are afraid of the facts and figures from New Zealand. The people there became disgusted with their government!

Senator Simard: Do you know why that happened? They lived beyond their means!

Senator Perrault: Honourable senators, information is often the path to enlightenment and illumination. When the GST was introduced in New Zealand in 1986, the inflation rate jumped from 11 to 18 per cent. It is a unitary state without the complexities we have in Canada. The land mass of Canada makes it difficult to avoid GST tax complexities. It is going to cost more for goods in Yellowknife and Whitehorse than it will for the same goods in Toronto. And we do not all live in downtown Toronto.

In spite of the fact that two-thirds of the people of New Zealand opposed the tax, the government raised it again in 1989 by 2.5 per cent, causing further hardships for the average family. And that, by the way, was the Labour Party government in New Zealand. I suppose they are the Conservatives' ideological allies now. Is that so, Senator Simard? The socialists are the ones who introduced this sort of tax in New Zealand. Have you patterned the GST after the socialist system down there?

The Labour government was involved, as well, in phasing out the only wealth tax left in New Zealand, the 2 per cent tax on property. The country plunged into a recession. Conservatives have chosen New Zealand as their model. The government has been thrown out on its ear in that country. The Leader of the Government resigned six months ago. He was so unpopular that he said he had better leave in the interests of the party and in the interests of the country. Is the pattern you want to follow? Is this why you do not want petitions tabled in this house?

Honourable senators, I have another letter here from Prince George, a letter of support in the way we are handling the GST debate in progress. This person states: "Please be advised that I firmly object to the GST and feel that the Liberal Party is doing the right thing by holding it up."

Honourable senators, I like getting the Conservative letters. They are often much more interesting because they are usually more vehement. In the letters we receive from Conservatives, there is almost a sense of betrayal. They state how they expected more from you people after the promises you made.

Here is a letter from a well known educator in the West Coast, Patrick L. McGeer, a former Social Credit cabinet minister. He states:

> I hope you will read into the Senate record at your earliest opportunity my strong support for the actions being taken by the Senate with respect to the proposed Goods and Services Tax.

This letter is from one of our leading educators and medical doctors. I regret that Dr. Keon is not here at the moment. He was earlier, but perhaps he will read this. We need a doctor in the house.

Senator Bonnell: You have one right here.

Senator Perrault: Let us hear from this medical doctor:

> The Senate was conceived to be a chamber for sober second thought. The Founders of our country considered it essential to have a body with legislative power that could stand aloof from the short-term demands of party politics, and thus be able to curb excesses in the House of Commons. The GST is overwhelmingly opposed by the people of Canada. The House of Commons cannot claim to have a mandate to introduce legislation that is so obviously contrary to the wishes of the electorate.

Indeed, and this is my own aside, that is the reason why the Senate was created, to be able to stand up to excessive abuse of power by governments. Dr. McGeer continues:

> This is the single, most important time in the history of the Senate for it to discharge its duty to the Canadian people.
>
> The packing of the Senate will surely be recorded by historians as one of the most debasing moments in Canadian political history. Please convey my strong support for those Senators who must resort to unprecedented measures in order to salvage the honour of the Senate. Their names will be recorded in history as legislators of high principle; those who try to ram through the GST will justifiably be recorded in the Hall of Shame.

Senator Bonnell: That letter was written by a member of the Social Credit Party?

Senator Perrault: Yes, Dr. McGeer was a former Social Credit cabinet minister.

Do senators opposite want to be members of the Hall of Shame when they know in their hearts that this thing is wrong, that it is going to hurt their regions, that it is unfair and discriminatory? I am looking at you, senator. Can you defend in the region where you live the fact that your citizens will have to pay more under this tax system than citizens in Toronto will have to pay? You are not a westerner if you think that way. Oh, stand up and make your own speech. You have been singularly lacking in constructive contributions since you have arrived!

Honourable senators, I now want to read from a letter from the Roman Catholic Church—Victoria diocese:

> We ask you, on behalf of the poor of this Province, to use your influence to stop the passage of the GST which strikes hardest at those who are least able to bear the blow. As our Senator, you can speak for them. We ask you to do this.

Senators opposite sit there and say, "We are all right. We have our Senate appointments and we are going to follow orders." Well, honourable senators, that is what they said at Nuremberg: "I was only following orders." It is time to stand up for principle and conscience. To say that we must bring the concerns of our people to this place. To say that we are not allowed to read petitions, is—there is Laughing Jack in the back row again.

Senator Sylvain: I am listening to a damn good comic!

Senator Perrault: A damn good comic? Well, you are a damn poor senator, from what I have seen so far.

Senator Sylvain: Why don't you get to the debate and have something interesting to say?

Senator Perrault: If you have something to say, I will pay appropriate attention to it. However, we are talking about our right to bring the concerns of our people to this chamber. We are talking about their right to be listened to.

Honourable senators, another letter that I have is from Osoyoos, British Columbia. I promised to bring it here. It states:

> I am writing to express my deep disappointment and disillusionment caused by your actions as Prime Minister

and Michael Wilson's actions as Finance Minister as regards the GST . . .

Do you have any idea what it is like for people in a small business who work, scrimp, save and borrow for six years of recession to prevent going into bankruptcy? To finally see some light at the end of the tunnel as the economy begins to pick up and one can begin to pay off debts, only to be plunged right back into the recession by the actions of your government?

After six years in office, you and your government have changed none of the above, Mr. Mulroney!

Mr. Wilson even has the audacity to say we need the GST to pay for services we have asked the government to provide. I know of no outcry from the people of Canada for all of the above-mentioned programs. These were Federal Government initiatives forced on us by an irresponsible government and continued by an equally irresponsible government.

Senator Cogger: Which one was that?

Senator Perrault: This writer had some criticisms of the preceding government—I am reading the whole thing.

Senator Cogger: I thought you were a member of that government!

Senator Perrault: He continues:

and you now insult us . . . your blatant patronage appointments to the Senate. This was done specifically to nullify that body's effectiveness—

People are very intelligent. They have it figured out. Listen to what this says:

This was done specifically to nullify that body's effectiveness just when it was finally going to do exactly what it is constitutionally charged to do—reject a bill that is harmful to our country. By your action, we do not have even a pretence of a protection against a dictatorial federal government! And we all know what happened to both Alberta Conservative MPs when they objected to the GST by voting against it at the request of their constituents.

Have honourable senators noticed that the Alberta Conservative Party, over the weekend, decided to divorce itself from you people?

Senator Sparrow: Yes, I saw that.

Senator Perrault: In the last Manitoba provincial election campaign, Mr. Filmon refused to put the word "Conservative" on his signs.

Senator Simard: So what?

Senator Cogger: What's that got to do with the motion?

Senator Perrault: Even your own followers are ashamed of you! As someone said yesterday, this is the most right wing government we have had in the history of Canada. Your own followers are ashamed of you and fed up with the way you have served the public interest. That is the story.

[Senator Perrault.]

Senator Marsden: May I ask Senator Perrault whether his correspondence mentions how very close Osoyoos is to the Canadian-American border? Does he raise the problem of cross-border traffic?

Senator Perrault: I thank Senator Marsden for her constructive observation. People who drew up this measure do not realize how bad it will be for those communities close to the border. Twenty per cent of all lower Mainland milk sales, for example, on the lower mainland are now made in Washington State. Senators opposite can say that there will be no tax on food, but there will inevitably be costs to the farming community as a result of this tax. It will make it almost impossible for farmers to compete. Shopping malls are being established just across the border. The design is to get Canadian, not American, trade. These are real practical problems that must be addressed. We have a bill before us, drawn up without looking at all of its problems and administrative difficulties.

Some communities in the southern part of British Columbia—and Osoyoos is one of them—will face these problems. Vancouver is only twenty-eight miles from the U.S. border.

Senator Bonnell: The same applies in Saskatchewan and Alberta.

Senator Simard: Have you heard what they have to say in P.E.I., senator? They have said, Senator Bonnell, that you have to support the GST and pass this legislation in a hurry. I have been in touch with people from P.E.I. Yesterday someone asked me whether I had seen Senator Bonnell. I said, "Yes, he sits right across from me." He said, "Would you give him a message?" I said, "What's the message?" He said, "Make sure he waits for a month or two before he returns to P.E.I." They are waiting for you, Senator Bonnell. You let them down. You did not listen. Or, if you did, you did it your own way. You supported your own party. We have no lesson to learn from you, Senator Bonnell!

As for the other maritimer, Senator Kirby, I would be careful if I were you. I would not accompany Senator Bonnell to P.E.I. I would stay away for a couple of months.

Senator Perrault: Are you rising on a point of order, Senator Simard?

Senator Kirby: Senator Simard, the ridiculousness of your position is—

Senator Simard: You have a long time to make your speech, Senator Perrault.

Senator Perrault: You are flouting all of the rules, Senator Simard!

• (0530)

Senator Simard: I have an urgent message.

Senator Perrault: It is not that urgent. You spoke all afternoon.

Senator Simard: You said you were going to vote against that report. You supported that report. You supported that

"axe the tax" business. They are waiting for you in Summerside, Senator Bonnell.

Senator Kirby: Senator Simard, your position seems to be akin to that of the person who proceeds to say to someone else that he is going to cut off your two arms and your two legs, but only cuts off three limbs and then expects them to be happy. It is your government that threw thousands of people out of work in Summerside. You are now saying we have to support this bill because 200 or 300 people are going to be re-employed when you created the problem in the first place. I have difficulty with the logic of your position.

Senator Simard: Were you in P.E.I.?

Senator Kirby: I travelled with you all summer. How could you forget that? Am I that insignificant? I am crushed.

Senator Perrault: May I please intervene?

Senator Kirby: Senator Perrault, please wait your turn.

Senator Simard: Take five. Senator Kirby, the message was not so much for you as it was for Senator Bonnell. You are taking it personally. I know you have to support these people and cheer them on in the absence of the enforcer, Senator Frith, and the present leader. You have to be patient. Eventually you will make it to that position, but, in the meantime, you do not have to support lost causes. That is why I say to Senator Bonnell, you are a lost cause. The people did not tell you, Senator Kirby, to support Summerside; but they certainly told Senator Bonnell that he let them down.

Senator Bonnell: They will not vote for me again.

Senator Simard: That is a big joke, isn't it! They are not going to vote for you. I submit, sir, there will not be many Liberal MPs from P.E.I. after the next election.

Senator Perrault: Senator, can you not make another speech tomorrow?

Senator Simard: Think twice. I am trying to be helpful, and I invite you to reconsider and support Senator Doody's motion and eventually support the GST. In the next couple of weeks you will have a second chance. You better grab it!

Senator Bonnell: I will need you to cover the good points!

Senator Perrault: Honourable senators, Senator Simard has been in oratorical flight for 24 hours. I hope he makes a safe landing.

Senator Simard: What did you say about Khaddafi?

Senator Perrault: I do not know whether they have an opposition in Libya or not.

Senator Simard: Why did you raise it then?

Senator Perrault: I did not raise it. I was asked a question.

Senator Simard: What a waste of money!

Senator Kirby: If Senator Perrault was asked a question, I did not hear it. The senator opposite was making too much noise. I would like to try to answer your question.

Senator Perrault: I was asked a question as to whether or not there was an opposition in Libya, and I am not sure.

May I conclude by putting this short appeal on the record from a small businessman in my province. He says:

> Please fight the GST with all your resources. If passed it will put thousands of small businesses like mine out of business. I have successfully run a small plumbing and heating business for 60 years, but the GST is going to force me out of business, and I had hoped to leave it to my son.

Letters from people going out of business are flooding in.

Senator Simard: Because of the GST?

Senator Perrault: I am appealing to the consciences of our good friends on the government side to re-think their position and see what can be done to make this an acceptable tax for the people of Canada. A tax is not a good tax if it is opposed by over 90 per cent of the people. One of the hallmarks of a good tax is the efficiency of collection and its public acceptability. It is not acceptable now. The government is not meeting the criteria of a good tax. If the process of tabling petitions has any effect at all, let us hope it does something to change your attitudes on the other side of the house. Perhaps we can do something worthwhile for Canada, but do not dismiss the tabling process as being unfair, undemocratic or a ploy. The petitions we are introducing into this chamber arrived in record numbers and are sending a clear message to all of us. The people of Canada want a fair system of taxation in this country.

Some Hon. Senators: Hear, hear!

Senator Marsden: Perhaps I should expand on the question of Colonel Quaddafi. I was looking for examples of countries where the opposition has been suppressed the way we have been in the last while. It occurred to me that Quaddafi was a likely candidate. There may be others. Albania is not that bad.

Senator Perrault, I have a question. You explained to us that when you were in a supermarket in Vancouver on the weekend you met a number of citizens who opposed the GST. Many of us have had the same experience. You have three important universities in your province, and I wonder if you have heard from the representatives of those universities in terms of their reactions.

Senator Perrault: The administration of our three universities, together with the student bodies, are adamantly opposed to the GST. This is a significant factor in Canada. The hospitals are opposed to it. The doctors are concerned.

Senator Simard: Why are the doctors opposed to it?

Senator Perrault: How many people do you plan to alienate before you force the GST through?

Senator Simard: On a point of order, I would like to remind Senator Sparrow that he had promised us copies of "Dick and Jane in Libya".

Senator Sparrow: You were out of the chamber, so I was waiting until you had returned.

Senator Bonnell: Senator Simard, if you want "Dick and Jane", you will be able to find it in both official languages in *Hansard* tomorrow. You can get as many copies as you like.

Senator Simard: I do not think the rules make it necessary because this is a private transaction. It has nothing to do with the house rules, but I will have it translated because I am sure my people in Madawaska will be interested to know about the research that their tax money is being spent on. Again, Senator Bonnell, you had better wait a couple of weeks before returning to P.E.I.

Senator Bonnell: For Senator Simard's sake, we should make sure we do not vote on this bill for a couple of weeks because it might not be safe for me to return to Prince Edward Island, according to Senator Simard. So let us keep going with speeches on this motion so we do not get to the GST.

Senator Simard: Make your own plans. There is nothing wrong with that.

Senator Marsden: Senator, in response to your question, you asked why doctors were opposed to the GST. Evidently you have not been to see your doctor recently. They have explained that while the GST does not apply to their services, they have to pay GST on everything they buy. The local provincial health insurance scheme does not automatically increase by 7 per cent. Doctors have to pay their staff more and buy equipment, which will have the tax added on. All their costs will increase by 7 per cent. Like students and old people, they do not automatically receive an increase in their revenues. The government is taxing doctors, dentists and all other professional groups who are "exempt" from the 7 per cent GST, and they are annoyed with it. I repeat, if any of you have been to your doctor recently, they spend five minutes with your health exam and then 25 minutes telling you what this government is doing to them with this tax. They are livid.

Senator Simard: That is not the second installment of your speech. You were asking me a question.

Senator Marsden: I was giving you a response.

Senator Simard: Let me ask you a question then. Do you know what the average salary of those doctors who appeared before the committee is? Second, what is your estimate of the additional costs that will be incurred by them as a result of the GST?

Senator Frith: Is the tax going to be based on average salary?

Senator Simard: I believe they are going to be paying around $1,700 a year.

Senator Frith: Is this an amendment whereby the tax is going to depend on a person's average salary?

Senator Simard: Honourable senators opposite have a habit.

Senator Frith: It might be a good idea to change the tax into an income tax.

Senator Simard: You sympathize with the poor people. I fail to see where the doctors fit in with the poor people of this country.

[Senator Sparrow.]

Senator Frith: Ask them! They will tell you!

Senator Simard: I am not going to lose any sleep over the fact that the average Canadian doctor will pay $1,700 more a year, because that is part of progressive taxation.

Senator Marsden: That just shows you how much Senator Simard knows about the distribution of salaries of medical doctors in this country.

Senator Simard: So you do not want doctors, poor people or students to pay more tax. The middle class person who earns between $30,000 and $60,000 is already saddled with all kinds of taxes. You want to release the doctors. Now I see the true face of the Liberal Party.

Senator Marsden: You have not understood my points or, I presume, most of what has been said in this chamber. The fact of the matter is that doctors are paying the tax along with everyone else. We are talking about their ability to adjust their revenues. This is not a fair tax. They are in a situation of earning their income from the health insurance system.

Senator Simard: I have another story to tell you.

Senator Marsden: What you are saying has absolutely nothing to do with the basis of the tax proposed by the government. You are saying that somehow tax should be related to individual income.

Senator Frith: If the government made it an income tax, it might be workable.

Senator Marsden: That is exactly what we think. Income tax is a fair, progressive tax.

Senator Frith: It is a consumption tax.

Senator Simard: You said the GST was regressive. That is another case where we can demonstrate that the GST is really progressive. I am not going to worry about specialists or doctors who make $125,000 to $150,000 a year. You can be sure that I will not lose any sleep over it.

Senator Frith: You have been here all this time and you think this is what we are talking about? He thinks we are talking about an income tax.

Senator Simard: Income tax should be progressive. As a matter of fact, you have been pleading for a more progressive taxation system.

Senator Kirby: Senator Simard, I thought you raised a point of order, but there is one thing that puzzles me. During the course of our cross-country tour you will remember that the mayor of Summerside urged passage of the bill. You asked both Senator Bonnell and myself if we remembered that witness. We both indicated we did. However, I am puzzled by the nature of the question you asked Senator Marsden. In spite of that wonderful month we spent together this summer, you seem to have forgotten that the Canadian Medical Association, the Canadian Hospital Association, hospital boards in five or six of the twelve cities we visited and several representatives of health-related groups appeared before the committee, and argued that the nature of the GST was such that it was

going to put an additional burden on the health sector. They said repeatedly that the government's claim that the GST does not tax health is false.

● (0545)

I find it odd that the honourable senator should remember one witness from Summerside and forget the 12 or 13 witnesses from elsewhere in the country who argued the health issue and explained it just as Senator Marsden did.

I am getting a little troubled because—and you ought to be a little troubled too—the honourable senator's memory is becoming very selective. One begins to wonder if the honourable senator is not starting to have a problem, because one just cannot be that selective.

Senator Simard: Of course, honourable senators opposite know all about selectivity. I grant them that.

I mentioned doctors because Senator Perrault raised that matter. That is why I dealt with that, but then Senator Bonnell made a comment. He is a doctor and he decided to get into the act. Being concerned about Senator Bonnell's health, I caution him about going back to Prince Edward Island.

I remember what the doctors and the nurses said. It is not as simple as Senator Kirby has said, but we will have an opportunity to discuss this on third reading, if and when we get down to third reading.

Honourable senators opposite should not say that I am being selective, because that is not my habit.

Senator Kirby: I realize that. Normally, the honourable senator's interventions are much more coherent. I am surprised he had forgotten about the evidence given by those in the health sector.

On the basis of the honourable senator's comments to Senator Frith a moment ago, obviously he has forgotten all of the economists who testified—even those who are in favour of the GST—who made it clear that the tax is regressive, not progressive, to use your words. Many economists said that, for a variety of reasons, and in spite of its regressivity they accepted it.

I thought I should point out that the honourable senator seems to be forgetting what the evidence was. I thought we heard enough this summer during our wonderful tour. I thought some of the main messages might have sunk in to the honourable senator's head. I am sorry they did not.

Senator Simard: Many witnesses said that the tax was regressive. Other witnesses said that it was progressive.

Senator Perrault: Name one.

Senator Frith: Put one name on the record.

Senator Simard: Because this tax takes into account services, and because the wealthy buy more services, they will pay more tax. That makes the GST more progressive than the present federal sales tax. On that basis, it is more progressive.

As far as doctors are concerned—

Senator Perrault: Would the honourable senator permit a question?

Senator Simard: —they will be paying $1,700 more a year. It has been accepted by them that they cannot pass that extra cost along to their patients.

Senator Perrault: Name one witness who suggested that this tax was progressive.

Senator Simard: For those in the higher income brackets, it is progressive.

Senator Perrault: Name one witness who appeared before the committee on the GST who alleged that this measure was progressive.

Senator Simard: I promise to do that. I have several names of individuals and organizations.

Senator Perrault: If you know, why wait? This should be at your fingertips. Your statement is absolutely untrue.

Senator Simard: Just wait! If you bet your seat, I will bet mine. Will you take that chance?

Senator Frith: Why are you refusing to put one name on the record?

Senator Simard: If I am proven wrong, I will stake my seat on that. Will you stake your seat?

Senator Frith: Name one.

Senator Simard: Obviously, Senator Frith has read all of the texts. Will he stake his seat on that?

Senator Frith: Just name one. What do seats have to do with this?

Senator Simard: I will get names.

Senator Frith: We understand. You do not have any names.

Senator Perrault: You are on the hot seat now!

Senator Simard: Bet your seat on that!

Senator Frith: Why do you not have the guts to say you do not have a name?

Senator Simard: We have names, several names.

Senator Perrault: You have the Prime Minister's name.

Senator Frith: Now they say they have thousands of names.

Senator Marsden: It has been difficult to follow some of the statements made by Senator Simard. Did the honourable senator say a few moments ago that because he is in favour of progressive taxation he is opposed to this value-added tax and in favour of changes to the Income Tax Act? It seems to me the conclusion of the honourable senator's attempt to analyze this tax measure—well, would the honourable senator repeat for us his argument, because I believe he has said that he is no longer in favour of the value-added tax, but in favour of a more progressive income tax.

Senator Simard: I never said that. Senator Frith got into the act and tried to get everybody confused by referring to income taxes.

Senator Frith: You got everybody confused by talking about seats.

Senator Simard: I said the GST is progressive because the more affluent do spend more on services, and therefore pay more tax. The doctors have to pay an extra $1,700 a year. The poor doctors! That is what makes the tax more progressive.

Senator Frith: Are you speaking on the motion?

Senator Simard: I am answering questions. I am supporting the GST. I think it is more progressive than honourable senators opposite think it is. We will try to make it even more progressive over the years, as the current government has made the income tax more progressive because of changes to the surtax for individuals and corporations, over the past two or three years, and including as recently as last week.

Senator Marsden: How on earth could one make the GST more progressive? Is the honourable senator confusing raising the rate with changing the conditions, or is the honourable senator talking about rebates?

Senator Simard: I am not the Minister of Finance.

Senator Perrault: Obviously.

Senator Bosa: I wonder if I could put a question to Senator Simard.

Senator Simard: I am not part of your filibuster. All I am trying to do is get honourable senators opposite back on to the motion. I am not making any speeches.

Senator Frith: For someone who is not part of our filibuster, you are being very helpful. Keep it up!

Senator Bosa: I only attended the committee meetings in Toronto. Consequently, I have limited experience regarding the number of witnesses that appeared before the committee. I know the Honourable Senator Simard sat on the committee throughout the hearings. When he said a moment ago that the GST is not a regressive tax, could he explain why it is not regressive, because it applies to everybody uniformly? How can it not be a regressive tax? Will the honourable senator elaborate on that?

Senator Simard: I do not think this is the proper time to do that.

Senator Frith: You have to stake your seat on something to get an answer from Senator Simard.

Senator Simard: I do not need hours to give several examples. I only need 30 seconds. The refundable credit makes it less regressive than it would normally be.

Secondly, as compared to the present federal sales tax, which involves no credit to speak of—perhaps one put in by this government a couple of years ago, but that is neither here nor there.

Because present federal sales tax costs each Canadian, on average, a little over $600 a year, on which there is no refundable credit to speak of, and because the GST, when passed, will cost no more for the average Canadian than the present system, it will be less regressive.

Senator Perrault: That is garbage!

[Senator Frith.]

Senator Simard: I say that because it will cost some Canadians only $25 a year and some $15 or less a year. That is not very much. So it is less regressive.

Regarding doctors, if they are going to have to pay $1,700 more because of the GST, then it is progressive taxation because doctors make more money than average Canadians. They earn, on average, $125,000 to $140,000 a year. So they will pay more than they used to pay. I suppose that makes the GST more progressive.

Another way I think the GST is more progressive—and I do not want to be too long. I want to go for breakfast, just like everybody else. Our shift is terminating soon. The GST is more progressive because—well, I have missed my point.

Senator Perrault: Just forget it and sit down.

Senator Frith: Take your time.

Senator Simard: I just looked at Senator Frith and lost my train of thought.

Under the proposed system, the one the Liberals will lose the vote on shortly, because services will be taxed, and because wealthy people buy more in total, they will pay more, which makes it progressive.

I promised I would give my honourable friends opposite the names of the witnesses who said that this is more progressive than the system we have, and I will do that.

● (0600)

Hon. Philippe Deane Gigantès: Honourable senators, I am very glad to see that Senator Sylvain is here today. Because yesterday, Senator Sylvain was complaining that we do not talk of substance.

He said that he wanted to debate the substance of the GST and that is why you have a motion to put aside petitions and to get to the substance.

The substance of our whole debate is that we do not want this GST and I am about to tell, at length, in detail, every figure why precisely the GST is the wrong economic policy and why all of your economic policies are the wrong economic policies.

One of your key arguments is the deficit and that unless we have the GST we will not be able to afford what we want to afford. We need more revenue.

The point is, what can we afford to do? There is an influential school of economic thought that says that we can afford nothing, or rather that our governments can afford nothing—should afford nothing. Governments, according to this group, well represented on the other side, should do as little as possible, stop spending, stop taxing and let individuals take over from the state in practically everything, including the printing of private money. These are the most conservative of conservative economic theorists.

Short of this extreme view, there are many economists and business people who want government to reduce its staff and cut its spending on pensions, medicare, family allowances, unemployment insurance and job creation projects. Many who hold these views are influential men and they can afford to

propagate their opinions effectively through the media, using the services of the most persuasive spokesmen.

They tell us that big government takes up economic space that should be left to the private sector, allowing it to make profits and create jobs which are the best social security.

The economic debate in Canada, as elsewhere, is between the cut-the-size-of-government view and the view that he supports the power of the profit motive. But there are good things a government can contribute. These are the two views.

The debate often pits the fear of economic depression against the fear of run-away inflation caused by big government spending.

Run-away inflation, when there is no stopping the explosive rise in prices, is a terrible plague. It scares not only the rich but all those people, and they are many, who save money to buy something important or to secure a nest egg for a rainy day. It is reasonable and understandable that such people do not want their savings to lose value because prices grow explosively.

In erecting defences against run-away inflation we must not dismantle defences we have built over the years against another terrible plague, run-away depression. When prices fall, jobs vanish, business stagnates and nothing can turn things around.

This is the substance of the debate between us. Do we follow the policies of those who want to cut the size of government and consider this the best way to fight inflation? Or, do we follow the policies of those who want government to have an important enough role in the economy to prevent economic depressions and promote employment?

The trick is to find a solution that avoids run-away inflation but that also gives us defences against run-away depression.

To devise the right policies we must understand how those two terrible economic plagues, run-away inflation and run-away depression, have occurred and still could occur.

The Great Depression of the 1930s was not the first of its kind. There had been others before. If we lower our defences there could be one again. There could certainly have been one in 1981. In the absence of such defences, which we call our social safety net, here is how a major economic depression could start, using an example that I have quoted to you previously many times.

The building of office towers, for instance, slows down because overbuilding results in more office space than tenants. Construction workers lose their jobs. Faced with lessened demand, industries supplying construction firms with bricks, lumber, cement, steel, plaster, paint, electrical wiring, appliances, close down or let staff go. Real estate firms, insurance companies and banks lose clients and cut staff.

Without unemployment insurance and welfare the newly unemployed reduce their purchases of food and stop buying clothes, furniture, entertainment, automobiles and so on. This cuts the sales of even more industries which fire staff thus further swelling the ranks of the unemployed.

A bank finds that its borrowers can no longer pay back their loans. The bank goes under. Fearing for the creditworthiness of other banks, people withdraw their deposits. Emptied of money, the banking system collapses.

As so many people no longer have any earnings they pay no taxes and the government's revenues fall and deficits rise. Facing empty coffers, the government cuts spending which means that it dismisses personnel and stops buying supplies. This only makes matters worse, because the supplies of the government and of its former employees lose additional sales, fire staff and buy less.

That is precisely what happened in the Great Depression of the 1930s before the introduction of unemployment insurance, welfare, family allowances and government spending for job creation.

Each phase of that monstrous economic downturn made the next phase worse. Each falling industry dragged other industries down. Falling dominoes, or an endless downward spiral into misery are two images that were used then to describe the great depression. It conditioned the thinking of most who lived through it.

Despite the advice of innovative economists, governments listened instead to bankers, and bankers were telling both individuals and governments that the only way to make things better was to cut spending and never mind lunatics who were talking about spending ourselves into prosperity.

But that is exactly what we did with the outbreak of World War II. Nations that had been economically paralysed had to fight for their lives. They forgot about their empty coffers and their depression days obsession with balanced budgets. They printed the extra money they needed and paid people to construct buildings, ships, trucks, roads and armaments.

"Printing money," in quotation marks, that is, increasing the quantity of paper money in circulation—has always been considered sinful by bankers, business people and conservative economists.

Printing money is an oversimplification of the complex way in which governments spend more than they collect in taxes, but it is a familiar image and not far from the truth.

If you increase the amount of printed money faster than the economy increases its production of goods soon you may have too much money chasing too few goods. As everyone knows, if a growing amount of paper money is being offered for what few goods are available, the amount of money those goods can fetch will grow. In other words, prices will go up, and that is inflation. Both rich and poor see their dollar buy less than it once bought.

However, there was little inflation during World War II. Government printed large quantities of money to pay those working in the war effort. They then borrowed back much of this newly printed money by selling war bonds to the patriotic public.

This borrowing paid for the inevitably huge government deficits. It also increased the national debt. But contrary to orthodox theories it did not cause inflation because the govern-

ment controlled the prices of what civilian goods were being produced.

Nearly everyone who wanted to could find work, make money and even save. They were free from the numbing fear of ruin, and that was a great liberation for people who had spent so many years destitute.

The war revived the economy precisely in a way the economist John Maynard Keynes had said an economy could be jolted out of a great depression. Regardless of how empty the government coffers were during a depression, said Keynes, money should be printed and spent to create jobs. People with no income would then have money. They would buy things again.

Enterprises that once made those things would begin making them again, hiring, and paying workers, who would buy even more things.

The downward spiral would be reversed, Keynes predicted, and start moving upwards. World War II proved him utterly right. Keynes also recommended that also in good times government debts should be paid off, but that advice was often conveniently forgotten.

Keynesian economists preached that the lesson to be drawn from the war economy was that depressions could be prevented if we made sure that during the economic slowdown people who lost their jobs did not also lose all income. If they were paid enough to live on while they were unemployed, sales would continue—at a lower level admittedly—but continue nevertheless. The businesses that made and sold those things would not be annihilated. We would avoid the falling domino effect, the downward spiral described above. The economy would fall a little, but it would not plunge down a bottomless hole. After a pause, it would be able to start climbing again.

Thus, the Keynesian solution to economic depressions was to protect the income of the people so that they could go on buying things, keeping other people employed making those things. That meant protecting those whose income came only from unemployment; and that is the economic justification for unemployment insurance. But it would not do much good to protect the purchasing power of the unemployed poor if they paid what little money they had to doctors and hospitals. That is the economic justification for medicare.

Finally the poorer members of society, whether unemployed or not, could also lose their purchasing power if they had to care for destitute, aged or sick relatives, or for children below the legal working age; and that is the economic justification for old age pensions and allowances for children and the handicapped.

The problem with the Keynesian solution in view of Keynes's opponents, is that the money the government puts to energize a flagging economy will be spent at the wrong time. By the time we have identified what is wrong and start spending, they say, it is already too late. If we could get the timing right, printing money to restart the economy would be all right but we could never get the timing right.

As distinct from economists—

Senator Frith: What are you reading from, senator?

Senator Gigantès: This is my speech, my written speech by me. Every word.

As distinct from economists, business people do not get—and if I may, senator, it goes to the heart of the matter.

Senator Frith: I understand.

Senator Gigantès: The heart of the matter is, what can we afford, should we spend, do we need more money, how do we fight the deficit? and I am going to give you a full explanation taking everything into account including regional development, defence policies, our relation with the United States in the Free Trade Agreement, all of which impinge on this question of, can we afford what we need to do without this tax? It is not a simple matter to explain and so it will take many hours. I may be talking all day.

Senator Frith: You could break it into instalments.

Senator Gigantès: Maybe. We will see how long I last.

As distinct from economists, business people do not get technical about timing. They complain instead that much of the help given to the poor at times of recession is paid precisely at times when business produces fewer goods, when tax revenues have fallen and the government has to print money to help the poor so they can continue buying, which means that there are more dollars to offer for the same goods, which is one definition of inflation—too many dollars chasing too few goods. And these days, this new bout of inflationary deficit spending, generated because governments print money every time there is a recession, occurs in economies that have become inflation prone since the end of the Second World War.

Indeed, important businesses grown larger and larger found that cut-throat competition is not good and they stopped trying to undersell one another. When one raised prices so did the others. When workers asked for more they got it because business, freed from cut-throat competition, could raise prices to absorb the higher wages and avoid the hassle of a strike.

• (0615)

As prices kept rising, more and more unionized workers asked for and received wages that rose automatically when the cost of living rose, a procedure called indexation. Among these workers were a growing number of public servants. The fear that a recession might turn into a new Great Depression diminished. Recessions were relatively minor during the first quarter century after World War II. Business did not have to cut prices significantly as demand was protected by anti-depression government spending such as unemployment insurance, pensions, family allowances, medicare and welfare. Labour, therefore, did not have to give up its gains in wages and benefits, including indexation. Prices went up—inflation—but no faster than the income of unionized labour. It became an article of faith that one did not give up gains in profits or salaries.

Then the Vietnam war and the Arab oil cartel turned this brave new world on its ear. The U.S. government increased

spending by the Vietnam war but did not raise taxes to pay for the extra spending. Washington simply printed more dollars. This deficit spending by the U.S. government produced two correlated results. One: the already large share of U.S. resources going into the making of arms was made even larger by the Vietnam war. The American economy turned out growing quantities of economically sterile weapons. A tractor can be used in making roads and hauling loads. A tractor is not only the off-spring of economic activity; it is also the progenator of economic activities. It is economically fertile, whereas artillery guns are sterile because they are not used in the making of other economically useful things. Thus, in the United States the quantities of useful things to buy grew more slowly than the quantity of new paper dollars in the pockets of Americans. To put it another way, more dollars were available to pay for the fewer economically fertile products that were being turned out by the U.S. economy, and the prices of economically fertile American products rose.

Two: to make weapons or to replace the peaceful production the weapons were displacing, the U.S. bought loosely from the rest of the world, paying with new paper dollars that had lost much of their value as we saw. In fact, all dollars lost purchasing power, even those that people had stashed away before inflation. It is like adding half a glass of vermouth to half a glass of gin. Because the vermouth has a lower alcohol content than the gin, the mixture will have a lower alcohol content than gin.

After World War II, American firms spent billions of dollars outside the United States buying up property and establishing industries. All those dollars in the hands of people outside the USA lost significant purchasing power. Moreover, people with money, like oil sheiks, had stashed their profits in dollars. These dollars, too, lost purchasing power. If a dollar loses its purchasing power, it takes more dollars to buy a car. The price of the car in dollars has gone up. Inflation. People around the world became flushed with the devalued dollars. As the U.S. dollar was everyone's alternative currency, and the currency for important international transactions, that currency lost much of its value and prices rose. In other words, the U.S. exported its inflation to the world.

Then came the oil shock. From 1973 to 1979, oil producing countries, mainly Arab, increased the price of oil 14-fold, from $3 to $42 US a barrel. The price of everything went up, as fuel goes into making or using nearly everything. This oil-generated inflation came on top of the inflation created by the devalued U.S. dollar. As prices rose ever faster, wage earners, entrepreneurs, and people with money to lend demanded higher wages, prices and interest. They sought not only to compensate themselves for increases in the cost due to existing inflation, but also for future inflation. So inflation reproduced itself. As interest rates climbed to between 22 and 23 per cent, fewer and fewer businesses that functioned on borrowed money—as so many do—could make a profit, squeezed as they were between rising interest rates and rising wage demands. Faced with the steep climb in the cost of living, workers were reluctant to moderate the demands for raises, let alone accept cuts in wages. Workers like everyone else were conditioned to expect higher, not lower, incomes. In any case, it is not easy for a worker to accept a cut in wages when interest payments on the mortgage and car loan are climbing, and when everything costs more and more. As fewer and fewer consumers could afford the rising prices, they cut their spending. Sales fell. Businesses closed and their workers, forced into the ranks of the unemployed, could afford even less than other consumers.

In 1981 the economy of all industrialized countries went bad. In 1982 it went from bad to worse. It suffered from a severe case of stagflation, an economic illness that most economists had not foreseen—when business stagnates in the midst of inflation. In conservative economic orthodoxy, stagflation should not happen. Business stagnates when consumers are not buying at the prevailing prices. To sell, according to this theory, businesses must lower their prices and pay less than what is being asked for raw materials, wages in on interest for money borrowed. The purveyors of raw material, labour or money for borrowing reduce their demands. Business can turn out products or services at the lower price that the consumer is willing to pay. The general level of prices falls. Inflation is cured, the economy starts humming again and everyone lives gainfully ever after.

More bluntly, this theory says that if everyone becomes too greedy, there will be an economic downturn, and when the downturn becomes severe enough and lasts long enough, wages and prices will both come down and inflation will abate. Things will return to a certain equilibrium in the long run because everyone will have learned to be less greedy. Keynes's response to this argument was: "In the long run we shall all be dead." There was no room in this theory for stagflation—the simultaneous occurence of rising prices and stagnation.

But in the 1970s and 1980s stagflation did happen. Business could not sell enough of its products at the prevailing prices. Business people said, however, that they could not lower their prices because their suppliers of raw materials or labour or loan money would not lower their prices or wages or interest rates. There is no doubt that the inflation of the 1970s and early 1980s did real damage. Stocks listed on the Dow Jones index at the New York Stock Exchange bought in 1973 for $100 were only worth $51 in 1982 after adjusting for inflation. On the Toronto Stock Exchange on the index, stocks bought for $100 in 1973 were worth only $60 in 1982. No wonder that people with nest eggs, whether small or substantial, were traumatized by such losses.

I have a table here in my speech which is rather short, and I ask permission that it be printed along with the speech that illustrates the figures.

Senator Doody: Agreed.

Senator Gigantès: Conservative-minded economists put much of the blame for such inflation on social security measures devised as a consequence of the Great Depression of the 1930s. Before the introduction of these measures, as we saw, significant depressions could occur because each business that

failed and fired its staff affected its suppliers and the suppliers' staff, who in turn failed and fired their staffs, and so on downward. So governments introduced family allowances, medicare, unemployment insurance, pensions and welfare, which together form the social safety net that stops the economy from falling down the bottomless depression pit. In the late 1970s and early 1980s, a deep recession hit the whole industrialized world. The recession that began here in 1981 was terrible indeed, though it did not degenerate to the depths of the major depression. Even so, unemployment rose by 416,000 in 1981. Our manufacturing plant that had been working at 77.5 per cent of capacity in 1981 suddenly worked at only 65.9 per cent of capacity in 1982, a fall of 11.6 percentage points and the Gross Domestic Product fell by $11.5 billion from $356 billion to $344.5 billion.

Some definitions will make clear what follows. The Gross Domestic Product—the GDP—is the value of all the goods and services we produce as a nation. We are paid an income to produce these goods and services. The income we are paid equals the value of the goods and services we produce. So we say that the GDI—the Gross Domestic Income—of the nation equals the GDP. Those who pay us this income are incurring an expenditure equal to the income they have paid us. So the nation's GDE—Gross Domestic Expenditure—equals its Gross Domestic Income, which as we say, equals its Gross Domestic Product. In short, GDP equals GDI equals GDE.

Let us now consider what might have happened had we removed the social safety net during the last recession. Bill C-21 removes part of the social safety net. All these things hold together. That is why we oppose what you are trying to do. All figures that follow are from Statistics Canada. In 1981 social programs represented $31 billion in expenditures by all levels of government. Eliminating social programs in that year would have reduced the gross domestic expenditure or GDE or GDP or GDI by $31 billion.

● (0630)

We saw that the fall of $11.5 billion in GDP or GDE or GDI due to the recession of 1981 was associated with the rise in unemployment of 416,000 and the fall in manufacturing capacity utilization of 11.6 percentage points. If those were the effects associated with an $11.5 billion drop in GDP, how much more would employment and manufacturing production have fallen had we had an additional fall in GDE of $31 billion, which would have been 2.7 times greater? Is it far-fetched to think that we might have been on the road to another great depression like that of the 1930s, with both unemployment and manufacturing capacity plummeting?

If we continue with this hypothesis, we should assume that another $141 billion would have been taken out of the economy from 1982 through 1984. This $141 billion represents government spending on the social safety net from 1982 through 1984. Would there have been a recovery in that case? Would a major drawn-out depression, like the one in the 1930s, have been unthinkable?

Some economists argue that had there been no social security measures in 1981, the then unemployed would have accepted lower wages immediately. Perhaps such huge government social programs would have left more room for business to get the economy rolling again faster, with less inflation and unemployment than actually occurred.

In the great depression of the 1930s, there were no social security measures. People were ready to accept any wage, however low. Government was cutting spending precipitously, leaving the entire field to business, yet through ten agonizing years, business did not get the economy rolling again. It took the Second World War and heavy government involvement in the economy to end the great depression. However, economists who dislike government spending do not dwell on the lesson of the Great Depression. They simply say that, to finance social programs during the 1981 business downturn when tax revenues fell dramatically, the government borrowed huge sums and is now saddled with an unacceptably high national debt. Interest payments on this debt account for one-third of government spending and are equal to our continuing deficit. Therefore, we must cut spending on social programs. The ensuing reduction of the government's role in the economy would be all to the good, such economists, or some senators opposite, might say.

Proponents of this view specify that such things as unemployment insurance, welfare, old age pensions, family allowances and medicare are prime areas for government cutbacks. Certainly, we should not reject out of hand the case for cutting government spending. We should look at these categories of spending with a view to reducing them or making them more productive for the economy.

In the last recession, Canada, along with Japan, did best among the seven major industrialized countries at weathering the storm and minimalizing the misery of the people. But, if we take staying out of debt as the indicator of economic performance, Canada did less well, principally because those who were economically conservative fought every government attempt to move towards a full-employment policy.

Honourable senators, I will now make a proposition which I will then prove: Countries that make full employment the principal aim of their economic policy seem to outperform countries that do not. Countries with a full employment policy seem better at staying out of debt, at getting out of debt and at maintaining a high level average wealth for their citizens. Not all full employment countries perform equally well in all economic activities, but over all they seem to perform better than those countries without full employment policies. This is something I brought to the attention of the Senate in December 1987 in a report of the subcommittee I had the honour to chair, that on Training and Employment. The Economic Council of Canada checked my figures and, in its latest report, made the same statement, using my arguments in the order in which I will give them to senators, without an academic tip of the hat, which is customary, to the person from whom they borrowed the ideas. They even have the same tables and graphs as I do.

Senator Stewart: But, Senator Gigantès, is that not the usual practice of government departments and agencies over

the years in dealing with the Senate? The Senate makes a report and then a government department or agency, Liberal or Conservative, may take it up and use it without any attribution to its senatorial source. I do not think you should feel especially selected for this kind of maltreatment.

Senator Gigantès: Oh, I do not feel selected or even victimized. I simply point out the lack of academic good manners on the part of an appointee of Prime Minister Mulroney.

Senator Bosa: I wonder whether the honourable senator would permit a question? He made several references to countries of full employment. He stated that they outperform countries that do not have full employment. What does he consider full employment? Would he consider it greater than 3 per cent of the work force being unemployed or does he consider it 100 per cent of the work force being employed?

Senator Gigantès: I will come to that, Senator Bosa. I think that 4 per cent in a country such as Canada is a feasible full-employment policy.

Let us look at the experiences of 13 countries. I illustrate this in graphs, which I ask permission to have printed.

Senator Hébert: Agreed.

(*For text of graphs, see Appendix, "A" p. 3511.*)

Senator Stewart: Are these the graphs that the Economic Council has already lifted?

Senator Gigantès: Yes. Four of these countries—Austria, Japan, Norway and Sweden—make full employment the fundamental aim of their economic policies and they are shown in black bars in the graphs. Countries shown by clear bars do not have full-employment policies. Finland and Germany, shown by the grey bars, have gone part of the distance towards a full-employment policy.

Graph A shows how they compare in terms of how big a place government, and therefore the social safety net, takes up in their economies, or what percentage of the gross domestic expenditures, GDE or GDP, is accounted for by government spending. Graphs B and E show the performance of the 13 countries under the four criteria: accumulated budget deficits, or minus, or surpluses, plus, as a percentage of GDP from 1970 to 1978. Graph C shows the average unemployment rate from 1970 through 1987. Graph D shows gross domestic product per capita in 1987. Graph E shows accumulated trade deficit, minus, or surplus, plus, as a percentage of GDP from 1970 to 1987.

If we award 13 points for first place down to one point for last place under criteria B through E above, budget balancing, lowest unemployment, average personal wealth and success in international trade, the 13 countries rank as indicated in Graph F, and they are as follows.

Norway acts best. Norway, over the 17 years in question, with a full employment policy, has a large accumulated surplus. Sweden ranks second. These are countries with less than 2 per cent unemployment. Sweden has an accumulated surplus. Japan has a small deficit and a full employment policy. Then comes Germany and Finland, then comes Austria. Germany and Finland have almost a full employment policy, although Germany has moved away from it.

Those countries with a full employment policy—and this point has just been repeated by the Economic Council of Canada—come up with the best performances in avoiding deficits. That is what senators opposite have been telling us should be achieved. The Economic Council of Canada says quite clearly in its latest report that the deficit cannot be fought unless unemployment is fought.

Therefore, policies to promote employment—government intervention to promote employment, as happens in these full employment countries—seem to be the solution to the problem of Canada and of other countries.

It seems fair to say that the four countries with full employment policies have generally done better, even though three spent considerably more than we do on their social programs. In other words, the total spending on social programs by three of these countries is much higher than ours as a proportion of their GDP. Anyone can look at OECD figures or Statistic Canada figures or the latest Economic Council of Canada figures and they will see that. The answer is working on full employment.

One reason why full employment countries perform better is that unemployment represents an enormous cost, a deadening drag, on the economy. This was brought out very clearly in the Senate report of December 1987 called "Only Work Works". Instinctively, one expects unemployment to increase stress, physical and mental illness, alcoholism, drug addiction, suicide, crime and the difficulty of getting along with one's family. There is overwhelming anecdotal evidence to support this, according to social workers, but again they cannot give an exact dollar figure of what those ill effects cost our society.

In his study entitled "Unemployment: Canada's Malignant Social Pathology", published in *Perception* spring/summer 1983, Richard Deaton counted loss of income by workers as a separate item in his sums and counted this loss again as a reduction of gross domestic income, which includes workers' incomes. This is double counting, in other words. When it comes to social costs, accurate accounting is difficult to find.

Among other things, experts disagree on whether it is the loss of a job that decreases the tendency to be sick or the tendency to be sick that makes one less employable. Whereas the social costs of unemployment are difficult to determine in dollars, the economic costs in losses to government and business are not. I will concentrate on those.

We can determine the loss to governments of having people unemployed or employable that are on welfare. We can add: (a) the loss of revenue at three levels of government because people pay less in taxes when jobless than when employed, plus (b) unemployment insurance benefits, plus (c) payments to people on welfare, plus (d) interest on the sum of (a) (b) and (c), because we are running a deficit and must consequently borrow the money to pay welfare and unemployment insurance benefits.

I will make another statement here which I will demonstrate. Our society paid people at the last job they held, as at 1989 figures, an average of $15,640 each, in exchange for which they each produced goods and services worth $15,640. When such people became jobless, each cost government $14,822, but could produce no goods or services in exchange.

● (0645)

In other words, employable, jobless persons each represent a net cost—a net loss for governments—of $14,822 per annum plus a net loss for society of goods and services worth $15,640, which they produced before losing their jobs. From 1985 through 1991 unemployment will cost Canadian governments $171.2 billion and cost business $85.6 billion in sales. The national debt from 1967 to 1985 equals the cost to governments of unemployment above 4 per cent of the labour force. I will demonstrate this shortly. These figures were checked for me by the Economic Council and, in checking these figures, came the ideas which they put in their latest report.

Then there is the calculation of what costs unemployment represents for governments involved using the multiplier. You will forgive me if I have to explain this to you. No doubt Senator Cogger will complain that I do not talk about substance, but, what can I do? He is asleep. The multiplier effect simply means that for a service or product, for instance, Michael pays $1,000 to Peter, who saves $200 and pays Paul $800, who saves $200 and pays $600 to Jim and so on. The initial $1,000 spent could generate up to $1,700 in spending. The total of all this spending is the gross domestic expenditure of Michael, Peter, Paul and the rest. All major economists use the multiplier and describe its workings in terms similar to those of the preceding paragraph. For example, Heilbroner and Thurow write that wages paid, say, to construction workers, do not stop there. The construction workers will spend their wages, and this spending will generate more spending "until the effect is finally dissipated. By and large, economists estimate that the impact of the multiplier over the course of a year is about two . . ." Heilbroner and Thurow point out that a contraction in spending in the U.S.A. of $23 billion in the third quarter of 1980 shrank incomes throughout the nation by $46 billion because of the multiplier.

Economists disagree about the size of the multiplier in Canada. Many say it is less than 2 because, among other things, we spend more on imports than do the Americans. Some say it is more than 2. The multiplier in this lecture is taken to be about 1.7. This figure, which is accepted by many economists, is lower than the multiplier used by the Economic Council of Canada. I am being conservative in my economic application.

So we can assume that when a Canadian spends $1,000 the gross domestic product increases by $1,700, using a multiplier of 1.7. In Table 2 we see the calculation of how much an unemployed person costs the government, which I would like to have included, if honourable senators agree. I will read you the table all the same. This is Table 2, the costs of unemployment to the three levels of government. The first part of the table says when Smith, the average unemployed Canadian, was employed. (a) Smith's employment income in private industry was $15,640. That was the average earning of Canadians employed in 1989. (b) shows the GDP generated by Smith's employment income of $15,640 times the multiplier of 1.7. So the GDP that his earnings generate is $26,588. Tax revenues for all levels of government, item (c), is 34.4 per cent of $26,589 or $9,146. I put a plus sign in front of that figure because I will use a minus sign in front of a deficit figure.

The second part of the table is what happens when Smith loses his job and goes on unemployment. Line (d) is Smith's unemployment insurance benefits, a net loss for governments of $9,023. This is not theory. This is what was actually spent on average on each unemployed person. (e) shows the GDP generated by Smith's unemployment benefits, which is $9,023—deficit spending by the government—which then Smith receives and spends multiplied by 1.7 to see how much he contributes to the GDP, which is $15,339.

The next item is tax revenues for all levels of government, from GDP generated by Smith's UI benefits, which is 34.4 per cent of $15,339 or $5,277. That means a reduction in tax revenues, which is line (g) for all levels of government because Smith lost his job. It is line (c) minus (f). I will remind you that line (c) $9,146, the revenue of government from the GDP generated by Smith's earnings when he was employed, minus the revenue generated by his spending of his unemployment insurance—so we have $9,146 minus $5,277—the reduction in tax revenue for all levels of government, line (g), is minus $3,869. That is an increase in government red ink of $12,892 because there is the $9,000 he receives in government unemployment insurance and the loss of government revenue. Those two must be totalled. So when he is unemployed we have an increase in government red ink of $12,892. That is line (h). Since we are in a deficit situation, the government is paying interest on the amount it is borrowing, which is $1,450, which gives us a total cost to government for each unemployed person of $14,342, or a move from black ink to red ink.

It is worse if Smith goes on welfare. The fallacy is that because people on welfare are paid less than they are on unemployment, they cost less. They do not cost less, they cost more. I move to line (k), welfare benefits, and I am using the Ontario maximum. GDP generated by Smith's welfare benefits, and I am using the largest figure including a wife and two children, which is $12,352. So he has paid a considerable amount, as you will see, in terms of the deficit. The GDP generated by Smith's welfare benefits of $12,352, multiplied by the multiplier of 1.7 totals $20,998, which is line (l). Line (m), tax revenues for all levels of government from GDP generated by Smith's welfare benefits, which is 34.4 per cent of $20,998 is plus $7,223.

The reduction in tax revenue for all levels of government because Smith is on welfare is minus $1,923, which we must add to the welfare benefits he is paid, (k), of $12,352, which gives us, (o), increase in government red ink, (k) plus (n), $14,276. This is a disbursement by government in excess of what government receives, on which, line (p), interest must be paid, which is $1,606 and, line (q), the total government loss

[Senator Gigantès.]

caused by Smith's being on welfare, (o) plus (p), equals $15,882. So people who do not work cost an awful lot of money.

In 1985 the equivalent of 1,328,000 persons received unemployment insurance for the whole year, and another 600,000 received welfare because, though they were able to work, they could not find jobs. For every 100 Canadians receiving unemployment insurance benefits, there are an additional 45 who are employable but on welfare. So in 1985, the 1,328,000 unemployed times $14,343, which is the cost of the unemployed to government from the table above, cost the three levels of government $19,047,504,000. The 600,000 employable welfare recipients times $15,882, which is line (q) in Table 2 above, cost the three levels of government a total of $9,529,800,000. Combined, the 1,928,000 unemployed and employable welfare recipients cost the three levels of government $28.6 billion or $14,822 each in 1985. The figures were adjusted for inflation and are expressed in 1988 dollars. The costs of unemployment keep piling up, as we shall see.

In his February 1986 budget, the Honourable Michael Wilson, Minister of Finance, gave his projections of unemployment levels through 1991. These are in Table 3, which I ask the permission of honourable senators to have printed in an appendix. I hope it is agreed.

Senator Turner: Agreed.

Senator Gigantès: Table 3 shows the estimated unemployment in thousands from 1986 to 1991. These figures were provided by Michael Wilson, the Minister of Finance, in his 1986 budget speech. In 1986 he predicted 1.2 million unemployed and for 1991 he predicted 1 million. You will find the figures in between in the table. Adding 45 employable but jobless welfare recipients to every 100 unemployed in the above numbers and using $14,822 as the cost of each jobless, we establish, for the years 1986 through 1991, the following costs of unemployment. That is Table 4, which I ask your agreement to have included. Is it agreed?

Senator Turner: Agreed.

Senator Gigantès: The 1985 cost of unemployment to the three levels of government was $28.6 billion; in 1986 it was $25.8 billion; in 1987, $24.4 billion; in 1988, $23.8 billion; in 1989, $24.1 billion; in 1990, $22.8 billion; and in 1991, $21.7 billion. Those figures are derived from the projection of unemployment by Mr. Wilson.

For the years 1985 to 1991 inclusive, the total estimated costs to governments of having jobless people on unemployment insurance or welfare is $171.2 billion in 1988 dollars. Even with unemployment below the rates of the 1981 recession, government deficits will still grow substantially because we shall under-utilize labour, which is a factor in the creation of wealth. Wealth produces tax revenues. Graph G, which I beg permission to have also printed in an appendix, proves that this is an old story. The figures in Graph G, adjusted for inflation and expressed in 1971 dollars, show the national debt at $21.5 billion in 1967 and at $69 billion on December 31, 1985. Nearly the whole difference—$47.5 billion in 1971, which is $160 billion in 1988 dollars—equals what unemployment costs governments.

● (0700)

I cite here the Senate report, *Only Work Works*, at page 52 which states:

> In 1967, unemployment stood at under four per cent. For each year from 1968 through 1985, the numbers of the unemployed above four per cent of the labour force were calculated and were multiplied by the cost per unemployed to governments, in benefits paid, lost tax revenue and interest on these sums. The cost for each year is shown on the graph in millions of 1971 dollars (adjusted for inflation). The total for the years 1968 to 1985 is $46.3 billion in 1971 dollars or $160 billion in 1988 dollars.
>
> In calculating the cost of unemployment for Graph G, I include provincial and municipal revenue losses due to unemployment. This is not done to suggest that provincial and municipal revenue losses are included in the national debt, but only to give an illustration of how big the losses caused by unemployment are.
>
> Eighty-six per cent of the costs of unemployment are borne by the federal government and 14 per cent by the provinces. However, federal deficits (which pile up to form the national debt) comprise sums that are additional to the federal contributions towards unemployment and welfare benefits; these additional sums are given to the governments and citizens of the provinces to help them cope with the huge losses they suffer because of unemployment.
>
> Also huge is the loss in sales that business suffers as a result of unemployment. If we take what the unemployed would have contributed to the GDP had they remained employed, and subtract from that the lesser sum they contribute to the economy when on welfare or unemployment insurance (Table 2, above), we find how much less money passed through business coffers because of unemployment in 1985; and using the numbers of the minister of finance (Table 3, above), we can estimate, in 1988 dollars, that *for the years 1985 through 1991, the losses in sales to business due to unemployment will be $85.6 billion.*

Those are 1989 dollars.

I told honourable senators earlier that countries with full employment, and in which the government takes up a lot of space, more space than it takes up here, and which spend a lot on social services "manage to keep their deficits down because of their full employment policies."

We have seen, as I just mentioned, that the accumulated debt from 1968 to 1985 can be matched almost exactly with the increase in the national debt during those years.

The text goes on to state:

> In other aspects of the economy, Canada, along with Japan, weathered the recession best. Had we had a full-employment policy, we might also have done much better

in keeping down our deficit and keeping the national debt from growing.

This is what the Economic Council of Canada has at last begun to realize, as it has just told us in its annual report.

The text goes on to state:

However, any suggestion of a larger government role in job creation was met with ferocious attacks by those who felt that such policies would be an unconscionable attack on the free-market system. Private entrepreneurs, they said, should be left free to do the job; governments should shrink.

Business and business writers are outraged at the suggestion that the free-market system is not infallible. The reaction is understandable: when sowing doubts about the free-market system, we are offending a religion with a vast clergy of businesspeople and academic economists, most of whom have contracts with businesspeople. Unconsciously, you believe what you do, especially if it pays off for you—there is nothing unnatural about that. And when these people feel threatened, they do their best to scare off possible attackers.

Before examining the details of a possible full-employment policy and whether we can afford it—-

That is an argument I might hear from the other side if they paid attention to what I am saying:

—we should consider the validity of objections to such a policy. The standard arguments against a full-employment policy are as follows:

—The unemployed choose to be unemployed.

—Yes, there may be unemployment, but measures to combat it lead to government programs financed by borrowed money, which then becomes unavailable for business borrowers who want to build new productive capacity and thus create "real" jobs.

—Government initiatives are now obsolete, a relic of old-fashioned thinking.

—If we simply liberated the entrepreneurs from government constraints, there would be no problems in the economy.

—Technological change destroys jobs.

That is a union's contribution to the debate. The text goes on to state:

—If we concentrated on exporting more, there would be more jobs.

—We do not know enough about the future to make policy. Let us see how these arguments stand up to examination.

STATEMENT: *People are not unemployed or on welfare because they choose not to accept what jobs are available.*

To deal with this issue we must look at how many job vacancies there are for people on unemployment insurance or welfare, whether these vacancies are where the unemployed are, and whether the unemployed have sufficient skills for these vacancies.

Let us not forget that the average wage the unemployed had in their last job, in 1985, was $270 a week in 1985 dollars or $300 a week in 1988 dollars. An awful lot of insufficiently skilled people must have been among the unemployed in 1985 for their average wage to be so low.

If there is a vacancy for a restaurant dishwasher in Toronto, an unemployed man in Cape Breton with a wife and two children might not have the fare to get to the job; the pay in Toronto might not be enough to house, feed and clothe his family.

We saw that in 1985 there were 1,328,000 unemployed plus 600,000 employable welfare recipients with no work, a total of 1,928,000 jobless. In that year, there were 292,000 job vacancies in Canada—-

So there were 1,928,000 jobless and 292,000 job vacancies.

The text continues:

—as a whole, or about one vacant job for every 6.6 jobless persons. But these vacant jobs were not equally distributed across the country. In the Atlantic provinces, the Prairies and B.C. there was only one vacant job for every 12 jobless, whereas in Ontario the ratio was one for five and in Quebec one for seven.

It is not known how many of the unemployed were qualified for the vacant jobs. We know that business often complains that it cannot find enough *qualified* workers. This must mean that some of the unemployed are insufficiently skilled to fill some of the vacant jobs.

Many of the unskilled have much to lose by moving from their low-employment regions to Southern Ontario where there are vacancies for unskilled jobs. Take a Cape Bretoner with a wife and two children who has just lost a job in his province at $15,600 a year: he is paying $420 a month in rent, leaving him $10,500 for everything else.

The move to Toronto would cost him $4,000, which he does not have and would have to borrow, repaying it in two years at $2,300 a year. Rent for a tiny apartment in Toronto would cost him a minimum of $750 a month, if he found an apartment (the vacancy rate in Toronto is 0.1 per cent); this is $3,960 a year more than he was paying in Cape Breton. So after paying his moving debt and the rent, he would have $4,560 a year to provide himself and his family with heat, food, clothing, electricity and transportation. It simply can't be done.

To get by in Toronto, he would have to find a job that paid him $21,860 or $6,260 more than his Cape Breton job. But he is unskilled and he wouldn't get that kind of salary. On top of financial losses, by moving to Toronto our Cape Bretoner and his family would lose their supporting network of friends and relatives who are a financial asset if only as providers of occasional child care.

Classical economic thinking sees "mobility" as a major solution to unemployment problems. People should move

to where the jobs are; jobs should not move to where the people are. At the limit, this leads to the creation of urban monsters like Mexico City, where everyone piles in from the countryside and slums mushroom. Must we give up our space, one of the great advantages of Canada? Must we all live in a few Mexico Cities, in congestion, noise, polluted air and municipal anarchy?

Realistically, how many of the 292,000 job vacancies in 1985 could have been filled by the 1,928,000 people who were without work that year? There are no reliable studies on this issue. However, in view of the difficulties that the non-so-skilled would encounter in moving to or being hired for those vacant jobs, realistically we might assume that only six out of 10 of these 292,000 vacant jobs could have been filled; that makes 179,700 vacant jobs that could have been filled.

● (0715)

This means that only one out of 11 of the 1,928,000 jobless in 1985 could have found a vacant job; the other ten-elevenths would inevitably have stayed jobless because there simply were no jobs: this is the conclusion one is forced to draw from a special study on job vacancies by the Canadian Labour Market and Productivity Centre. Thus, the contention that unemployment insurance and welfare create unemployment is not supported by the facts.

I will come to another statement answering those criticisms.

To argue, as do business and classical economists, that government borrowing reduces the funds available for business to borrow and invest is simply another way of saying that government should not exist. Besides, the argument becomes irrelevant if business gets its wish for a single world money market.

Certain economists and most businesspeople say that when government goes into deficit - when it borrows money to keep its social programs running during recessions - funds that should be available for business to borrow and invest are soaked up by government borrowing, and economic growth is slowed. In other words, private enterprise is being "crowded out" by government.

There are several answers to this. To begin with, we saw that social programs were developed to keep recessions from becoming great depressions. The social programs provide those who lose jobs during recessions with some income so that demand for goods and services business produce does not fall so low that the economy cannot pick itself up off the floor.

If we cut social services during a recession, the recession would be prolonged.

This is what you are doing with Bill C-21. You are cutting social services.

Business does not invest during recessions. The longer the recession, the longer the lag in business investment. So in effect government borrowing during recessions does not soak up funds business would have borrowed;business would not have borrowed those funds to invest because only fools invest when demand is shrinking, and in recessions demand shrinks.

A look at Table 5 below shows that we nearly always had more business capital formation than the average for the seven major Western industrialized countries; and we always had more capital formation than the U.S.A. In the years 1980 to 1986, Canada had less business capital formation than usual, which means that Canadian business invested less than usual; but that period includes the years of the 1981 to 1983 recession. At that time, business capital formation went down from the previous period in all coutries, inevitably so since investment goes down in recessions. Japan has invested at a higher rate than any other country, but it had a lot of catching up to do, having had its industrial base destroyed in the Second World War. Even before the war, Japan was behind the Western countries and had to catch up.

The figures are shown in Table 5.

The argument that government crowds out business is also made in good times against all government spending: government spending means taxing people's money away; that money, then, is not there for business to borrow and invest and make profits. Michael Walker, a proponent of this view and president of the Fraser Institute, would like medicare privatized. He says that government should not be taxing people to pay for medicare; it should be left to the private sector, where the profit motive will make sure that money is spent efficiently.

Doctor Walker's brand of medical care exists in the U.S.A. As a society, Americans pay 33 per cent more of their GDP than we do for medical care; all Canadians have medical care paid for by their tax-supported, government-run, universal group insurance; 37 million Americans cannot afford any medical insurance at all.

As an example of government intervention that produces costs and produces the necessary results.

Of course, doctors and hospital corporations make huge profits in the U.S.A. Canadians, as a society, decided to give priority not to the making of private profits through health care, but to giving health care to all, rich or poor. We have crowded business out of the health care business. It was our political choice. An overwhelming majority of Canadians support this choice. Later we shall see that not only do we provide good health care compared with all other countries, but we do so more cost effectively than any other government.

The Civic Hospital, where Dr. Keon operates, is often cited in publications in the United States of America as an example of efficient use of resources. Thanks in large part to his talent. When it comes to medicare—

This was a case where crowding out business was good business.

The people who argue that by borrowing government "crowds out" business—sucks up funds that business

needs—are the very same who claim that the Canadian money market has now become an inextricable part of the world money market, thanks to instantaneous electronic communications. The money market, of course, is where you shop for money to borrow. Your neighbourhood bank is an outlet of this money market.

On June 6, 1989, Doctor Edward P. Neufeld, the Royal Bank's executive vice president of economic and corporate affairs, told the Senate Committee on Foreign Affairs that the unification of the world money markets was a good thing.

Bankers supported the Free Trade Agreement, which goes a long way towards erasing the frontier between Canadian and U.S. money markets. Bankers want Canadian business to have more ease in borrowing and lending abroad. If bankers are consistent, they should hereafter speak soothingly to those who worry about whom we borrow from, as a nation—*from* foreigners or *from* Canadians. If there now is one world money market, surely it makes little sense to affix national labels on borrowed cash.

Canada is a safe, law-abiding country,

—not for long if the Conservatives remain in power—and, it is

. . . not likely to be destroyed by foreign or civil war.

—again assuming that Mr. Mulroney calls for party venture.

Foreigners want to lend us money. Foreigners investing here or lending us money are not likely to pick up their money and take it elsewhere, all on the same day. Where else would they find as safe and promising a place to park their cash? So how can there be a shortage of funds to borrow when the one world money market is awash in petrodollars, Eurodollars, German marks and Japanese yen, ready to be borrowed by our Canadian entrepreneurs?

I will now pass to you another statement. In answer to the criticism about the full employment policy.

An energetic role for government in the economy is not an old-fashioned idea that is no longer useful.

There is little substance to the argument that policies of government intervention are out of step with a future belonging to small government that spends and taxes ever less. Those who espouse this view can also be called old-fashioned. Their fondness for reducing the size of government through budget cuts has never changed. We still hear it today, for example, in *The Financial Post*, now as always the voice of conservative business thinking.

Then I give some examples ranging from the 1920s to the 1980s. (i)—these are quotations . . .

(i) . . . spending by all three levels of government in Canada has produced inflationary deficits that must be further trimmed before the economy can get on an even keel again.

—that is from the 1920s.

[Senator Gigantès.]

(ii) We're living on a diet that is far too rich, certainly one that we cannot afford . . . . We have to cut something.

(iii) Before the Canadian budget can be balanced there must be a drastic and 'painful' process of slashing of government departments and services.

—that is from the 1920s—

(iv) If we go on adding to the debt each year the interest charges will become an intolerable burden to the people. Why should we pass the burden on to future generations?

—that is also from the 1920s.

(v) How welcome it would be if, next week, the finance minister announced across the board spending cuts in all departments.

That is from the 1940s.

There is nothing new in the debate between classical and Keynesian attitudes in economics: both can be found in texts of the fifth century B.C. Pericles, then leader of Athens, described his economic policy as one of spending on public works that took a long time to build, thus giving jobs to the unemployed, thereby creating demand and making the city more prosperous.

This is under Plutarch—

In answer, we have the text of a fifth-century B.C. pamphlet that accuses Pericles of ruining the economy by giving handouts to the lazy and spending on useless construction (it's to the building of the Parthenon that this pamphlet objects; it is called *The Old Oligarch* or *Pseudo Xenophon*).

The issue is what works best and which attitude best serves the current circumstance in which we have a high national debt, aggravated yearly by high interest payments on this debt, payments equal to our yearly deficit. If we can cut our deficit through an active government role in the economy to reduce unemployment, we should try it.

The Economic Council has said that we cannot do it otherwise. Because the only countries that seem to manage their deficit are countries that actively pursue employment policy.

As a percentage of our GDP, our national debt has been much higher in the past than it is now. We paid it down fast when we had low unemployment and . . .

I have a graph, Graph H, which I would like to have your agreement to print in the appendix. Is it agreed?

(*For text of Graph, see Appendix "B", p. 3518.*)

Some Hon. Senators: Agreed, agreed.

Senator Gigantès:

Conversely, as unemployment and interest rates rose, they dragged our national debt upwards.

You can see this clearly in the graph.

This seems to support the evidence given earlier that other countries with full-employment policies are better at *getting out of* and *staying out of* debt.

Now I give you another statement.

"Supply-side" economics does not work.

As a nation, we have, in the past 15 years or so, listened to economists who talk of the "non-accelerating inflation rate of unemployment" (NAIRU). They maintain that there is a level of unemployment below which we cannot go without causing quickening, even runaway, inflation. And these economists have been setting the NAIRU at a higher and higher rate: it looks as if, for them, the "non-accelerating inflation rate of unemployment" is the most recent highest rate of unemployment

We listened to these same economists and to their business followers (and paymasters) when they told us that our government should not interfere in the economy with job-creation programs. There were "structural" problems, inevitable cyclical problems that would be solved naturally if we "liberated the entrepreneur." This policy is also known as *supply-side economics*.

Supply-side economics relies on stimulating business, which "supplies" the goods and services that its customers demand. The theory is that if you make it more profitable for business to produce, it will buy more equipment, build more factories and hire more people; in the long run, the problems disappear, thanks to the rule of maximizing profits.

So we reduced corporate taxes from 4.6 per cent of the GDP in 1974, to 3.6 per cent in 1981, to 3.2 per cent in 1985, to 2.7 per cent in 1987.

● (0730)

The Department of Finance economic review for June 1987 shows this means that the profits of corporations were taxed at 34 per cent. That is real tax as a percentage of GDP, how much money do they actually pay? It was 34 per cent in 1974, but only 26 per cent in 1987. On another occasion I will explain how this has increased the deficit. And while the rate at which the government was taxing corporations fell, government aid to business increased. Business gets more from government than it pays in taxes according to the Nielsen Tax Force in 1986, and I have another graph, graph I which I hope you will agree can be put in appendix.

Senator Frith: We agree.

Senator Gigantès: The Nielsen Tax Force counted the costs of administering these favours to business as part of what is given to business as government and certain sales tax exemptions that partly benefit consumers, and various other items. They total $4.7 billion, and some of the business does not consider that part of the advantages received from government. The Auditor General estimates that the tax breaks governments give to business amounted to $11.5 billion in 1985, in the 1985/1986 fiscal year, in the official report of the Auditor General.

Senator Steuart: Before you go on senator, could I ask you a question?

Senator Gigantès: Certainly.

Senator Steuart: We are told that the economies around the world, including of course the Canadian economy, are undergoing globalization. Now is it not true that if the Canadian corporations are going to be able to participate successfully in this new globalized economy, they are going to have to get plenty of assistance from the government of Canada through tax expenditures and the like?

Senator Gigantès: Thank you. It depends, of course, on the form of tax expenditures—tax expenditures for job creation, yes. Tax expenditures for buying equipment that will enable the business to produce the same amount for less money and with fewer employees is not a tax expenditure we should consider because, if it is an efficient move, then a bank will lend them the money. They don't need government help.

Senator Steuart: Let me ask another related question, and that deals with subsidies. How are these tax expenditures and other forms of assistance to Canadian corporations, let us say, going to be given to them in this globalized situation where there is the possibility that these companies in particular and Canada in general will be penalized, will render itself liable to penalty on the ground that subsidies are being given to these productive corporations?

Senator Gigantès: I hope the honourable senator will be patient with me and I will deal with this issue. But I have got to come to it step by step logically, and I will show you exactly how we can, for instance, do what is necessary to promote employment in this country without allowing the Americans to do anything against us through the infamous Free Trade Agreement.

In the course of studying the problems of employment and training for this honourable Senate, I interviewed dozens of economists across the country and abroad. Even those who lean toward the conservative side of the discipline found that Canadian Governments acted ineffectively and even unfairly in helping business. Tax concessions such as deferment of tax on profits owed to government help firms that are already doing well since they have taxable profits. Such policies are thus perceived as unfair by other less fortunate businesses. Those big firms that can afford high-price lawyers can best take advantage of such tax concessions. Other firms think this unfair. This is a summary of the abuse of economists.

Another statement that summarizes their view. Such government programs support investment in capital intensive projects and lead to the replacement of people by machines. Moreover, the latest industrial equipment saves on both capital and labour. A new machine today turns out ten times as many products as a ten year old machine that costs the same in constant dollars when new. Today's machine slashes labour costs. There is no need to subsidize business to buy such a machine as they will buy it anyway. When a business cannot convince private lenders to advance money for a purchase that

will both increase production and cut costs, that business does not deserve support.

For every two dollars of government revenue forgone to finance programs of tax concessions or grants to business, only one dollar in new investment results. There is no conclusive evidence yet, but there are factual hints here and there that a fair chunk of business spending is not necessarily productive. Increasingly more powerful personal computers are installed on executives' desks giving them spreadsheets with more and more columns, so that executives fiddle endlessly with how a change in one small aspect of their production will affect all other little aspects. Further, Canadian and US businesses are washing barracudas and bean counters, lawyers and accountants to handle mergers and acquisitions, thus increasing corporate overheads far above those of Germany, Japan, Sweden and other countries.

Now I make a statement that answers some union criticisms.

Senator Frith: You say these other countries do not have—

Senator Gigantès: They have much lower overhead.

Senator Frith: —legal costs and accountants' costs, professional costs dealing with mergers?

Senator Gigantès: That's right. Much lower in those other countries.

Senator Frith: Because they don't use them as much? Their fees are lower or what?

Senator Gigantès: Because there are more interested generally in producing an industry that is going to live and plan a long time ahead rather than shifting assets from one person to another.

Now, technology does not destroy jobs. Scepticism about the immediate benefits of increasingly sophisticated desk top computers for executives—this scepticism I just expressed—should not be taken as a rejection of technological modernization, but as with anything new, new technology will have its ups and downs, false starts and adjustments that may be painful. New technology does not necessarily spell instant success, nor does it inevitably wipe out jobs.

The final report of the Ontario Tax Force on employment and new technology, commissioned in 1984 by the Honourable William Davis, gives an impressive list of major technological changes that have taken place in Canada since 1910 affecting every economic and social field. A current, so-called technological explosion is no more explosive than what happened earlier with the car, airplane, telephone, radio, television, film and major developments of chemistry, metallurgy and agriculture. To sum up this Ontario Report, fundamental technological change in this century gave Canadians more than three times higher earnings after inflation. There was greater productivity. For every extra dollar Canadian workers collected in wages they delivered an extra 1.67 in production. A very small increase in the amount of jobs per capita, but jobs entailing fewer hours of work. So technological change has been neutral where jobs are concerned; it has not decreased the number of jobs per capita available to Canadians.

Now here is another statement. Exports do not increase the number of jobs. Increases in exports do not produce a net increase in jobs. This is not theory. This is just statistical fact. Our share of world trade grew in real terms as a share of the total from 3.6 per cent in 1980 to 5.1 per cent by 1984, yet employment shrank in those years. Certainly Canada should be more competitive on the world markets. Being competitive means being technologically up to date, more productive; therefore, able to create more well. Successfully exporting a commodity means we are producing it competitively. We will then hire more people to produce and export that commodity. A high tech item means high tech jobs, but the economists I have interviewed do not see exports as a major source for a net increase in jobs.

A recent Statistics Canada study in the past three decades noted that as our exports went up, so did our imports. That we gained jobs thanks to export but lost an equal number of jobs because of imports. From 1966 to 1980, Canada's imports went up from 20 per cent to 30 per cent of our GDP, all the goods and services we produced. Our exports went up from 21 per cent to 32 per cent. Further in some of our major exporting sectors, exports and unemployment increased simultaneously. Here as in other countries, imports and exports go up and down in tandem almost by the same amount. An explanation is that to buy our exports, other countries need Canadian dollars, which they obtain generally by selling us their exports. Each item we import is an item we do not produce here in Canada. This means that over time for every job we gain by exporting, we lose one by importing. If we export a lot but do not import an equivalent amount in dollars, then we shall not be spending enough Canadian dollars in other countries. In consequence, Canadian currency will be in short supply abroad. Since everything, currency included, rises in price when in short supply, the value of the Canadian currency, the value of the Canadian dollar will increase. Our exports, therefore, will become expensive, and we will sell less abroad eventually. This is what is happening to Japan now. Over time, there is no escaping the equilibrium between exports and imports.

Alternatively, we may export more than we import; then we shall have to invest more Canadian dollars abroad so that foreigners can use these dollars to pay for our exports. But if we export capital, we do not invest it here to create jobs. Simple.

Another statement: We do not have to know the future to make policy. Final argument against what is proposed in this presentation, and against any government role in the economy is that we cannot see the future clearly enough to make policy for the future. The whole world is in transition, this argument goes, we are moving from national markets to world markets in goods, services and money. Companies are becoming scale and will not accept any direction from government. That is why these large companies favour free trade so they can play one government against another. They are bound to defeat smaller businesses, political parties and labour unions which

favour some degree of protection and consequently a greater role for government.

● (0745)

This victory of the conglomerates, we are told, will change things more than we can imagine. It will change the role of all governments to an extent that we cannot foresee. We should not, therefore, buck the trend and act as if government can make a difference in job creation.

Indeed, we live in a period of change. The large conglomerates have argued for a unified western Europe and they make get it by 1993. Until then, the bureaucracies of the 12 members of the European Economic Community will be writing a common rulebook for economic activity in all 12 countries. The megabusinesses will find themselves confronted, in western Europe, by a multinational megabureaucracy operating out of one common rulebook. It will not be possible to play one member nation of the community against another. By seeking the freedom of a larger multinational market in western Europe without national boundaries, the megabusinesses may well find their match in the multinational megabureaucracy they will have created as a byproduct of their campaign for the abolition of Europe's national economic boundaries.

This emerging European megabureaucracy has not shown itself inclined to encourage cuts in social services. Indeed, the Eurocrats are planning common and generous standards of publicly provided social services for the European community. This is one of the many reasons why Mrs. Thatcher dislikes Eurocrats. Nor are the Eurocrats devoted to privatization. Indeed, some Eurocrats say that handing over a public activity from a government to a megabusiness is not privatization but a transfer of power from an elected government to a non-elected government. Some megabusinesses are richer and more powerful than many governments.

Note that even the megabusinesses in Europe, outside Britain, are talking of becoming lean and mean to be competitive, but they do not suggest cutting social services to this end. Germany is competitive—as competitive as they come. Yet it spends more than Canada on social services. The Netherlands, with the second highest spending on social services among industrialized countries, is the best international trade competitor, having the largest trade surplus. Only Mrs. Thatcher seems to believe that grinding the faces of the poor is the way to competitiveness, and of course the Tories in this country believe the same.

When it comes to trade competition, Eurocrats have shown every tendency of flirting not with global free trade but with managed trade between trading blocs. They talk as if they favour totally free international trade but they act as if they favour a system whereby Europe says to Japan and/or to the U.S.: "Yes, we will trade with you, but on condition that our mutual trade is so structured that it is in balance. We will not accept having a deficit—"

Senator Simard: Senator Gigantès, may I ask a question? This thing you are reading from, is it a book that you wrote? If so, has it been published? If so, in which language has it been published, French, English or both?

Senator Gigantès: This is a book I have written, sir. It is called *The Road Ahead*. It was published earlier this year and was written in English. The French edition is being worked on. It is being written by myself in French—

Senator Murray: It is being translated by the staff of the Senate. What an imposition! That is being done for your private gain!

Senator Gigantès: I would like to inform Senator Murray that I have written two books since coming to the Senate and the royalties from both books are donated to scholarships. I make no private gain out of work I do in the Senate.

Senator Simard: It doesn't matter whether you make private gain or not. You are getting your book translated by the staff of this house. This is intolerable! This is a scandal! It should be denounced! You should be ashamed and you should put a stop to it.

Senator Haidasz: No, you should be ashamed and denounced!

Senator Gigantès: I am afraid that Senator Simard and other senators opposite, who were protesting that we are not talking about economic substance, which is what the goods and services tax is about—

Senator Cogger: You call that substance?

Senator Gigantès: —and who did not want the names of Canadians read into the record are objecting when we are talking economic substance.

Senator Haidasz: Do you not want to hear this speech in French?

Senator Gigantès: I was saying, honourable senators—

Senator Cogger: You were not saying, you were reading.

Senator Gigantès: This is my own stuff.

Senator Haidasz: You are just jealous, that's all!

Senator Gigantès: If senators opposite do not want me to publish this book in French, I can promise them that I will not.

As I was saying, Europe will say to Japan: "We will not accept having a deficit in our trade with you or exporting our jobs." What the Eurocrats are planning is not free trade, it is managed trade. A blue-ribbon commission of senior U.S. businessmen recommended to President Bush something quite similar as a right approach in dealing with Japan. The U.S. trade legislation, amended last year, follows the same logic; it penalizes other nations unless they cut their exports to the U.S.A. or increase their imports from the U.S.A.

Achieving such balancing of trade and more stability in currencies means that governments will play bigger, not smaller, roles. It may also mean that the global market envisaged by conservative economic theory may not turn out to be that global, if only because the U.S.A. may not be prepared to let foreigners control major American companies.

[*Translation*]

In July 1989, the U.S. Treasury announced that all foreign takeovers of American companies would be reviewed by the American government.

This process is to apply to all takeovers, past or future, if they affect national security. This means that a foreigner who purchased an American company several years ago does not necessarily have a clear and undisputed title to that property.

We may be witnessing a swing of the pendulum away from totally unfettered multinational free enterprise that can buy whatever it chooses anywhere at all.

What effects will the explosive changes particular to Eastern Europe have? What will their effect be on the economic orthodoxy of North American businessmen? There are enormous profits to be made in trading with Eastern European countries, but trade with Russia and its former satellites will be completely different from what the North American milieu is used to.

Senator Cogger: Senator Gigantès, may I ask a question?

Senator Gigantès: Yes, Senator.

Senator Cogger: If I understood you correctly, you said earlier that the proceeds from the sale of your book would be awarded as scholarships, is that not so?

My first question is the following: Is it not somewhat presumptious to think that there will be proceeds from the sale of the book? Secondly, to enlighten us, could you tell us what the royalties you received for your previous book amounted to, in order to give us some idea of the value of the exercise?

Senator Gigantès: Honourable Senators, there will two parts to my answer.

First of all, whether there are no proceeds, or whether there are proceeds and I donate them, the result is the same, and you should have no objection to my economics lesson.

Senator Poitras: Yes, but knowing what it is worth would still help us in our evaluation.

Senator Gigantès: Well, you will be able to judge when it is over.

Senator Poitras: Your lesson is out of place; that is not what we are here to learn!

Senator Gigantès: I want to explain why I object to your economic policy.

Whenever an objection is raised . . .

Senator Poitras: We also object to your lecture. You are curtailing our freedom by forcing us to listen to what you have written.

Senator Gigantès: Is that a point of order you are raising?

Senator Poitras: There are already enough treatises on economics!

Senator Cogger: I am trying to assess the cost of this whole exercise you have undertaken. I am told, furthermore, that there is already an English version of your book on the market. Is that so?

[Senator Gigantès.]

Senator Gigantès: Yes, Senator.

Senator Cogger: Can you tell us how many copies have been sold?

Senator Gigantès: The book was released on April 29, 1990. I will be receiving the first sales report one year later, unless it is a "best seller"!

I do not think it will be a best seller, because the sales of my book are not very brisk! I do not expect huge profits. Any profits from the sale of the book will be used to . . .

Are you rising on a point of order?

Senator Cogger: Another best seller, in both languages!

[*English*]

So the trade between North American business people and the Soviet Union and its former satellites will be what is called "counter-trade".

[*Translation*]

Senator Hébert: Senator, may I ask you a question?

Senator Gigantès: Certainly, Senator.

Senator Hébert: Should the GST pass (we know that it will not) but should the GST become the law of the land, it would be interesting to know whether this would affect your books . . .

Senator Cogger: You have to be seated in your own chair before speaking!

Senator Corbin: He is not sitting down, he is standing.

Senator Hébert: My question is of course rhetorical, but would the GST's passage affect your book?

Senator Gigantès: Yes, Senator.

Senator Hébert: So your book would cost more as soon as the GST came into effect?

Senator Gigantès: They would sell fewer copies.

Senator Hébert: They would sell fewer copies. Do you think that will be the case with all books?

Senator Cogger: Well, we are going to be able to claim that Senator Gigantès has a conflict of interest! If the GST is passed it will increase the cost of his book and thus earn higher royalties for him.

Senator Gigantès: In any case, had I decided to keep the profits from that book, I would have payed any federal income tax owing on them.

I have always done so for all my books. I have published 11 books and always payed tax on any profits they generated, except for the last two, on which I will not have any tax to pay because I will not be pocketing a penny.

Senator Cogger: I hope you have thought of selling the film rights!

Senator Gigantès: I notice that Senator Sylvain does not want to hear about content today, although yesterday he was indignant that we were discussing procedure instead of content.

Senator Sylvain: I did not refer to content yesterday. I spoke about the spirit of an agreement. You are mistaken!

Senator Gigantès: On that issue, Senator McEachen explained that if you believed what you said, that simply meant that your Leader did not tell you the truth and you did not understand the nature of the agreement.

● (0800)

[*English*]

To begin with, trade with the former satellites of the Soviet Union and the Soviet Union itself will be what is called "counter-Trade." The currencies of Eastern Europe are not convertible, nor will they be for some time to come. Our businesspeople trading there will have to barter. For example, they will sell equipment to the U.S.S.R. and in exchange they will get a given number of tonnes of raw fish that they can sell to the Japanese.

North American banks do not handle such transactions. They do not extend credit for such transactions. Austrian and West German banks do. Businesspeople in those two countries are already mastering this form of trade. The past masters, of course, are the Japanese. Japanese banks will give you credit for an exchange of fishing nets from capitalist country A against vodka from communist country B, destined for sale to capitalist country C, which does not make fish nets but drinks vodka.

Most significant, the countries of Eastern Europe are not going to become free-market economies overnight, if ever. They are not going to have businesspeople as we understand businesspeople. Many of the west's potential business partners in the loosening Soviet empire are bureaucrats, born and bred in government service. Since government service has been the only available career for the best and the brightest in Eastern Europe, our trading partners there will be bureaucrats trying to make their bureaucracies more supple, less stifling, more decentralized and open to foreign trade.

There are aspects of their social organization that they want to keep. For instance, they would never accept the American idea that medical care could be privatized. They are, in fact, likely to develop into the "welfare liberal" Eurocrats Mrs. Thatcher so despises. They are not likely to go for Mr. Reagan and Mr. Bush's Rambonomics. They are fully conscience of how poorly their system has performed. But they are educated and know that the free-market system also makes mistakes.

They are not going to be unalloyed free enterprisers.

POINT OF ORDER

Hon. Eymard G. Corbin: Excuse me, Senator Gigantès. Honourable senators, I rise on a Point of Order, and I would ask the honourable senator in the Chair to listen. I quote Rule 16:

> When the Senate is sitting,
>
> (*c*) if senators have occasion to speak together, they shall go below the Bar, otherwise the Speaker shall stop the business under discussion.

I ask that the Speaker apply Rule 16.

The Hon. the Acting Speaker (Senator Barootes): I find the room quiet at the present time. Please proceed, Senator Gigantès.

Senator Corbin: I gather, honourable senators, that the person in the Speaker's Chair is deaf.

Senator Haidasz: He has no ears to hear and no eyes to see the unruly behaviour of members opposite.

Senator Gigantès: I thank Honourable Senator Corbin for trying to draw their attention—

Senator Petten: Order!

Senator Gigantès: It does not matter whether or not they are listening. They would not understand, senator, but it is my duty to put things like this on the record.

Senator Haidasz: Perhaps we should take a moment while the seals on the other side are changing.

MOTION TO CALL ORDERS OF THE DAY—DEBATE CONTINUING

Hon. Philippe Deane Gigantès: The bureaucrats who run Eastern Europe:

> . . . are not going to be unalloyed free enterprisers. They will use the power of the state. They will not see trade as a series of individual transactions but as part of an economic scheme. They will not take to thinking that only the quarterly dividend matters. They represent a huge market, and it will influence economic thinking even on Wall Street.
>
> It is very encouraging that major Canadian businesses are working on counter-trade schemes with Eastern Europe. About a year ago, twenty-six such ventures had been signed and some where already producing. More are bound to come, and many more are needed, whether Gorbachev remains in power or is overthrown by his hardliners who are frightened of how they would fare under more freedom.
>
> By the way, it would help us increase our trade with Japan, too, if we followed the same approach we are now learning to follow with the Eastern Bloc. We could strike deals whereby we would swap certain Canadian products for certain Japanese products. These would be longer-term deals for both sides, taking into account the longer-term vision that pervades Japan where management, labour and government cooperate instead of worshipping the North American confrontational economic theory wherein "lone ranger" entrepreneurs succeed "despite" union bosses or government.
>
> We do not, of course, know precisely what will happen to any particular economic theory or fad. And there will always be swings from one fad to another. But there is

one thing we know: mega-businessmen may make the cover of business magazines; their *ex cathedra* statements may dazzle small investors; their lavish entertainment may flatter ministers and bureaucrats; their lifestyles may make headlines, but like rock stars, the mega-businessmen stand or fall by satisfying the needs of consumers, and employed consumers buy much more than unemployed consumers.

Like entertainers, mega-businessmen may use the illusionist's skills of advertising to sell unnecessary, frivolous gadgets; but the basic economic activities of feeding, clothing, housing, tending, educating and transporting people are the core of any economy. That's what gives the many the power and the need to control the moneyed; that's what makes the pendulum swing back from unfettered capitalist freedom to a more responsible capitalism willing to co-operate with government and with labour.

So there is little substance to most of the reasons advanced against a full-employment policy for Canada and analyzing its consequences for the economy. There isn't a single formula good for all countries at all times. The countries with full-employment policies did not all face the same constraints, nor were their policies the same. How they fought of unemployment in the recent recession is described by Goran Therborn in his book *Why Some People are More Unemployed Than Others.*

Therborn looks at four countries with full-employment policies, coping with the last great recession of the late 1970s and early 1980s. All four operate under the constraints of international markets and the logic of domestic capitalist enterprise.

Japan: Japanese private business, guided and co-ordinated by the state, embarked on vast programs of energy restructuring (away from oil) and conservation. For the downscaling and restructuring of depressed industries such as shipbuilding, textiles, basic metals and certain branches of the chemical industry, Japan developed intense co-operation among firms in the same industry. The Japanese government did not hesitate to finance these activities by increasing its deficit even above that of Britain. Subsequently, the Japanese deficit was reduced as a result of this program.

Norway: The Norwegians used huge foreign loans to develop their oil industry and to subsidize full employment. Norway's "current account deficit" with the rest of the world hit 14.1 per cent of GDP. This was quickly corrected, however, by restricting demand through a wage and price freeze.

Sweden: The international recession tested Sweden's full-employment policy severely. Exports fell; profits slipped. Government deficits rose to 6.2 per cent of GDP in 1982. A new adjustment program started with a 16 per cent devaluation of the Swedish currency to make exports more competitive. The unions agreed to wage moderation. The budget deficit was cut by raising taxes. Full employment was maintained through public investment in transportation, energy and construction. The balance of trade became positive, and the total foreign balance has improved and inflation has fallen.

Austria: Inflation was kept very low in Austria through an incomes policy (wage controls). An expansive full-employment policy did not provoke a flight of capital or speculation against the Austrian currency. Fiscal policy was tightened with deficits reduced annually.

As Therborn shows, Austria, Japan, Norway and Sweden chose different paths in response to the circumstances each faced. But all four had full employment as the centerpiece of their economic policies. And all four imposed controls on the rise of wages and the prices when necessary. All four were very prudent about reducing deficits as soon as possible.

In those four countries, the full-employment policy was a non-reversible "given" to which the business world and labour adapted their policies. There was no room for doubt that government policy would remain committed to full employment even when power passed from one party to another.

In consequence, business, unions and government in all four countries co-operated in designing the full-employment policy to which they were all committed. The ways in which co-operation came about varied institutionally from country to country, but the essence was similar, and it has been called "co-operative capitalism". Such co-operation, of course, limits the businessperson's freedom of action. Many Canadian businesspeople believe the gospel of such American publications as *Forbes* and *Barron's,* which see the solution of all economic problems in liberating the entrepreneur. To this, the Massacheusetts Institute of Technology economist Lester C. Thurow replies:

North America is not being beaten on the productivity front and in international competition by societies which have liberated their entrepreneurs and emphasized rugged individualism . . . Whatever one thinks of the cause of Japanese success, it cannot be attributed to rugged individualism. If there was ever a society that de-emphasized rugged individualism and emphasized social organization, it is the Japanese.

In any case, even the U.S. government has begun encouraging experiments in co-operative capitalism, notably in an effort to challenge the Japanese supremacy in microchips: various companies and the government are exploring the possibility of joint semi-conductor research whereby competing companies may actually help one another. This is not Rambo-style capitalism where the great loner tycoon takes on the world; it is an imitation of what Japan and Sweden do.

Surely, if other countries have successfully tried full-employment policies and co-operative capitalism, we

should at least examine whether such a course is feasible in Canada.

For two decades, Canada has needed a full-employment policy. We have seen how costly employment is. We can afford policies of full employment without increasing the deficit, taxes or inflation. The hypothesis is simple: for job creation we need less money than we already spend on unemployment. Before discussing the hypothesis further, let me say that I had it tested so that I would not waste... time talking about something unrealistic. I asked the Economic Council of Canada in 1986 and Infomertrica, a respected economic think-tank, to test this hypothesis with the help of their computerized, mechanized models.

They both did, and the Economic Council of Canada in its latest report, as I said earlier, has adopted my conclusion.

Econometric models are large sets of mathematical equations expressing the relationships between various aspects of the economy. They are fed into computers and then one can ask, for instance, what will happen to the cost of agricultural products and their sales if the cost of fertilizer rises. Similarly, one can ask what will happen to consumption prices, savings, investments, tax receipts, government spending if several hundred thousand unemployed find jobs thanks to a job-creation program instigated but not necessarily run, by governments, with the collaboration of business and labour.

● (0815)

These econometric models are far from infallible, but they are one of the most widely used prediction tools. The Department of Finance and the Bank of Canada use them.

Later in this book, I shall propose giving people jobs instead of unemployment insurance or welfare. The type of job creation to encourage should be determined by a combination of business, labour and government decisions at the federal, provincial and municipal levels. However, to test the scheme, I had to provide the Economic Council and Informetrica with a specific list of jobs categories and the number of jobs to be created in each category; the number of new jobs I put in each category was proportionate to the number of existing jobs in that category as a percentage of total employment in 1985. The test was done in 1987 and was for the years 1987 to 1990 inclusive. Here is the list of the new jobs:

TABLE 6

ACTIVITY	ADDITIONAL JOBS IN 4 YEARS
Building Low-Cost Housing	55,232
Restoring Housing Stock	59,476
Restoring Infrastructure (water mains, sewers, etc.)	8,712
Tourist-Facility Construction	59,476
Reforestation, Maintenance	17,337
Repairing and Double-tracking Railroads	67,016
Home Care for the Elderly and Mentally Ill	16,705
Eradication of Illiteracy	34,968
Tourism Employment	132,988
Day Care	27,488
Environmental Restoration	43,940
Other Jobs (spinoffs from above)	73,314
TOTAL	596,650

This figure of 596,650 new jobs would lower the 8.25 per cent unemployment rate projected by the Hon. Michael Wilson for the year 1990 to four per cent (see Table 3, above). Four per cent was used as a target because Canada has many seasonal jobs such as navigation on the Great Lakes and fishing; we also have vast distances, which make moving to another job harder than in smaller countries. Consequently, four per cent seems reasonably low unemployment, according to many economists.

Further, I asked Informetrica and the Economic Council of Canada to assume that initially the cost for creating these additional 596,650 jobs by 1990 would not exceed the cost to governments of each unemployed (see Table 2, above).

What would be the effects of such a program on the deficit, on inflation, on the GDP? Informetrica and the Economic Council of Canada did their studies. Their conclusions are summarized below. (The full texts of both studies can be found in Appendix C of the 1987 Senate report *Only Work Works* . . .)

INFORMETRICA

—Job creation would not increase government spending.

—There would be no significant inflation caused by the proposed job-creation program.

—The real level of wages and salaries would rise. "Thus, the gains of those who benefit directly will not come from the pockets of those who are otherwise employed."

—Economic gains predicted by economists for the years 1987 through 1990 would be enhanced through job creation, to the following extent:

—Consumption would grow an extra 1.6 per cent in 1987, 2.85 per cent in 1988, 3.1 per cent in 1989, 3.0 per cent in 1990, compared with what would happen without the proposed job-creation program.

—Business investment would be higher than expected by 5.35 per cent in 1987; 10.77 per cent in 1988; 11.7 per cent in 1989; 13 per cent in 1990.

The GDP would be 2 per cent higher than otherwise expected in 1987; 3.3 per cent in 1988; 3.25 per cent in 1989; 4.16 per cent in 1990.

Economic expansion would open up new job opportunities, thereby relieving some of the pressure on government to provide new jobs.

In addition, tax revenues would be increased—

So we will not be needing the GST:

—even though tax rates would not have to go up.

Public spending would decrease, allowing governments to save money.

We are often criticized for objecting to this government's policies and not suggesting alternative policies. I know this takes time because economic policies are a compilation of many complex ideas that have to be put together. This is what I am trying to do for honourable senators opposite in order to give them a total picture of how we can achieve what both sides want: a better life for Canadians, and a decrease in the national debt. We can do that not by the policies this government is proposing, but by the policy of full employment.

In the Informetrica simulation, each million dollars of the job-creation spending that went to the service sector produced 4.66 more jobs than each million dollars spent on creating non-service jobs. Obviously, if the aim is to create as many jobs as possible, the service sector gives the biggest job-bang for a buck.

The Economic Council of Canada (ECC) also found that 596,650 additional jobs could be created from 1987 to 1990 inclusive, without increasing the deficit or taxes.

However, the ECC remarked that these additional jobs—

The Economic Council of Canada has changed its mind since then, as is obvious.

The text continues:

—were all in activities with low growth in productivity. Thus, "the average productivity growth of our workers would be lowered; we would become less competitive internationally; the incomes of, and consumption by, the poor would grow faster than productivity and this would be inflationary."

There are two arguments here: (a) that we shall lose our international competitiveness if we create jobs with low-productivity growth; and (b) that our average productivity per worker will be lowered, which means that those getting the new jobs will have incomes that grow faster than the production of goods and services in the community, which in turn will cause prices to rise (again, too much money chasing too few goods).

Neither of these arguments holds. First, we do not compete with other countries in everything. "International competitiveness affects 30 per cent of our economy; 70 per cent is out of the export fame." Shouldn't we find jobs that produce goods and services for consumption in Canada? asks economist Rod Dobell. For example, we certainly do not face foreign competition in home care for the elderly, day care, or public school teaching. Competitiveness is in the import-export field and none of the jobs I propose are in the foreign trade area. (Later, when discussing defence, we shall see examples of how we can avoid having job-creation programs challenged by the U.S.A. as "unfair subsidies" under the Free Trade Agreement.)

Second, the ECC maintains that our average productivity growth will be lowered by this job-creation scheme, causing inflation, because the new spending by the re-employed poor would grow faster than our productivity—there would be too much money chasing too few goods.

This argument is based on a misconception that views a nation in the same way it views a firm. According to this view, we measure productivity growth by observing a numerical fraction of which the top, the numerator, is the GDP (the total of goods and services turned out by the economy); the denominator is the total number of people who actual work.

The rate at which the value of the fraction grows is the rate of growth of our productivity. This is how Statistics Canada, the ECC and business firms measure the growth rate of productivity.

It follows that if a firm can reduce the denominator (the number of workers on its payroll) without reducing the total of goods and services it produces (the numerator), the firm's productivity has grown. The point is that a firm can dismiss workers and "someone else" takes care of them. But as a nation, we cannot dismiss our people and have someone else take care of them. The nation is the "someone else."

The realistic way of considering the economy and productivity is to compare Canada to a co-operative with 100 workers of whom 87 have jobs and 13 have lost their jobs. (In 1988, those receiving unemployment insurance benefits, plus the employable welfare recipients, represented 13 per cent of employable Canadians aged 15 to 65 who had sought jobs at some point.) Let us now calculate productivity.

The 87 members of our co-operative who work increase their productivity by four per cent in one year (which means they multiply it by 1.04: 100 multiplied by 1.04 equals 104, which is an increase of four per cent). The 13 jobless have no product and thus cannot increase their productivity. This gives us the following fraction for productivity growth:

$$\text{(A) } \frac{(87 \text{ workers} \times 1.04) + (13 \text{ jobless} \times 0)\$}{100} = 0.905\%$$

Now assume that the 13 jobless have found jobs in the which they have a product but show no increase in productivity—

The case that the Economic Council is so worried about, or was so worried about:

—(in other words, their product is multiplied by 1.00, which means it does not increase). The other 87 still have a productivity growth of 4 per cent. This gives us the following fraction:

$$\text{(B)}\ \frac{(87\ \text{workers} \times 1.04) + (13\ \text{new workers} \times 1.00)}{100} = 1.035\%$$

● (0830)

Fraction (B) gives a productivity growth for the collectivity considerably larger than faction (A). In fact, because 13 of the 100 were not working in fraction (A), the value of this productivity fraction is 87 per cent (0.905 divided by 1.035) of what it could have been had there been no unemployment as in fraction (B).

Remember that the ECC said that if we created the proposed jobs for the unemployed, these people would suddenly have more money and would spend it faster than goods and services could be produced. This, said the ECC, would cause inflation. Fraction (B) is one answer to that objection: employing the unemployed increases the rate of growth of *national* productivity. But what if this increase in productivity is not enough to keep up with the increase in spending? Wouldn't we then still find ourselves in an inflationary situation?

Those who still will not accept full employment because they believe unemployment keeps inflation down by keeping demand down should consider a proposal by the eminent U.S. economists Heilbroner and Thurow. They write that inflation can be controlled if we tax back 95 per cent of any increase in household income from one year to the next; to be clear, this means that if your income grows 10 per cent in one year, half this growth, the first five per cent, will be taxed at whatever is your normal tax rate; the next five per cent will be taxed away totally, while inflation threatens. Thus, a five-per-cent lid would be put on inflation since people would only have five per cent more to spend.

This fiscal five-per-cent lid on inflation would not be kept on at all times but only when inflation threatened. Prof. Pierre Fortin and other economists say that such wage and price controls worked very well in Canada in 1978—

And the figures that are in can be judged.

... making inflation fall by up to eight points. Wage controls, Fortin thinks, are certainly better than the policy of high interest rates that we now follow.

I will say more on this later.

We can conclude that the ECC exaggerates the danger of inflation resulting from full-employment policies.

They did this study for me back in 1986, and it is obvious they have come to the same conclusion as I if one reads there latest report, where they recommend that the only way to fight high deficits to decrease the national debt is to pay attention to reducing unemployment.

And, if inflation does manifest itself, then we can use controls to contain it while we pursue full-employment policies.

We should adopt this policy of full employment, with inflation controls if necessary, because restoring the unemployed to the workforce has beneficial effects on the deficit and on economic growth, as follows.

Let us assume that in our co-operative, each of the 87 shown as working in fraction (A), Table 7, earns $15,640, for a total of $1,360,680. Let us further assume that the care and feeding of all the 100 members of the co-operative costs $1.4 million. So the co-operative has a deficit of $39,320 and gets into debt.

If the other 13 find jobs at $10,000, the co-operative earns $1,490,680: [(87 × $15,640) + (13 × $10,000) = $1,490,680]. After spending $1,400,000 on the care and feeding of all its hundred members, the co-operative will have a surplus of $90,680 to pay off debts and invest in growth.

This parallel holds because Canada, as a nation, undertakes to look after the care and feeding of all its citizens. If nearly all work, we have a surplus to pay off our debts and finance growth. If substantial numbers do not work, we can't simply let them starve to death; we pay for their keep and that puts us into debt.

Many economists have demonstrated that full-employment policies can reduce deficits or taxes or both. For example, Professors O.N. Blanchard of MIT and L.H. Summers of Harvard write that high taxes and costly social programs are often blamed for European economic problems; "but each one percentage point reduction in unemployment in Europe today would make possible a reduction of about four per cent in tax rates because of the reduced need for social welfare ... and the enlarged tax base, as output expanded. Of course, if tax rates were kept constant, there would be a surplus to pay off the deficit.

I have another statement that I would like to make.

It is much cheaper for governments to subsidize a firm to hire an unemployed Canadian than pay him or her unemployment insurance or welfare.

I am not about to suggest that we end unemployment by hiring all the unemployed as public servants. But in one more demonstration of how *avoidably* costly unemployment is, I shall prove that, indeed, it would be cheaper for our society to subsidize job creation than to pay unemployment insurance benefits to the jobless.

The belief that paying unemployment insurance is better than government intervention to create jobs is deeply anchored among large numbers of people. After all, they say, unemployment benefits are only 60 per cent of a person's wages for 50 weeks out of 52; that's less than paying that person a full wage.

But we saw in Table 2 that unemployment benefits are not the only cost borne by governments and, therefore, by the taxpayer: because the unemployed have less income than they had when employed, they pay less tax.

The government's tax loss is in addition to welfare or unemployment insurance benefits they pay. So let us compare the government's accounts when a person is unemployed and then is given a government's subsidized private job at a salary of $15,614 which is what our unemployed earned on average before they lost their jobs in 1989.

This is Table 8. I hope that the honourable senators agree that it should be printed?

Some Hon. Senators: Agreed.

(*For text of table, see Appendix C, p. 3520*)

Senator Gigantès: The table is entitled "Comparison of the Effects on Government Accounts of Paying Unemployment Insurance or a Public-Service Salary to an Unemployed Person, Using the Multiplier."

The table is in three parts. Part (A) is: When Smith, The Average Unemployed Canadian, Was Employed. Looking at line (a), Smith's employment income in private industry was $15,640.

Line (b) says: "GDP generated by Smith's employment income, $15,640 times the multiplier of 1.7, $26,588."

Yes, the government's net balance, 34.4 per cent of $26,588, which is in the plus column of the government's books is $9,146.

I refer now to Part (B) of the Table:

"Smith Loses His Job And Goes On Unemployment Insurance." Looking at line (d), Smith's unemployment insurance benefits, a net loss for governments, the figure is – $9,023.

For line (e), the GDT generated by Smith's unemployment benefits, $9,053 times the multiplier of 1.7," the dollar figure is p $15,359.

For line (f), "Tax revenues for all levels of government, from GDP generated by Smith's UI benefits, 34.4 per cent of $15,339, the figure is p $5,277.

Hon. William M. Kelly: Would the senator accept a question? I apologize for getting into this at this late stage of your address, but I wonder if he could help me understand what it is he is doing that is relevant to what we are debating?

Senator Gigantès: I can do that. We have a motion on the floor that says we should stop reading petitions and go directly to discussing—

An Hon. Senator: And in addition, passed Question Period and everything else.

Senator Gigantès: Yes, and to discuss the GST. The GST is the measure that you say will help you reduce the deficit—that is, the national debt—amd to improve the finances of the government.

We think there are better ways of doing that and therefore we are determined to kill the GST; and whenever we say that we are determined to kill the GST, we are asked "What do you propose instead? At this stage, I am giving you—and this, I am afraid, will take many hours, because it is a complex answer—what we propose instead, and why I want the GST killed.

By not allowing the proceedings to get to the GST, I want you to know why we act as we act, and why we think as we think.

So I am giving you a Liberal alternative to the Tory economic policies.

A reason for preventing you from pushing the GST through—

Senator Kelly: If I may ask a supplementary question. It seems to me, honourable senators, that what the Honourable Senator Gigantès is doing, and is doing very well, is entering into a debate on the bill itself, which I think would be fine and totally appropriate; but I wonder if it is appropriate here because what we are talking about here is whether or not we move to the Orders of the Day? We are not dealing with the substance of Bill C-62, but we would be happy to, and I would hope that we would do so. It seems to me that the honourable senator is getting his targets crossed, but I may be wrong.

Senator Gigantès: Honourable senator, you are not listening to the preliminary remarks. If ever we get to the debate on the GST, I have several more volumes on economics to give you on those issues.

What I am trying to answer, among other things, is some of the comments that were made yesterday, notably by Senator Sylvain, insisting that we should talk of substance, and, by your often-repeated assertions to the press from that side, that we have no alternatives.

The press love to say things about this Liberal alternative. We do have a Liberal alternative, and I am reading you a Liberal alternative. I am a Liberal, sir, and very proud of it, and there are many Liberals in the House of Commons who accept these ideas.

We are a party that is much more democratic than yours and there is vigorous debate about all of these things, which is all to the good; but what I am saying is that if I believe that your economic policy, a part of which is the GST, is sapping the social safety net, then it is my duty to use every legitimate procedure or device to keep the GST from becomming law. One of these is to discuss, at this stage, the motion that you have put that we should wipe out everything and get to the discussion of the GST.

I am trying to explain to you the good and sound economic grounds as I see them.

We should not go anywhere near the GST, not only in terms of enacting it, but even in terms of discussing it, and before we get to discussing it, I want you to understand where we come from.

What I am trying to tell you is that your policies are wrong, and therefore, as a patriot, and as a legislator, I am not only entitled, but it is my duty, to make sure that those policies do not come about. We are a multi-party system. One party democracies are not democracies. We are the Opposition and it is our duty to oppose.

When we read the names of Canadians who oppose the GST, there is great indignation on your side. You are much

more moderate in expressing indignation than I am or others are, and we are accused of doing something that has nothing to do with the matter at hand—although how the opinions of Canadian taxpayers has nothing to do with the GST escapes my understanding.

So, Senator Sylvain, you were asking for substance, and I am giving you substance. You may not agree with my ideas, but no one on your side can say that I am not talking substance and economics.

Senator Cogger rose to inquire whether I might use the text for a publication, and, of course, I might. As I pointed out to him in connection with another text that I wrote on the Free Trade Agreement, this text is in English, and all royalties that I might conceive of will go to scholarship funds in memory of Miss Mary White who was my thesis supervisor at the University of Toronto, a great lady and a great scholar.

● (0845)

I do not make money on the side as a Senator. I do not accept payment from newspapers when I write articles for them when they are offered.

Senator Corbin: Do you pay your taxes?

Senator Gigantès: And I pay my taxes, yes.

Senator Kelly: May I say just one final word? Senator Gigantès knows very well - because he is too wise not to know - that he is debating the GST, and, this reading from this document and what he actually is doing is what Senator MacEachen indicated would be the tactic, just to use up time. I guess my only plea is why don't we just say that is what we are doing. Senator Gigantès, again I say knows very well that the material he is dealing with refers really to the matters that will be discussed in great detail at the time we debate Bill C62. He is not debating the motion. He knows he is not debating the motion. I can only plead with him to try to get back on the track. I am not asking for any sort of points of order, rulings or anything of that sort. I just think it is more reasonable to be a bit more up front on what is happening here.

Hon. William J. Petten: Senator Kelly, I heard my name mentioned. I was reading. What was it I was supposed to have said? You said "Senator Petten." In what connection did you use my name?

Senator Kelly: Oh, I'm sorry, I said MacEachen. I do have one weakness—actually I have many weaknesses—but I do speak too quickly.

Senator Petten: Thank you very much, Senator.

Senator Kelly: He is often and almost always on my mind, and it may have slipped out.

Senator Gigantès: It was a flattering slip of the tongue for both Senator Petten and Senator MacEachen. Would that I had been confused with Senator MacEachen or Senator Petten.

In any event, we have been very up front. Yesterday Senator Frith and Senator Maceachen said that we are perfectly entitled to and will use every legitimate means to defeat the GST. And to delay, he said, is a legitimate parliamentary tactic brought to a major art form by the Right Honourable John George Diefenbaker, a true patriot and nationalist. I may have disagreed with many of his policies—

Senator Steuart: And Erik Nielsen.

Senator Gigantès: And Erik Nielsen, yes. Let us not forget Erik Nielsen. Anyway, John George Diefenbaker would not have thought of putting microphones in the caucus room of another party. Erik Nielsen did.

However, it is, said my leader, perfectly legitimate to use whatever is allowed by their rules. We are debating a motion. The motion is, do we wipe out everything and go to the GST to discuss the GST? We think not. We are going to talk on this motion, as we are entitled, to for many hours. I am giving you an example now: six to eight, or maybe ten, hours of a speech that you are going to hear. It depends on how often I am interrupted. I am indefatigable, and what I am doing is in answer to the protests of Senator Sylvain and others who were complaining about the content of our lengthy remarks. I am giving you not only lengthy remarks that are eating up time, but I am giving you lengthy remarks that are pertinent to a major economic issue which you are addressing not only with the GST, but with Bill C-21, Bill C-28 and perhaps others of your measures to dismantle the safety net of Canada.

What I am saying is that you are going the wrong way if you want to reduce the deficit and reduce the national debt and have a healthy economy. I am pointing out to you the facts that I earlier put before the Economic Council of Canada, which made them change their minds and say so in their report just published. However, as I was saying to the earlier shift of Tories, There was not even a tip of the economic hat to say that yes, I was the first one to point this out to make the calculations.

I think it is worth recording in the Senate that I object to the GST. I intend to use up as much time as possible to keep it from coming to discussion, and it is a service I perform for you and for the possible few readers of *Hansard* who will plough through this enormous speech of mine—

An Hon. Senator: What about the press gallery?

Senator Gigantès: Oh, the press gallery. They are superficial. All they look for—except for you; —present company accepted, young lady—they look for explosions, little facts and, of course, there is this enormous propaganda machine of the Tories.

Senator Corbin: Were you referring to that gentleman, Sir?

Senator Gigantès: My eyesight is poor. If it is a gentleman, then except you, gentleman. It is a generation gap. What can I do? I need a new prescription.

Yes, of course, I intend eat up as much time as possible, Senator Kelly, but I am eating it up with pertinent remarks: remarks that are pertinent to the rate division between your party and mine, which is how best to manage the economy of this country.

So, I was saying—

[*Translation*]

Senator David: Senator Gigantès, to continue this very practical discussion, may I ask you how many pages the English version of your book has, and what page you are on now?

Senator Gigantès: Honourable Senators, I am on page 74 and I intend to go up to page . . . if I do not count the footnotes and the appendix, I will spare you the appendix . . . I will go up to page 186.

Senator Lavoie-Roux: Are you not ashamed of yourself, Senator!

Senator Gigantès: No, Madam, it is a very good book, believe me!

Senator Lavoie-Roux: You say that you wrote it yourself?

Senator Gigantès: If I am not satisfied with one of my books, I do not send it to a publisher.

I did not receive any grants. It was published by a very respectable publishing firm in Toronto called Stoddart. They published it at their expense and not at mine.

If there are any royalties, they will be used to set up a scholarship fund for students at the University of Toronto in memory of Mrs. Mary White who was my doctoral thesis supervisor. She was a person I had a great deal of respect and admiration for, a remarkable individual.

And so, I am not ashamed of what I am reading to you. It is not pornography, but good economics.

Senator David: Senator, if I understand you correctly, your book was published in English? Thanks to you, we know the author. Thus it is at this time on the market.

Senator Gigantès: Yes, Senator.

Senator David: So we do not have to sit here and listen to you; we can read it.

Senator Gigantès: You are not listening to me in any case!

Senator David: Well, I am happy to know that we will be able to read it at leisure, by and by!

Senator Gigantès: Books such as this one deserve to be read more than once. It is quite a weighty tome.

Senator David: We can make it our bedside reference book! An excellent soporific, I am sure.

Now, is there a French translation of this book coming out in the near future?

Senator Gigantès: There may or may not be a French version of the book. I do not know yet.

Senator David: Does that perhaps depend on Senate translators?

Senator Gigantès: Not necessarily. I have already translated approximately 180 pages on my own.

Senator David: So, of the 186, you only have six pages left. You will not need to put a lot of effort into what is left!

Senator Gigantès: No, there are 202 pages altogether.

[Senator Gigantès.]

I have not yet translated the appendix and the footnotes.

Senator David: Thus, you could read the last 22 pages and finish the job. You would have a complete translation.

Senator Gigantès: I was just blowing my own horn to Senator Kelly; one of the reasons I am making this speech . . . there are in fact two. One is to instruct you, and the other is to use up as much time as possible.

My Leader tells me that this procedure is entirely legitimate, according to parliamentary procedure. You may not like it, it may bother you, but that is the way it is.

Senator Lavoie-Roux: You should be a little more humble!

Senator Gigantès: A little more humble about what?

Senator Lavoie-Roux: Well, an author should not be using this Chamber to promote his own book.

Senator Gigantès: Madam, you are quite wrong; I am not promoting my own book.

You see, I am an ex-editorialist. I know for a fact that only two people read what I wrote: the chief editorialist and my wife, because I would refuse to give her her morning coffee if she did not read my editorial!

It does not bother me in the slightest not to have an audience. Every editorialist knows that he has no audience or almost none. When, on occasion, a reader would call to give me a piece of his mind and I took the call, I would go out of my way to be nice because I realized, to my delight, that there was a third person who read what I wrote!

So, as far as my promoting my own book is concerned, if you think I am stupid enough to believe that someone is going to buy it because I am reading it in the Senate, you are absolutely wrong. I am a lot more realistic than that.

First of all, nobody is going to bother reading the *Senate Debates*. And even if they were to read them, their reaction would be: Well, I do not have to buy the book, here it is! So, that certainly is not promotion.

In any case, I never sell many copies of my books! Indeed, I have never really understood why publishers are willing to publish my books, because they do not make any money on them.

Senator David: The professor who taught you will not make much money either if you only have a readership of three!

Senator Gigantès: I had professors who did not seem to be as interested in money as they were in their particular discipline.

Perhaps it is a little difficult for a Conservative to understand that, but it is a fact.

Senator David: Did your professors teach you discipline?

Senator Gigantès: Are you talking about discipline of the military or the academic variety?

Senator David: Intellectual.

Senator Gigantès: Ah, intellectual discipline. Well, I would not want my professors to be held responsible for my intellec-

tual sins. Everything that is valid or useful in what I say comes from them. Everything that is invalid or useless is my own fault. I respect them and revere them.

Senator Frith: What modesty!

Senator Gigantès: They are head and shoulders above me.

Senator David: Senator Frith is absolutely right to say that you are modesty personified!

Senator Frith: Absolutely!

Senator Tremblay: To an inordinate degree!

Senator Gigantès: Yes, that is true when it comes to the eminent scholars who were patient and kind enough to let me benefit from their knowledge.

I will continue, then. I was at table number 8, in part B.

Senator David: On page 74!

Senator Gigantès: Yes, that is right.

● (0900)

[*English*]

Smith loses his job and goes on unemployment insurance benefits. Lline (d) indicates a net loss for governments of $9,023. At line (e), "GDP generated by Smith's unemployment benefits" is $9,023 times the multiplier of 1.7, which is $15,339. Line (f), "Tax revenues for all levels of government, from GDP generated by Smith's U.I. benefits, 34.4 per cent of $15,339,"the figure is $5,277. This, of course, is a reduction in tax revenues for all levels of government because Smith lost his job—that is, line (c) minus line (f)—and the reduction is in the amount of $3,869. As was said earlier, this was an increase in government red ink, not only by $3,869 but, in addition, by the $9,023 that the government paid in unemployment insurance benefits. This increase in government red ink, therefore, equals $12,892.

There is also interest to pay on that, naturally, since we are in a deficit situation, of $1,450. That gives a change in governments' net balance, at line (j), of $14,342.

We shall now pass to Part (C) of Table 8: "Let Us Pay A Private Firm $7.820 To Hire Smith At $15,640." That is what a private firm would pay Smith. At line (k), Smith's employment income is $15,640. The GDP generated by Smith's income, 1.7 times line (k) is $26,588. Tax revenues for all levels of government, 34.4 per cent, of line (l), is $9,146, minus the contribution to Smith's salary by the government of $7,820, which is half of the $15,640. Therefore, the net government balance is $1,326.

> Indeed, governments are better off when Smith works at a non-subsidized private sector job, because then their net balance is + $9,146, [line (*c*)] the tax revenue generated by Smith. When they subsidize a business to hire Smith, the governments' net balance is only + $1,326. But that $1,326 [line (*o*), above] is a positive figure, written in black ink on the government ledgers; whereas when Smith is unemployed, the net balance, written in red ink, is − $3,869 [line (*g*), above]. Which means that governments are $5,195 better off when they subsidize Smith's hiring than when he is jobless. Arithmetic works as when reading a thermometer: When you go from minus 3.869 degrees to plus 1.326 degrees, you have gained 5.195 degrees. We saw that when Smith is unemployed, governments are $14,342 worse off than when he worked for a private firm. Obviously we cannot afford *not* to find Smith a job, by paying part of his private-sector salary, if necessary. That is the Swedish secret: reducing the deficit by paying people to work rather than paying them unemployment insurance benefits to do nothing. And when people are paid to work at producing needed goods and services, they not only pay more taxes, increasing government revenues, but they also add to the Gross Domestic Product, the total of all the goods and services we turn out as a nation. In other words, they add to our collective wealth.

The device of subsidizing job creation rather than paying people to do nothing is used by the full employment countries all the time. It has been advocated by Canadian economists, among them John Graham of Dalhousie in a speech he made before an economic conference in Ottawa in March 1985. He said:

> A large part of the deficit arises from unemployment-induced payments of unemployment insurance benefits and social assistance. Unemployment insurance benefits alone amount to about $12 billion in the current year (1985). I do not suggest that these benefits be reduced, although they too should be reviewed to ensure that they are going to those who in fact require such a safety note; but I do suggest that they could be used to kill two birds with one stone: perform their safety net function and generate useful long-term employment.
>
> It is generally agreed that new production and employment will come principally from small business. It is therefore desirable to encourage these businesses. The initial period in the life of a business is generally unprofitable and is often one of touch-and-go financially until the business establishes the necessary market and gains expertise in developing and producing its product.
>
> If the recipients of unemployment insurance benefits were to be permitted to use their benefits as a wage subsidy in seeking employment with new small businesses, the employer would have the benefits of reduced costs in the start-up period; the employee would have the benefit of a job at the going wage rate with a good prospect of its becoming permanent. The government would make some revenue recovery in taxes and future demand for unemployment benefits would be reduced.
>
> Safeguards would be needed to prevent employers from laying off workers once their unemployment insurance benefits had run out and hiring other workers who had just begun to receive such benefits. There are no doubt other ways in which unemployment insurance benefits could be used to increase employment. The point is that they should be used in the most effective way possible.

The biggest contribution to deficit reduction would, of course, come from a substantial reduction in unemployment that would reduce unemployment benefits and increase tax revenues. From all points of view, the reduction in unemployment is the essential issue.

Every time we take someone off unemployment, we make a lot of money as a nation. It is profitable. It is a good deal for all of us to create jobs. It increases government revenues. It cuts the deficit. It reduces the debt. It increases our productivity. And employment is better than welfare because people do not only need money, they also need a *role* in society.

So we should pursue a full-employment policy that would keep unemployment at between three and four per cent of those that are employable between the ages of 15 and 65. This would not make the labour supply too tight. Sweden has found that less than two per cent unemployment makes the labour supply too tight and causes local labour shortages. We are a much larger country and labour mobility is harder to achieve; thus, we might not be able to push unemployment below three to four per cent.

This part of the book started with the question, What can we afford? The answer is now clear: we can afford anything that pays people in high-unemployment regions to produce needed goods and services rather than do nothing. What are those needed goods and services? They are what the cities, towns and villages need, and what they might be able to afford only if labour were subsidized. We know the large categories of the things they need because they have told us: Sewers, water mains, cycle paths, day care, making a local stream into a source of electricity, clinics and so on.

We can tell the municipalities and the provinces that the federal government will subsidize the wages of every new job created in meeting these needs. The subsidy, on average, would be $7,820 for each new job and would be tax-free.

Any businessman should be happy about that.

As was shown in Table 8, the federal government would reduce its deficit considerably for each unemployed person hired through such a scheme.

An average tax-free subsidy to business of $7,820 for each *new and useful* job created will work: the experience of a program in the early 1980s called Employment Tax Credits proves this. It gave businesses that created new jobs a credit they could use to reduce the tax they paid. Thus, the program was of no help to the small businesses that most needed it, those that were starting up, had not begun making profits, had not begun paying taxes and so had no use for a tax credit.

That was a wrong way in which to do it.

The Employment Tax Credit, moreover, was much smaller than the subsidy proposed here. The credit itself was counted as part of the firm's profits and was taxed.

[Senator Gigantès.]

So there wasn't enough benefit left for an established firm to think of starting new activities and hiring new staff, while putting up with the necessary government monitoring to make sure that the jobs for which the credit was paid were, indeed, new jobs that would not have been created without government help.

In consequence, the Employment Tax Credit Program only produced half as many jobs as forecast and was touted predictably in some quarters as a cautionary example of how unwise government intervention in the economy is. It was also condemned by all the value-for-money accountants for not meeting its objectives. None of the critics mentioned that the cost of each real new job that would not otherwise have been created was a much lesser cost than the payment of unemployment benefits.

This is as good an illustration as any of what is wrong with accounting as now practised by government and business: the accountants only look at the cost of implementing a policy and never at the cost of not implementing it, counting as too high, for example, the cost of installing anti-pollution equipment, and not counting the cost of the inevitable clean-up. These people have always only looked at the cost of job creation through the intervention of government; they have never compared this cost with the higher cost of keeping people unemployed.

To repeat, the new, useful jobs that qualify for subsidies would be identified by the communities where the jobs would be created. The communities themselves know best who has what skills and who needs what services. In consultation with the ultimate consumers of goods and services that are needed but are not being provided, the federal government would subsidize projects that do not conflict with the Canada-United States Free Trade Agreement, as we shall see later.

Nor must we think that what is proposed here ends with sewers and water mains. Canadians have the imagination and ability to devise projects that would benefit from an initial wage subsidy but would be able to fly on their own eventually, as Professor Graham of Dalhousie says. Making our small, coastal mountain and lakeshore towns more attractive to tourists has endless potential for creating jobs in more and better tourist facilities, with well-trained staff.

• (0915)

In subsequent pages are proposals for various schemes in many fields. Actual schemes, as indicated, must be locally devised and run. However, there are some general measures that must be taken to make the application of full-employment policies easier.

To reduce the deficit, we should diminish tax incentives we give for saving, such as RRSPs, which reduce taxable income. With fewer incentives to save, people would spend more, which would stimulate demand. Government revenues would increase, which, in turn, would decrease the deficit and, therefore, the government's need to borrow.

As the government would be borrowing less, there would be more money for industry to borrow, invest in productive capacity and thus meet the increased demand.

Increased demand worries those who fear inflation.

I will deal with how to take care of that shortly.

Transform unemployment insurance into employment insurance, which will use its funds to create jobs. Labour and management would continue paying into employment insurance what they now pay to unemployment insurance. Smith, from Table 8, will be given a job at $15,640, financed partly by what is now the unemployment insurance fund. In this context, a single parent should not simply be offered a job or training sessions with full pay, but should also have access to affordable day-care, preferably at the workplace. Having established that we save money by creating jobs, we can prove that we would reduce the deficit by funding a day-care system that is accessible to all, regardless of income.

After some interval, an *employable* jobless person who refused work that was reasonably suitable, or refused a combination of work and retraining courses (at a salary equal to that which he last earned), would face the much less attractive and only alternative of leaving the labour force and going on welfare. In a very real sense, by choosing welfare instead of work, employable persons would be choosing to live in a poverty trap because, generally, their welfare benefits are reduced by a dollar for every dollar of income they earn on the side.

This seems harsh. But if an employable person is offered the chance to work and train at a reasonable level of income and chooses instead the poverty trap that is welfare, there is no obligation for society to make this person comfortable.

It is called tough love in some quarters and I agree with it.

The problem of what to do with people who do not fit into a society based on work has always been worrisome. Even Milton Friedman, high priest of undiluted free-market economics, deals with the problem of individuals who cannot cope with a free-market society: the handicapped; those too old or too sick to work; people with mental or psychological disorders who do not need to be institutionalized but who cannot earn a living; the working poor who struggle conscientiously but do not make ends meet; those who are unemployed or on welfare through no fault of their own.

It would be best, said Friedman some years ago, if we had a negative income tax (also known as a guaranteed annual income). Above a certain level of income, say $5,000 for the sake of illustration, individuals would pay income tax and get no government grants, handouts or tax deductions. If they earned nothing or less than $5,000, they would get enough from the government to have $5,000 a year.

The idea sounds so simple and cost effective. We could fire all the public servants and social workers who run our existing systems of welfare, pensions, unemployment benefits and family allowances. The whole negative income tax scheme could be run by the same people who now run our tax system.

But unless the scheme includes incentives to work, it is really no different from the way things already are. In our current welfare system, the certified penniless receive $5,000 a year and are stripped of every additional penny they earn. This forces them to try living on $5,000, doing nothing else; this, in turn, offends the work ethic and saps the self-respect of welfare recipients.

So how about incorporating an incentive to work in the negative income tax scheme? If welfare recipients earned, for example, $1,000 in addition to their $5,000 government handout, the handout would not be reduced by $1,0000 but by less. In other words, their extra earnings would not be taxed at 100 per cent, as they currently are, but at a lower rate, say 33 per cent. So in addition to their grant of $5,000 in negative income tax, they could keep $666.66 of the extra $1,000 they earn. When their grant and earnings combined reached a certain point, the grant would stop and they would be left to fend for themselves.

This combination of public generosity and encouragement to work is theoretically fine, but there are problems: (a) How do you structure the negative income tax so that it does not cost more than the existing unemployment insurance, child tax credits, welfare, pensions and so on? (b) How do you tax those who receive negative income tax so that they are not better off than someone who doesn't ask for negative income but earns $8,000 a year working for the minimum wage? (c) How do you tax the extra earnings of those on negative income tax so that it would be worth their while to earn any extra? (d) Where do you set the amount of extra earnings at which those on the negative income tax would no longer get any money from the government? If the amount is set too low, these people have nothing to gain by seeking employment earnings additional to their $5,000 from the negative income tax; if the amount is too high, then the negative income tax becomes more costly than existing programs.

All these problems have to be solved at the same time for a negative income tax to make economic sense. The economists of the Library of Parliament structured a negative income tax that solved the four problems, but it would give less than the existing programs do to old age pensioners and to people who have contributed towards unemployment insurance, with a formal understanding that they would get paid a certain amount, for a certain period of time, should they lose their jobs. Further, the middle class would also lose its child tax credits, and contributions to retirement funds would no longer be tax deductible.

Reducing payments to old age pensioners is not a good idea: it's hard enough to be old. Reducing payments to the jobless means defaulting on a real undertaking they were given that by contributing over the years towards unem-

ployment insurance, they could expect to get 60 per cent of their insured earnings for 50 weeks when jobless.

To have an equitable negative income tax, planners should at least make exceptions for all those who are already receiving their old age pensions. Others who are not there yet but have been contributing for some years should get more than the negative income tax when they retire, to account for their contributions. Similar exemptions must be made for those who have been paying into the unemployment insurance fund.

The young, when they enter the labour force, could be told that they are entering under new conditions; that when the time comes, they will not get unemployment insurance or old age pensions but a negative income tax. That means we would have two categories of people, those wholly or partly under the existing systems and those under the new. And why not? However, administrative savings would be minimal because we would be running two schemes concurrently.

That is why this book takes the position that existing old age pensions, child tax credits and so on should continue to exist. But the unemployment insurance system should be changed to an employment insurance system, used to subsidize job creation and job training. And those who are employable but choose not to accept a job or train for a job would stay on welfare.

It is their choice.

Single, employable individuals choosing welfare over employment or job training would not fare well. I do not believe they are a significant proportion of the population.

Parents of under-age children are a different problem, especially single parents, who are for the most part women. A woman with small children does not have the choice of going to work unless she can get good, affordable day care. Otherwise she is a prisoner of her motherhood. She most probably would enjoy going to work, meeting people, doing something other than changing diapers in a dank apartment. She would probably love to be trained to improve her chances of financial independence for herself and her family. But without affordable day care, she cannot improve her life or that of her children. Such women should get more than they now do through welfare.

That leaves the working poor. Some time ago, *The Globe and Mail* wrote about a waitress who had come from Portugal and was working for less than $9,000 a year in a fast-food restaurant. She did not ask for welfare. She was admirably attached to the work ethic. As she had three children, she was very poor and her children went without things that children of welfare parents get, such as free dental care.

Even if we do not have a negative income tax, we can use the tax system to determine which working parents are so poor that their children need help. We should provide that help.

[Senator Gigantès.]

According to the auditor general, business gets some $11.5 billion from governments, much of it by allowing firms to postpone paying taxes almost indefinitely. Part of these billions will be spent on research and education, as we shall see; part will still be given to business but only for job-creation schemes where it is possible to prove, beyond doubt, that businesses truly did create jobs that they would not otherwise have created were it not for government aid. Establishing day care at the workplace will be one business initiative qualifying for subsidies.

I am proposing here various forms of partnerships between businesses and government: the firm manages and looks after the bottom line; the government participates as a provider of tax-free funds towards job creation and has enough access to the firm's books to know that the job creation is real and not a scam.

Classical economists keep telling me that the purpose of the economy is not to produce jobs but wealth. Wealth of the tangible kind is created by investing profits. Profits are made by selling. To sell, business needs buyers who have money. Employed people have more money than the unemployed. So if the purpose of the economy is to produce wealth, it must produce jobs for the jobless (especially since producing jobs for the jobless costs less than paying them to produce no wealth).

I intend to break Senator Murray's record of four hours on his feet. It will be a piece of cake.

As suggested by the economists Heilbroner and Thurow, we should pass a law that would tax away all increases in household incomes that exceed five per cent from one year to the next. This means that if you have a ten per cent increase, half of it, or five per cent, will be taxed at the tax rate you come under; the other five per cent will be taxed away totally. As the consumers would only have an extra five per cent to spend, prices could not go up more than five per cent.

Since the GDP can be forecast conservatively to grow by 2.5 per cent per annum, there will be 2.5 per cent more products for households to buy with half the permissible five per cent increase in their incomes; the other half could cause 2.5 per cent inflation, but no one would seriously worry.

This law need apply only when the Bank of Canada announces that it detects inflationary pressures. The mere existence of the law would moderate those inflationary pressures. No one would try for a wage increase exceeding five per cent—there would be no point; no merchant would increase prices more than five per cent—there would be no buyers.

A business that saw its profits increase 10 per cent would have half the increase taxed away, unless that half was re-invested in new machinery or job creation.

This tax would also apply to capital gains, but inflation would be taken into account. For example, someone who bought a house, a farm or a business twenty years ago for

$50,000 and sold it yesterday for three times as much would not be taxed if the cost of living had also risen three times over the past 20 years. In any case, people should retain the existing lifetime limit of $100,000 in tax-free capital gains.

Improvements such as house renovations would be taken into account when calculating the part of the original cost that qualifies for tax-free status because of inflation. But renovations would have to be documented by authentic receipts.

● (0930)

Capital gains should be taxed at the same rate, not at a lower rate than employment income; this would be especially salutary for the stock exchanges: it would discourage the kind of gambling that goes on in stock markets, where speculators look for the quick kill. An end to preferential taxes on capital gains (after inflation) from sales of stocks would encourage investment in the hope of long-term returns. After all, the real purpose of buying stocks should be to provide funds for what one hopes is a sound investment. The same applies to land speculation. There is no reason why society should encourage the casino aspects of business through preferential taxes for speculators.

By statute, all the proceeds from this anti-inflation tax would go towards reducing the national debt and could not be used for any other purpose.

Incidentally, none of the above should be taken as hostility towards investors and businesspeople generally. Government help to business would not decrease, it would be redirected. Moreover, government measures should not be such as to discourage those who want to start or acquire businesses in Canada.

Finally, we should decrease interest rates. Assume a net national debt of $330 billion and interest rates of 10 per cent; this means that the government is paying $33 billion a year to those from whom it borrowed the money. These interest payments are approximately equal to the federal deficit. Every percentage point fall in interest rates means a $3.3 billion reduction of interest payments by the government—in other words, a $3.3 billion reduction of the deficit.

Our interest rates should be higher than those in the United States, we are told, for two reasons: (a) to keep money from flowing out of Canada and into the United States, and (b) to keep down inflation. Neither reason holds water.

(a) Suppose we lower interest rates. Suppose, further, that people with cash on hand will then want to take it out of Canada and stash it in U.S. banks. To start with, there is a legal limit to how much can be taken out: a very substantial part of our savings are in the form of contributions to pension funds. By law, only 10 per cent of such savings can be invested outside the country; the other 90 per cent must stay in Canada. Even so, suppose all other loose cash was transferred to U.S. banks: here is what would follow:

—There would be too many Canadian dollars in the United States. Whenever anything, even currency, is in overabundant supply, its price goes down. So if there were an outflow of Canadian dollars towards the United States, the value of the Canadian dollar would drop in terms of U.S. dollars. This means that the inverse would also be true—the value of the U.S. dollar in Canada would rise correspondingly.

—It would then be cheaper for Americans to buy Canadian goods with U.S. dollars, because an American dollar would be worth more here than before.

—Our exports to the United States would boom.

—Conversely, it would be more expensive for Canadians to buy imported American goods because these goods are priced by their producers in U.S. dollars; and since 10 Canadian dollars would be worth fewer American dollars, imports from the United States would be more expensive.

—Since we would have put a five-per-cent ceiling on any rise in income Canadians can keep after tax [see (iv), above], Canadians would not be able to afford to buy as many of the now more expensive American goods.

—Consequently, there would soon be an overabundance of U.S. dollars in Canada because Americans would be buying here like crazy to take advantage of the lower Canadian dollar.

—The value of the American dollar in Canada would decline, as the value of all overabundant things declines.

—And since we would be buying fewer U.S. products, fewer and fewer Canadian dollars would be going south to the U.S.A.

—There would thus develop a scarcity of Canadian dollars in the United States. Since the price of things, including currency, increases when they become scarce, the value of the Canadian dollar in the United States would increase to near where it was before we lowered our interest rates.

Would the fluctuations in the value of our currency then stop? Of course not. Speculation in all currencies never ceases. I have an acquaintance in London who makes an excellent living, judging from his three Rolls-Royces and his house in Mayfair. All he does is move his considerable supply of cash from one coinage to another, to take advantage of fluctuations in the relative values of currencies. The fluctuations may be minimal, but if he guesses right and, in effect, bets huge sums, he makes a killing.

There are millions like him. The shuttling of money every day from one currency to another far exceeds the value of world trade. But speculation in currency values, huge though it is, is acquiring a disembodied existence of

its own that is only tenuously related to the real world. It often has much more to do with the mood of the players than with the stability of a country whose currency has lost favour. The speculators have been known to bet against the German mark, even against the Japanese yen. Or they have bet for those two currencies even though rates of interest in both Germany and Japan are much lower than in the U.S.A.

Many businesses and individuals would have to change some of their ways of doing things if we lowered our interest rates to the U.S. level. But in the process, Canadian businesses, home buyers, borrowers (including governments) would profit from lower interest rates; our deficits, private and public, would shrink; some imports that are too expensive while our currency is low would be replaced by equivalent Canadian products; and our economy would grow faster, as a result. Canada would become a much better place in which to do business. Much of the money that goes out would come back.

We are also told that we need high interest rates to control inflation. The theory is that if it is expensive to rent money (the interest one pays is rent), then business will slow down, buy fewer supplies, fire staff. There will thus be less demand for goods and services. When there is less demand, it is difficult for prices to rise and inflation is curbed.

Indeed, if interest rates are high enough long enough, demand will flag, there will be a recession and inflation will eventually be wrestled to the ground. But in the process, home owners and farmers will be unable to pay their mortgages and will be dispossessed; businesses, especially small and middle-sized businesses that depend on borrowing to finance current operations, will go bankrupt; the public deficit will grow hugely because governments will have had to pay hugely increased interest payments on their debts. This is what happened in 1982, and it can happen again.

A policy of the kind proposed above in (iv) will keep incomes and, therefore, demand from rising at more than five per cent a year, while lowering interest rates. It is a policy with more common sense and compassion than the asphyxiation by high interest rates. Opponents of a legal limit on income increases would call it an unwarranted interference in the workings of the free market.

But isn't the imposition of high interest rates interference by government in the workings of the free market? The Bank of Canada, which sets interest rates, is an integral part of the government. The minister of finance can take steps to render unnecessary the imposition of high interest rates by the governor of the Bank of Canada. Only the devious or the uninformed see this in terms of a major conflict in which the brave governor defends the integrity of the currency, daring the government to oppose him; threatening, in such an eventuality, to resign dramatically, nailing an indictment of the finance minister on Parliament's door.

[Senator Gigantès.]

The governor is paid to worry about inflation. We should all worry about inflation. The theory says that inflation happens when there is too much money chasing too few goods. People bid against one another for those goods and bid up prices, as at an auction. If the bidders suddenly found they had less money in their pockets, they would not be able to bid up the prices. There are two ways of taking money away from bidders to fight inflation: one is to tax it away, as this book proposes; the other is to reduce the amount of money in circulation, which will make money scarce, which in turn will increase the interest we must pay to borrow it.

We have seen that when interest rates climb high enough to throttle inflation, a recession ensues. The banks do not suffer: they make pots of money with the high interest they charge; if there is a shortage of domestic private borrowers, the banks can always lend to governments or to foreigners.

The big-business players do not suffer when money is tight and interest rates are high: big players have access to money markets in Japan, Germany and elsewhere. These foreign money markets are not interested in the small Canadian borrower. So when a recession occurs, as in 1981, home owners, farmers and small businesses see their interest payments climb too high, cannot pay and are dispossessed. Their assets are often snapped up at bargain rates by the big players who, like former president Kennedy's father in the Great Depression 60 years ago, know how to get richer in tough times. This is not a moral judgement. We saw that the whole of economics is based on the assumption that people do what they perceive to be in their own best interests; as long as it's legal, we cannot really object.

To fight inflation, the governor of the Bank of Canada, by law, only has the authority to limit the amount of money in circulation, thus raising interest rates. We haven't given him any other weapon. His weapon is like a bomb: it lacks precision. If he uses it to kill the snake in Paradise that is inflation, he also wounds Adam, Eve and other innocent bystanders.

However, if politicians, through lack of courage, do not use the more precise anti-inflation weapon of taxation, the Bank of Canada governor has no choice but to use the anti-inflation bomb of high interest rates. If politicians were controlling inflation by other means, the Bank of Canada would be happy to be out of the ring, as a spectator, not as a combatant.

It takes guts for a politician to limit prices and wages. When wage and price controls were introduced in 1975, the people with money (and therefore with influence) were all against the idea: they did not like any measure that limited their right to get richer in hard times. The labour unions were opposed because they believed the rich were better able to escape control than the workers. Many economists objected because they have been trained with U.S. textbooks, which are often bibles of the unfettered

free-market religion. Most business writers were against wage and price controls because most business writers are clergy of the same religion.

No wonder, then, that politicians choose not to use mandatory controls or taxes to limit the rise in incomes and thus brake inflation. They prefer to pretend that the inflation fight is not their responsibility but that of the governor of the Bank of Canada; and they discourse solemnly on how improper it would be for a prime minister to interfere. Yet compared with high interest rates, the tax measures a government can use against inflation are a more compassionate, more precise instrument that limits misery and does not cause recessions; but it carries electoral risks.

To reiterate, the trick is to find a solution that prevents both economic plagues, inflation and depression (which is also known as deflation). A free-market economy, *because* it is a free-market economy, is bound to have ups and downs, oscillating between boom and bust. We saw that construction of office towers goes from over-building when there is strong demand for new space, to under-building when there is weak demand. The construction industry is a good illustration of how a market economy works as a whole.

During the over-building phase, there are lots of jobs with good pay. Flush with money, people become free spenders and shopkeepers raise their prices as high as the market will bear, causing inflation. During the under-building phase, construction workers lose their jobs; their suppliers and the suppliers of their bosses lose sales and fire staff, resulting in a recession.

● (0945)

If we want a free-market economy, and we do, we are going to have swings between over-building and under-building, between inflation and deflation, oscillations from boom to bust. We can have government intervene to limit the swings or we can let the swings work themselves out. But that takes too long: the Great Depression of the 1930s lasted more than 10 years and was only ended by the Second World War. And there are plenty of countries, like Brazil, Argentina and Italy, that have been crippled by inflation for years with no end in sight.

Only a few eccentric economic ayatollahs would suggest that governments not intervene to limit the swings from boom to bust. I have proposed a set of government measures that will limit the swings from boom to bust, limit the inflation of boom times through taxation; limit the misery and duration of recessions through a full-employment policy. This solution increases economic growth and national productivity; cuts spending: decreases deficits.

A majority of Canadians do not want their social services cut. To keep their social services and decrease the deficit, Canadians have a choice between two solutions: (1) increase taxes by restoring the level of net business taxation to what it was in 1974, which would make business people howl that investment was being discouraged; (2) adopt the full-employment policy suggested here with lower interest rates and anti-inflation legislation. The second solution, as has been demonstrated, is clearly the better one.

And with the policies proposed in this book, we would not need the Goods and Services Tax the government intends to introduce. The government argues that the GST is needed to replace the federal manufacturers' sales tax that is applied to our exports, whereas competing exports from other countries are not so taxed; whereas imports are less taxed than Canadian products that compete with these imports. These inequities should be corrected. But the correction must not be used as a pretext by the government to increase its tax revenues.

By putting our people back to work, as we saw, we would not have a deficit; therefore, the government would not need more tax revenue.

This is why I object to the GST as a part of my objections to your all-encompassing economic policy.

If policies such as those recommended here are not put in place and the GST passes, people will have less money to spend. There will be less demand, therefore less production, therefore fewer jobs, therefore a lower Gross Domestic Income to tax, therefore less government revenue, therefore cuts in the qualities of essential services such as education, health care, research. Wiping out the deficit by putting people to work is the solution—not taxing people more.

Some aspects of the solutions proposed here will displease business, some will displease labour and the consumers. On balance, everyone will be reasonably better off through what is, inevitably, an imperfect compromise and, therefore, a democratic measure.

The emphasis on full-employment policies may sound strange to some. After all, without a full-employment policy, the national unemployment rate has fallen from 11.8 per cent of the labour force in 1983 to 7.8 per cent in 1988, down from 1.4 million to 1 million. There is something seriously wrong with our economic policy if after five years of steady economic growth, we still have one million unemployed. Moreover, this figure of one million is misleading: it does not include the employable on welfare. When we add them, the total of employable people out of work is close to 1.5 million, each costing us, we saw, $14,822, for a total of $22.2 billion a year.

Which is the borrowing needs of the government this year.

And the national figure of 7.8 per cent is an average: the improvement by four percentage points in five years for the national figure is composed mainly of a 5.3 per cent improvement in Ontario and a 4.9 per cent improvement in Quebec between 1983 and 1988. In the Atlantic region, unemployment has not been below 10 per cent since 1975. It still is 16.4 per cent in Newfoundland, 13

per cent in Prince Edward Island and 12 per cent in New Brunswick. Unemployment is 10.3 per cent in British Columbia,

in boom times.

Within each province, even rich Ontario, there are regions of high unemployment. Even certain neighbourhoods of Montreal have unemployment rates half as high again or more than the average for Quebec.

The unemployed have brains that are far more sophisticated than the computer running any expensive robot tool. Any businessman would say that keeping smart robot tools idle is unacceptable waste. Yet that's what we do with human resources: we keep them idle.

Many economists say that the solution is mobility. As one of them put it, "If you take measures to keep Newfies at home, where will Toronto get its cheap labour?" The end result of such thinking is Mexico City, or Athens, metropolitan monsters harbouring half the population of their countries, squalid, polluted, strangling on their traffic, noisy, stressed, unmanageable.

I don't think Toronto wants to become the sort of urban monster where, as in Tokyo, a 336-square-foot downtown apartment costs $7 million.

An Hon. Senator: No way.

Senator Gigantès: To continue:

One of the qualities of Canadian life that other nations most envy is the nearness of the great outdoors, the space, the green backyard. We do not have to sacrifice this by all crowding into Montreal, Toronto and Vancouver.

The policies proposed here suggest a rule I recommend to accountants who have been striving to expand their role from that of mere bean counter to someone who passes judgement on whether firms or governments have derived sufficient value for the money they have spent.

The additional and indispensable role I suggest for those who make budget estimates is that they should work out not only how much a program will cost, but also *what will be the cost if we do not carry out that particular program.* Pollution is the best example. For years, we have spewed noxious waste into the atmosphere from all our chimneys because scrubbers were too costly, according to our accountants. We now know that not using scrubbers was even costlier for society. Similarly, for years we only looked at the cost of full-employment programs and did not introduce them on the grounds that they cost too much. Table 8 shows that it is much costlier not to have full-employment programs.

Yes, we can give decent jobs to Newfoundlanders, to New Brunswickers and to those who live in high-unemployment regions across the country so that their young need not leave family and friends to live far away from home. Which brings us to one more comparison—

[Senator Gigantès.]

Senator Corbin: Will you please repeat that last part? I missed it. I missed the beginning of the sentence you are reading?

Senator Gigantès:

Yes, we can give decent jobs to Newfoundlanders—

Senator Corbin: Would you please begin that again? Somebody interrupted me over there.

Senator Gigantès:

Yes, we can give decent jobs to Newfoundlanders, to New Brunswickers and to those who live in high-unemployment regions across the country so that their young need not leave family and friends to live far away from home. Which brings us to one more comparison—between Newfoundland and Iceland. They are both islands in the North Atlantic and similar in size.

Of the two, Iceland is the more barren, 70 per cent of its surface having no vegetation. It has no forests *per se* and only one per cent of the island can be cultivated. One-fifth is used as pasture land. There are few natural resources. Apart from fish, Iceland has some aluminum.

Over and above its fishery, Newfoundland has oil, gas, minerals and hydroelectric power. It has 11.2 million hectares of productive forests.

In 1986, the Gross Domestic Product per capita was $15,843 in Iceland and only $8,359 in Newfoundland. Both figures are in U.S. dollars.

Why doesn't Newfoundland (or any other disadvantaged region of Canada) do as well as Iceland? Because Iceland is firmly committed to full employment. Unemployment in 1987 was 0.5 per cent in Iceland and 17.9 per cent in Newfoundland.

There is another reason. In Newfoundland, only one-third of the labour force has a high school diploma. In Iceland everyone in the labour force has a high school diploma. And an Icelandic high school diploma certifies that its holder has had a much better education than our high schools provide.

Competitiveness, whereby we measure ourselves against other nations, is not an end in itself. We saw that all citizens must ask themselves how best we earn, defend and improve our living. Where possible, activities that come under earning, defending or improving should be complementary, and this will be a touchstone for judging the policies proposed in the rest of this book, where we shall design action rather than count beans as we have been doing. there are limits to what we can do, but we can still do much more than we are doing.

Learning a living. That is the thing. We should be doing more.

I first heard the prase "learning a living" from the late Marshal McLuhan, one of Canada's seminal thinkers. He told me in 1957 that South Korea, Hong Kong, Singapore and India would vault over entire areas of technological development, go from the wooden plough to computerized

tools and challenge the established Western industrialized countries through better elementary and secondary education. We now know that he was prophetic. Educationally, at the elementary and high school levels where it really counts, where the foundation is laid for all later learning, the newly industrializing countries of Asia are beating North Americans hollow.

We cannot earn our living or improve it or defend it, in the modern age, unless we improve education.

It is self-evident that education is the foremost path to improvement. If it is good, it enlarges sensibility, increases the field of one's interests and widens one's horizons. For example, many people enjoy playing a musical instrument. They would not have this enjoyment if they had not been educated, or had not educated themselves, to play that instrument. Substitute reading and writing or math for a musical instrument and the example holds. The better you get at what you do, the more you enjoy it, and the more interesting your life is.

Not only does education make life more interesting, it is also the key to better jobs.

Senator Stewart: May I ask a question? Some time back, the Standing Senate Committee on National Finance prepared a report on the financing of post-secondary education in Canada. It is a very good piece of work and has been commended by several provincial politicians. One of the problems we have with regard to education in Canada, specifically post-secondary education, is that education comes under provincial jurisdiction; but the federal government, the Parliament of Canada, helped toward the financing of post secondary education through transfer payments.

So that we get into a curious situation where the provincial governments, especially in the smaller provinces, will say, "Yes, we need to improve education in Canada, and if the Minister of Finance in Ottawa—were he that terrible liberal or that terrible Progressive Conservative, it does not make any difference—would only give us more money, we would do a much better job, Canadians would be better educated, there would be more employment in Canada, and we would have more exports."

On the other hand, when the Minister of Finance and his ministerial colleagues in Ottawa find more money for post-secondary education, and it flows through the provincial governments, there is no assurance that it will be used for that specific purpose.

There is no question but that Canada needs a better-educated populous, but how can we make sure that tax payers' money is brought to bear upon this important problem? I wonder if you plan to come to that?

• (1000)

Senator Gigantès: I will address this issue.

Senator Stewart: Will you do it today?

Senator Gigantès: Oh, yes.

Senator Stewart: Oh, that is encouraging.

Senator Gigantès: Thank you.

[*Translation*]

Senator David: Senator Gigantès, to continue along the same lines, earlier we were up to page 74 and it was about 8:15.

Senator Gigantès: I am now up to page 92.

Senator David: You are now on page 92. Do you intend to read your book to the very end, that is all 186 pages?

Senator Gigantès: Yes, Senator David, I will do so today.

Senator David: Thank you for that information. I maintain that this is a monumental waste of time that is horribly expensive for Canadians.

Senator Gigantès: Thank you, Senator. I am very grateful for your compliments.

[*English*]

Not only does education make life more interesting, it is also the key to better jobs. Statistics on earnings are clear; the higher the level of education, the more people earn in their lifetime, the better and more interesting their jobs.

An important Ontario study by the Ministry of the Treasury says that we cannot predict which specific new jobs will emerge in the future but we know which jobs will disappear: those in industries that manufacture standardized mass-produced goods. Newly industrialized countries buy the latest technology and with their cheaper labour take such manufacturing jobs away from us. Only with robots, not people, can we stay in these fields.

But in Canada we have almost left the industrial age when our economy was almost solely resource based and the major engine of growth was manufacturing. In this information age, the Canadian economy in undergoing—and has already undergone, to a great extent, a massive shift to services. Between 1976 and 1986, only 154,000 new jobs were created in the goods-producing sector and 2 million in services. The service sector accounts for 75 per cent of all employment in Canada and for 72.4 per cent of the GDP.

The economists of the Library of Parliament have triple-checked these figures; they were so astonished by them.

The growth is strongest in knowledge-intensive jobs. Between 1941 and 1981, knowledge-intensive services for producers or for business grew by 789 per cent in Ontario; services for consumers (restaurants, cleaners, barbers) only grew by 179 per cent.

This is significant; 798 per cent growth for knowledge-intensive, whereas consumer services was only 179 per cent. It is significant for education and the relation of education to the economy and the jobs.

So our people may find some work in manufacturing complex goods where our current expertise will help. There are conditions: we must increase our research,

improve our training and be flexible enough to innovate when developing new products or perfecting existing ones. Only thus can we hope to compete with newly industrializing countries.

What is true of manufacturing is even more true of the service sector. Our service economy is knowledge-intensive. In a world predominantly composed of newly industrializing countries, Canada is still one of the relatively few "post-industrial" societies, has a high degree of saleable expertise, not only in traditional services, such as banking, engineering and computer software, but in a host of other knowledge-intensive services as well. The increasingly affluent developing countries will buy our expertise in project management, health care, agricultural technology and business planning.

To sum up: many of the old jobs will disappear. Many of the new ones will require higher levels of knowledge and skills, including social skills. But since "it is simply not possible to predict what specific skills will be needed in the work force even five years from now . . . we must conclude that the worker with mechanical training and specific skills is bound to be in a far less advantageous position than one who has learned how to study, think independently and learn quickly."

That is from a study of the Ministry of the Treasurer of Ontario.

I have asked many experts here and abroad to tell me what kind of education best equips people to improve their lives and make them better at their jobs. Their answers, when summarized, were as follows.

Education must give "core skills," the ability to read, write and understand complex material; to communicate in one's mother tongue; to know enough mathematics and computer science; to know how nature, society and the world work; and to learn how to learn. As well, we must give people the skills to work in a team, lead where appropriate, innovate and adapt to change.

In short, we must teach people to obtain and understand information; to order it in their minds; to see the relationships between the items of information they have acquired and combine them to reach new understanding of their world. People so equipped would be better able to find, hold or create a job and would be better citizens.

I have now been on my feet for four hours and I do not think it is so tough, as Senator Lowell Murray was saying yesterday when he was doing his little cry-baby bit. I can go on for many, many more hours.

Senator Haidasz: Magnificent. Carry on.

Senator Gigantès: I continue:

Employers no longer simply look for punctuality and conformity: they seek flexible, adaptable people able to respond to new demands and to innovate when necessary. This underscores the crucial role of schooling from kindergarten through university—the importance of "learning and living."

[Senator Gigantès.]

Indeed, no one doubts the importance of education. Yet all witnesses appearing in 1987 before the Senate Subcommittee on Training and Employment agreed that our education system is in terrible shape. Many of these witnesses were educators; others were senior officials of provincial education departments. They all said that our elementary and secondary schools do not give students the necessary core skills.

Some university professors told me that half their students were functionally illiterate, unable to understand what they were reading; they were not able to write comprehensibly.

Senator Frith: From universities?

Senator Gigantès: Yes, unable to understand what they were reading. They were not able to write.

Senator Stewart: Which province?

Senator Gigantès: Alberta, Nova Scotia, New Brunswick.

Senator Stewart: Not true of Nova Scotia.

Senator Gigantès: I didn't hear from anybody from St. F.X.

One-fifth of our work force only has a grade 9 education or less and is functionally illiterate, desperately in need of training and retraining for the more sophisticated new jobs that are replacing the old unskilled ones.

• (1010)

Obviously, we have a massive job to do in our education system if, *after nine years of schooling, the students it produces are functional illiterates.*

It is unthinkable; nine years of schooling and they cannot read or write or understand what they have read, or express their thoughts with any coherence.

If the school system were even moderately efficient, it should certainly have made people literate in nine years.

As for those who are supposed to make education work, their educational qualifications are dubious. Consider these excerpts from an essay written by an Albertan completing the second year of a Bachelor of Education degree:

A candidate who makes themselves look like a fool every time they speak be a deficit to a political party . . .

Obviously something the Tories have heard about.

The next stop would be to lay out a format incorporating the personality of the candidate with statistics compiled . . . The first quality is does the candidate look good . . . The candidate must have a clean car; they should not drive a dirty car. People do not like to see candidates in a dirty car. People like shiny, clean cars . . . Character alone is not enough to choose a candidate.

This is a person who has completed two years of educational training to teach our young.

Nor does our education system compare favourably with those of other countries. Some Western European countries provide much better education than we do: Scandinavia, Austria, Germany, Switzerland, for example. Britain and France do as badly as we do by those of their young who are not in an elite minority; however, both countries do better by their brightest students, who are taught more mathematics and science than ours.

Britain and France are especially deficient, as is North America, in vocational training. Germany, Austria, Switzerland and the Scandinavian countries provide superior education in this area, and they give their vocational trainees continued heavy doses of academic training. In Germany, youngsters who take the "workshop" rather than the academic stream still get enough academic subjects so that they can change their minds later, leave the factory and enter university.

Education is in trouble in part because we are, once again, at a sort of Gutenberg watershed. In the 15th century, Gutenberg invented the printing press with movable type. Before that, the only books were hand-written and extremely expensive; most people could not afford them. Even university teachers did not have their own hand-written copies of the texts they taught. They had memorized those texts and insisted that the student also memorize them. Most normal scholars had little time after all the memorizing to explore more texts or even to write new ones.

The invention of the printing press with movable type was a watershed: before Gutenberg, access to knowledge was limited, and consequently, the spread and growth of knowledge was slow. After Gutenberg, all the effort that had gone into memorizing could go into reading more extensively, thinking about more things and challenging traditional views. The consequences were not only intellectual but also political and economic: in a very real sense, Gutenberg's invention was the precursor of the assembly line where small, prefabricated components are combined into given patterns to turn out many copies of the same product.

The world of education resisted Gutenberg mightily for centuries. It did not want to cross the watershed. In the early years of this century, my father attended a high school where he was made to learn the whole of the *Iliad* and the *Odyssey* by heart, a total of 66,666 verses.

Senator Haidasz: Nothing wrong with that.

Senator Gigantès:

One reason he was forced to do this was to cultivate his memory, and having a good memory is a terrific advantage; but another reason was a continued rejection , five centuries later, of the printing press, a new-fangled device that made things "too easy" and "sapped the moral fibre" of the student.

There has often been a rejection of the new by educators. Socrates, who could write, objected to writing because he felt it "imprisoned thought." We would not know about his thought today if one of his disciples, Plato, had not imprisoned it by writing it down.

I'm afraid that our educational system (and our teachers' unions and politicians) are refusing to cross our contemporary Gutenberg watershed once and for all. They explore it. They take trial runs at it, installing computers and even television sets in schools. But they do not make the changes in curriculum and teaching methods that go with the new technology. Thus, they fail to respond to what our own communications inventions—the moving picture, television, satellites, portable video cameras, videotape, videocassettes and computers—are doing to our young.

Educationally, the most significant and revolutionary consequence of our new technology may be the competition teachers face. Daily, they are compared with the projected image of television stars, and teachers are found to be less learned, less fascinating, less entertaining. Outside the studio, the television star may be much less accomplished than teachers. But with the help of lighting, good scripts, talented camera work and good direction, the *image* on the tube wins every time.

To take one example, the late Jacob Bronowski did a television series for the British Broadcasting Corporation based on his book *The Ascent of Man,* which describes human evolution from the ape to Bronowski.

The BBC spared no expense: it flew Bronowski around the world, from Kilimanjaro to the Karakoram so his text had the immediacy of the sites on which the events he described had occurred. Bright 12-year-old children and Ph.D.'s are equally fascinated by this series. They watch it again and again and never tire. There is nothing more riveting than magnificent images of exotic places and beautiful art on which a great mind embroiders a living map with brilliant threads of genius.Bronowski takes all the streams of human history and shows how they have formed the majestic, dirty and bloodied river that is today's world.

How can ordinary teachers compete with Bronowski unless they are Bronowskis themselves? Geniuses are the exception, and they are as rare among teachers as among any other group.

Especially among Tories.

Today, young people can compare Bronowski on the television screen with their teacher in the classroom. The teacher loses.

They there are the calculators that most kids have, as well as the computer and word processor the parents (or the parents of a friend) have at home. In an instant, these devices do sums that take hours to do manually. And word processors have automatic spelling checks. You can't ask school children to forget that machines do instantaneously what takes hours without the machines:

the children wonder why they are made to do things the harder, duller way.

So how can we use our modern means of communication and computation to teach writing and math? Let us look at writing first.

Writing one's mother tongue correctly is the key to reading and comprehension, not the other way around. We can't abandon the written word and simply talk or exchange cassettes. There is astringency to good, disciplined writing that is essential for the development of the ability to understand texts and to think. The process of writing well, which essentially means rewriting again and again, is the only process for learning how best to present one's thoughts while being convincing as well as brief enough to keep the attention of the audience one wants to convince. It is in this process that one learns the advantage of precision, the need for the right word, for a large vocabulary, for sound reasoning.

Mathematics is another form of script for writing one's mother tongue, that part of the mother tongue that deals with measuring quantity, distance, surfaces, solid objects and their movements.

● (1020)

This aspect of the mother tongue involves statements such as "first, take one specific number and add it to another specific number; second, add a third number to a fourth number; third, multiply the result of the first operation by the results of the second operation to obtain a fifth number which is equal to a sixth number multiplied by itself." All of which can be written as follows in mathematical script:

$$[(a + b) \times (c + d)] = x^2$$

One small line instead of a whole paragraph.

In mathematical script, long, convoluted sentences, as in the above example, can be written briefly, simply and precisely. That is why we have developed mathematical symbols, which are, in effect, abbreviations for all the words we would otherwise need.

How can the mother tongue and the use of its two alphabets, the literal and the mathematical, be taught to children without boring them?

Some will ask why today's children should not be bored at school when their grandparents were. Others might say that since much of one's professional life is spent being bored, one might as well learn to put up with boredom at school. It's the anti-Gutenberg argument all over again: things shouldn't be made easier or more interesting for children because that only saps their moral fibre. This kind of thinking is obsolete.

It now widely recognized that children who are called "gifted" often have problems in ordinary classes, even with reading. At home they devour intricate texts like Isaac Asimov's science fiction. At school they seemingly fail to understand their textbooks.

Gifted children are bored with the way they are being taught in schools. However, accelerating their progress through school doesn't help because they then miss necessary stages in growing up and can become maladjusted. A solution that now seems to work is to enrich their schoolwork "horizontally," which means they stay within the curriculum corresponding to their age group, but get into enriched applications and activities that challenge and amuse them.

What works for the "gifted" will work for the so-called average students. I remember an experiment some years ago in which a group of determinedly mediocre students was given to a teacher who had been told they were intensely gifted. Flattered by the challenge, the teacher surpassed herself, and in a few months the mediocre students were all performing as if they were little geniuses. They had been stimulated and they responded.

Incredibly, the reverse experiment was also carried out. A group of demonstrably gifted children were labelled below average and given to a good teacher who did not know that they were truly bright. In a few months, they were performing like below-average students. When the experiment ended and they were properly relabelled, they started acting gifted all over again. (The accounts I read did not say how the parents, or indeed the students, felt about such degradation.) So a rich, interesting, intellectual diet is not beyond the capacities of the so-called average student.

There are many illustrations of this. For example, the Public Service Commission in Ottawa employed some retarded youngsters in the early 1970s to distribute mail from office to office. They did the job very well. What was remarkable was that these young people were perfectly bilingual in French and English.

Some deputy ministers could not achieve these same results.

Learning a language is one of the most complex activities known to man. Developing artificial intelligence through the use of computers is mainly an attempt to translate spoken language through computers. The Japanese are world leaders in this field. They are spending billions, using mega-giant computers, and so far, they think that they are decades away from success. The retarded youngsters of the Public Service Commission could repeat in French a sentence they had just spoken in English and vice versa; they could do something the mega-giant computers cannot yet do. Average youngsters, properly taught, are capable of impressive schoolroom feats.

Teaching must involve maximum active doing by the child and minimum passive listening. And it must also involve the modern objects that are the natural extensions of the child these days: tape recorders, television and computers. Teaching must also give the child maximum

[Senator Gigantès.]

opportunities to perform with a team, taking turns at directing the team, being the star, being the bit player, the theatre critic and the author.

This is not an overemphasis on theatrical performance; anyone with children has endlessly heard the cry, "Look at me, look at me!" When we grow older we are a little more discreet about demanding an audience, but deep down we are still calling, "Look at me." The need for an audience, for attention, may be one of the strongest *raisons d'être* for the formation of human societies. The shy ones, those who shun exposure, may have been ridiculed in some childhood performance. School must restore their self-esteem.

Good teaching must begin early. What follows are examples of the approaches that can be (and in some schools, are being) followed, in grade 9 and below.

Let's take a grade 7 class. The teacher shows them one of Shakespeare's plays produced for television by the BBC. The students then put on the play themselves. They videotape their performance and send the tape to a municipal competition. A jury decides which school submitted the best tape. The municipal winner then advances to a provincial competition; the provincial winner proceeds to a national competition. The national winner is then broadcast on television. The teacher of the winning class gets national television exposure and a big prize, such as an all-expense-paid vacation anywhere in the world.

The teacher functions as coach for the team that produces the play, advising them on the meaning of the words, the theme and significance of a scene. Before the students begin rehearsals, the teacher asks the student director and actors to discuss these meanings and agree on what message each part of the production conveys. All members of the class participate in this exercise.

Once a consensus is reached, students are assigned parts of a scene on which they must write notes detailing what feelings the actors must express. The students write on word processors that correct spelling as the student is writing (after several corrections, students will remember the proper spelling). Several students audition for each part and the class votes on the final casting.

Those who do not get the opportunity to act handle the cameras, costumes, lights, scenery or music. They may also make a videotaped documentary of how the Shakespearean production was put together. The voice track for this documentary is written by the students on word processors. Several of the non-actors have talking parts, which they also write, in the documentary: improvisation is not allowed. The documentaries themselves are entered in municipal, provincial and national competitions.

A further aspect of the production is the writing of a program, with notes on the play itself, on all the participants, actors, designers, musicians and director. There will be a similar program on the documentary about the play.

These projects would probably occupy the whole of grade 7 English classes and much after-hours activity. In grade 8 English, the same students go on to translate their grade 7 Shakespearean play into contemporary English and produce it once more for a competition, with all the same activities described above—accompanying television documentary of the production, programs and all.

• (1030)

The role of the teacher is crucial. Like a coach instructing players by showing videotapes of opposing teams in action, a teacher steering grade 7 children through a Shakespearean production uses the BBC tape as the benchmark and gets the student actors to view it repeatedly and be guided by how the professional British actors performed the scene. Members of local theatre groups can be brought in to act as visiting coaches.

Of course, by the time they reach grade 7, the students will have had similar experiences in class but with less complex tests. There are marvellous tapes available for television to teach the children about other countries. They can then be asked to play the role of foreign correspondents and write in their own class newspaper about the country they have "visited" through a television show.

They must edit one another's work and resolve editing disputes on their editorial board, which elects rotating editors-in-chief. Through desktop publishing facilities, they can produce the actual newspaper for sale to grandparents, parents and friends. This sort of activity can start very early as an incentive to learn how to write.

Through this process, and with appropriate TV programs, the children write essays about history, geography, biology, other sciences and the relevant environmental and economic issues.

The students handle word processors and printers from an early age, and are shown by a specialist how these machines work. As they grow older, they are taught about giving commands to the computer, controlling the way it handles input and output. Older students who happen to be computer whizzes can help to initiate the younger ones.

For teaching mathematics, we can turn to the programming wizards who devise computer games—not the Nintendo type, the computer equivalent of a pinball machine, but the more intellectually challenging games. These programmers can be asked to build into a set of progressively more complex computer games the mathematical concepts all children must have, starting with addition, subtract and positive and negative numbers.

Eventually, a computer version of Monopoly might demand that students use the formula $[A=C \times (1+i)^t]$. In this, C stands for the initial investment; i stands for the rate of interest; t stands for the time in years; and A stands for the final value of the investment after t years.

The formula tells you how much your initial investment will grow in a number of years at a certain rate of interest. The same formula can be used to find what was the intitial investment if one knows all the other values in the formula; or what the rate of interest was that made C grow into A over a given number of years.

The game itself takes the players through the reasoning that developed the formula [$A=C \times (1+i)^t$]. The game could include a sequence that gets the students to construct the formula, so that they can pick the right investments, given their potential for growth.

The next phase of the game introduces the concept of risk or probability. Poker is based on probability. So is oil exploration. The designer of this computer Monopoly game can introduce oil properties and indicate the probability of finding oil on each. The game leads the students—

Senator Barootes: Senator Gigantès, may I ask a question of you? There is a term used in police, judicial and other circles which is "cruel and unusual punishment". We on this side feel that you are inflicting upon us cruel and unusual punishment.

I do not like to yield. I do not like to say surrender, but would you have the heart to cease and desist from this cruel and unusual punishment by sparing us any more of your epistle or book and allow us to get on with something else? Perhaps at some other time, and in some other place, we may hear the rest of your wisdom.

Senator Gigantès: I am glad for Senator Barootes's question, which allows me to tell this shift what I told the previous shift. We on this side object to the goods and services tax and are determined to kill it.

Senator Barootes: Don't kill us with it.

Senator Gigantès: Those are the risks of the trade. If you can't stand the heat, get out of the kitchen.

One aspect of this situation is that whenever we criticize one of your economic measures, you say that there is no alternative and that we have not thought it through. I am giving you Liberal alternatives to your economic policies. It is not easy to isolate an aspect of economic policy. They are very complex and multi-dimensional and I have to go through all of them in order to show that what you have been proposing and doing is wrong, which is why we want to stop you from doing it.

The other is the question of tactics. As our leader said yesterday, we inted to use every legitimate procedure at our disposal under the rules. We now have a motion before us which states we should wipe out everything and go directly to the GST. It is a motion and a motion is debatable. I am debating this motion and the argument I am making is that we should not move to the GST at all because it is a wrong policy. Believing it is a wrong policy, I have to do everything that I can at every stage to keep us from getting there. This is what I am engaged in doing right now.

Senator Phillips: And you are getting your book translated at the same time.

[Senator Gigantès.]

Senator Gigantès: I will not make a penny. Since I came into the Senate, the royalties from all my books have been donated to scholarship funds. Unlike some of your colleagues, I earn nothing on the side. I live on my salary.

Senator Barootes: Senator Gigantès I accept your explanation about why you are proceeding in this way. Is it not possible that you are in the right church but the wrong pew?

Senator Gigantès: You do not suggest that I should cross the aisle, do you?

Senator Barootes: No, I do not suggest that, because you would have to be admitted to this side of the aisle, and I do not think you would get a single vote. On the other hand, the right church, wrong pew refers to this: We have a motion as to whether we should proceed to the discussion of the goods and services tax bill, at which time I think your economic arguments may have merit. However, at this point we are discussing a motion as to what we should do in respect to moving to third reading. Perhaps that would be the proper time for you to make these arguments. I think you are bootlegging these arguments in under a motion, rather than under a discussion of the merits of the bill. That is why I bring it to your attention.

● (1040)

POINT OF ORDER

Hon. H. A. Olson: On a point of order, this is about the third or fourth time in the last ten or twelve hours that members opposite—now it is Senator Barootes and before it was Senator Simard—have stood up and complained about the speeches not being relevant to the motion. They are always trying to tell us what we can put in our speeches.

Hon. Efstathios William Barootes: It is not what; it is when.

Senator Olson: That is right. You are setting out the rules for us again. Always making up the rules as you go along.

The senator who had the floor was explaining to you in meticulous detail, because you seem to have to have it that way, why he is opposed to the motion. No great mystery about that.

Now Senator Barootes stands up and says, "Oh, no. This is not the right place to make that kind of argument."

"I tell you this: If we pass up this opportunity to try to defeat this motion by every means available to us. Senator Barootes made a point, and I am speaking on my point of order.

Hon. Pat Carney: You have already spoken.

Senator Olson: I have not spoken. A point of order was just raised.

Senator Barootes: I did not raise a point of order.

Senator Olson: Then why did you get up on your feet and complain about a senator making an irrelevant speech, telling him that he has to do it somewhere else?

An Hon. Senator: Your have had your say.

Senator Olson: I spoke earlier on the motion, you are right.

Senator Carney: Then sit down.

Senator Olson: We are on a point of order. We have to constantly remind senators opposite that we decide what goes into our speeches, not they. Senator Barootes will not decide what goes into the senator's speech.

I heard Senator Gigantès clearly explain why he is opposed to this motion. That is exactly what is in order and relevant at this time.

Senator Carney: You are not relevant.

Senator Olson: When you raise a point of order, you had better be prepared to debate it, because every time you raise a point of order you are inviting 51 more speeches. You have been around long enough to know what the rules are.

Senator Carney: What is the point of order?

Senator Olson: A point of order is when someone gets up and objects to what another member is doing. Instantly, you have a point of order. Senator Carney, every time you get up and interrupt another Senator and say what they are doing is not relevant, then you have a point of order.

I have been around here a hell of a lot longer than you have, my friend, and I know what is in the book and I know what the practices are. The *Globe and Mail* does not decide what goes into our speeches, either.

Senator Carney: You are using foul language.

Senator Olson: If you don't like my language, take off. I will say things exactly the way I want to say them.

Senator Carney: You are using foul language in this house.

Senator Olson: I decide what goes into my speech, too. You make me sick the way you are trying to dictate how we can act in this house. Every time you do it, you stick your foot in it again. Shame on you.

Senator Carney: Shame on you for using foul language in the Senate.

Senator Olson: They can't stand the heat. You know the old saying, if you can't stand the heat, get out of the kitchen.

All these things that you ought to know, you apparently do not know.

Senator Carney: You are speaking twice to the motion.

Senator Olson: No, I am not.

Senator Carney: Yes, you are.

Senator Olson: I am speaking to Senator Gigantès' right to make his speech on his own terms.

Senator Carney: That is against the rules.

Senator Olson: It is not.

Senator Carney: Sit down.

Senator Olson: Call a point of order. Ask the speaker to make a ruling. That would be great. We will get another twelve hours out of it.

I am not about to sit down because you ask me to. You have demonstrated over and over again that when the government tries to violate the rules of this place, you support it.

Senator Carney: You are violating the rules now.

Senator Olson: No, I am not.

To get back to the point of order, if you sit down and keep quiet about the construction of speeches on this side, I guarantee you will get along a whole lot better. You cannot interrupt another speaker unless it is on a point of order.

Just remember this. Senator Gigantès can decide what arguments he wants to use to make his point. He is trying to persuade you that you should not support this motion. Leave him alone.

Senator Carney: You are setting a precedent.

Senator Olson: Oh, am I? Well, it's a good one.

Senator Corbin: You can always appeal it.

Senator Olson: Go ahead and appeal it.

Senator Carney: Sit down.

Senator Olson: I prefer that you shut up. Disgusting behaviour. You think you can come down here and bulldoze us. Surely you must have got the message by now that we will not be bulldozed by you or by anyone else.

Senator Corbin: Senator Olson, you should not be annoyed by flies. You should continue with your remarks.

Senator Olson: I know, but Senator Barootes is up on his feet all the time trying to interrupt good, legitimate, intelligent speeches which explain why we want to defeat this motion. That is exactly what Senator Gigantès was doing.

I suggest that if you do not have a better reason to interrupt and raise a point of order, it really would be in your interest, if I interpret your interest correctly, not to say anything.

Senator Barootes: On a conciliatory note, if I may suggest—

An Hon. Senator: Point of order.

Senator Barootes: I did not rise on a point of order. It was through the graciousness of my good friend that I was allowed to ask a question. He answered my question and I was delighted to hear from him. However, I am sorry that it was disturbing to my friend from Medicine Hat, because I have been here since seven o'clock this morning and I thought maybe we should change the record, that's all. I thank you for allowing me to ask the question.

Senator Corbin: On the point of disruption, I would like to inform Senator Gigantès that I do not find his remarks cruel and unusual punishment. I would ask him to complete his response to Senator Barootes by linking cruel and unusual punishment to the GST. That is where the punishment and the cruelty is.

Senator Stewart: May I say a word on the point raised by Senator Barootes? What is before this Senate is a motion moved by Senator Doody which was found, improperly, by

Senator Charbonneau to be in order. Of course it was not in order and we know that.

Rule 19 sets out the proper order of business in a sitting of the Senate. That order of business begins with the presentation of petitions. Then we would have gone on to various other items, including questions. There are many questions that ought to be asked today; questions raised or prompted by the Auditor-General, for example, concerning the expenditure of public money; the preparedness of our armed forces for a possible war, the war that the Right Honourable Joe Clark talks about in the gulf.

These things will be set aside if the motion which was moved—

Senator Barootes: Because of your filibuster.

Senator Stewart: —by Senator Doody carries. It is shocking that an attempt should be made to set aside a standing order of the Senate in this way. I think Senator Barootes should prevail upon Senator Doody to withdraw this motion so we can present a few petitions and then get on and ask questions and proceed in a normal, orderly way.

This whole situation has been brought on by Senator Doody, prompted by Senator Murray. That is the truth of the matter. How long do you think we would have gone on with petitions? At a certain point we would have all been bored. But, no, we had to have this motion which has been haunting Senator Murray for days. He tried to move it first on the fifth of the month and then again about a week later.

Senator Barootes: Is this your speech on the motion?

Senator Stewart: No, I am addressing the interesting point raised by you concerning the cruel and unusual punishment that was inflicted on the Senate by Senator Doody. He is the man who proposed this motion in order to get rid of this cruel and unusual punishment. Senator Doody should be in here now, on his feet, asking for leave to withdraw this foolish motion which is clearly out of order.

• (1050)

We intend to debate this motion as long as we can. We will continue on this motion much longer than we ever would have thought of going with petitions.

Senator Bosa: There have been many interruptions of Senator Gigantès' address. Many senators were not here when he started to make his case. He had just laid down the basis for his points. I think honourable senators should be patient and allow him to complete his remarks without these interruptions because they will only prolong the agony, if that is what Senator Barootes thinks it is. I found what Senator Gigantès was saying very interesting. It is pertinent and concerns the subject matter we are dealing with now.

I want to tell Senator Carney that she should be the last one to bring members of this place to order because the senators on that side trampled on the rules on October 8. Not only did they break the rules, they trampled on them. They made a unilateral decision and forced the Speaker to invoke a rule that was not in the rule book. Then they had a caucus meeting in the Senate to say that there was a legitimate vote in this chamber. I would like to hear Senator Carney defend that aspect of the case. I think Senator Gigantès should be allowed to complete his remarks.

Senator Gigantès: Honourable senators, as if I would inflict cruel and unusual punishment. You know what affection I have for you. Nobody in this chamber can say that at any time a cross word passed my lips in your regard. In regard to others, yes, but I have always treated you with affection and respect.

Senator Barootes: May I go if I promise to read the book?

Senator Gigantès: Not one of us is hiding the fact that we are trying to kill the GST by all procedural means at our disposal.

Some of you across the way and many members of the press who do not read anymore, have constantly asked what alternatives the Liberals have. They are always harping and criticizing us as being nay sayers, asking what we would do instead.

What we will do instead will depend on the circumstances we will inherit—God knows what mess that will be. There are certain general lines of Liberal thought that produce all kinds of possible alternatives. I am trying to give an insight into some of these alternatives. I am trying to give an image of the comprehensive, complex economic thinking that would go into the making of Liberal policies when we take over the mess we will inherit from you.

An important part of restoring the economic mess and making things like the GST unnecessary, and having a labour force that is more productive and competitive, is education. One cannot divorce it from the economy.

That is what I am talking about. I am against the GST because it is bad economic policy. Instead, economic policy should be along the lines of what I have been describing and will continue to describe.

MOTION TO CALL ORDERS OF THE DAY—DEBATE CONTINUING

Hon. Philippe Deane Gigantès: Mathematics becomes more complex. We need to have calculus. I will continue:

> Concepts of calculus and the rate of change can be part of other games. Euclidean plane and solid geometry can be taught through computerized versions of construction blocks. Computer graphics make geometrical exercises come alive as no textbook drawing ever can.
>
> When the students are older, the logical structure of Euclid's theorem can be introduced as the proper structure for presenting an argument: 'Here is what I intend to prove. Here is the evidence and the inescapable conclusion it leads to. Therefore, I have proven what I set out to prove.' Good editorials, good courtroom pleading, political speeches and business presentations follow this Euclidean structure.
>
> As the students rise through the years to grade 9, the amount of independent reading and research they do for various projects increases. The work involved in a project should be of such volume that it can only be handled by

dividing it among the members of a group. But the project itself should also be designed so that it can only be put together in its final form by the group working as a team under rotating leadership. Projects can involve more than one discipline. They all involve a final presentation, written on a word processor, with appropriate graphics.

By such methods, students completing grade 9 will have learned a second language, English or French, and two scripts: the alphabet and mathematical symbols. They will have written a great deal and acquired a considerable vocabulary to use in a sentence, paragraph and essay.

I now come to some of the points Senator Stewart was raising.

They should then be required to pass a province-wide examination before entering grade 10. Such an exam should test writing ability (in English or French, as appropriate), mathematical skills and knowledge of other subjects such as history, geography and so on. Schools and teachers whose students obtain the best results should be rewarded for educational excellence.

Students who fail the exam have their results analysed and go to special remedial grade 9 classes where the gaps they displayed in the exam are filled in. They would have star teachers specializing in catch-up to help them.

This exam should come into operation three years after it is announced, giving teachers and students the chance to get serious about their mother tongue and math. Too many of our grade 9 graduates would fail such an exam today.

Savings can be made in the cost of such a program by buying second-hand electronic equipment. Business and government are constantly buying newer replacements for perfectly serviceable word processors, computers, TV cameras and recorders. Businesses and even government should be encouraged to donate such second-hand equipment to schools. Equipment repair and maintenance can be done in part by senior students who are learning a trade in the non-academic track.

In grades 10, 11 and 12, school assignments would entail more research using data banks and the library. Students would pass from general understanding to a more specific knowledge of such subjects as physics and chemistry. Laboratory activity would become essential, as would collaboration. A team of students under rotating leadership should engage in actual chemical experiments that demand closely co-ordinated team work. The activities of each team member would dovetail with those of the other members. If the co-ordination, the timing of one member is off, the whole team fails. And of course the student teams would compete against other student teams.

Bayer, the German chemical multinational, has designed such experiments for the training of its apprentices. The apprentices write reports on their experiment, and each person's report is edited by the other members of the team. Then other students who have not performed the experiment must judge whether they can understand the report readily. Teams that produce obscure reports lose.

In the educational approach outlined in this chapter, students in grade 10 choose between an academic track and a professional track in which they learn a trade. But all of them, even those in the academic track, are exposed to the world of work.

• (1100)

Thus, the school year should be restructured so that one day a week, for example, academic students would work outside the classroom and get paid for their work by the federal government at the rate of $4.00 an hour (indexed to the cost of living). If they skipped these work experiences they would not get paid and they lose credits. The academic school day for such students should be lengthened by 90 minutes. This should not require more teachers since the teachers will be working, in effect, a four-day week. Work-study programs of varying design are already in place in a number of Canadian high schools and universities.

We should expand this.

A student learning a trade in the professional track would spend two days a week in school and three days a week as an apprentice (for three years with the same firm). Such students would also be paid $4.00 an hour by the federal government for the time they spent working rather than studying. But they would not be paid if they skipped the two days a week they would have to spend in school continuing their academic studies (these days, too, should be 90 minutes longer).

This insistence on continuing academic studies two days a week would help students if they wanted to leave the workplace and return to school, or if they needed to upgrade their technological skills at work: they would not be handicapped, then, by insufficient knowledge of their mother tongue, of mathematics and our world.

Students in the professional track, spending three days a week as apprentices, would be taught a specific set of skills, agreed upon in negotiation between the unions and the appropriate association of employers, subject to approval by the provincial department of education. There would be yearly examinations to check that the prescribed skills were taught.

In collaboration with provincial departments of education, the unions and business associations, the federal government should sponsor and finance national certification examinations for the various trades at the end of the three-year apprenticeship. Only students who kept up with their academic studies two days a week would be eligible to take this exam. Those who passed would receive certificates recognized by the unions, the appropriate business associations and the participating provinces. These certificates would be a real asset.

Assuring collaboration from business and from the unions would not be easy at first. The program proposed

here would be new. It would be seen as a nuisance. But in other countries where this has been tried, the regular employees and the employers of the firms that take apprentices find not only that the students are enjoyable but that they do become assets, provided that they are not treated as mere gofers.

In France, the spokesman for a manufacturers' association told me of a "crisis" when a student intern with spiked green hair competently repaired electronic equipment. He knew how, from tinkering with his own computer.

The "crisis" was that ordinary workers are not supposed to repair anything in most French factories. They are supposed to tell the foreman, who writes a report to the floor engineer, who writes a report to engineering central, which notifies the maintenance directorate, which sends a team to do the necessary repairs, often more than a week later.

That a kid with spiked green hair simply did what needed to be done, disregarding "protocol," was unprecedented and disturbing. He was yelled at and he left, disgusted.

All adults, businesspeople and union members alike, have a duty to help the young develop. Teaching is involved, but also human warmth and a refusal by the adults to take themselves too seriously. Respect and affection are essential components of training. Training is an essential component of economic growth.

Economic growth would make the goods and services tax unnecessary.

A firm that received grade 10 professional students as apprentices would not have to pay them; the federal government would pay. Grade 11 students, in their second year of apprenticeship, would have learned enough to be an asset for the firm where they worked. The firm should pay them a wage, minus what the apprentices receive from the federal government. In the third year, the firm should give its apprentices an increased wage, again minus what they receive from the federal government. These wages should be negotiated by the employers' associations with the unions.

Employers, meanwhile, would get labour costing them less than the going rate: Ottawa would pay part of the cost. Further, the business world as a whole could guarantee itself a supply of workers trained according to employers' specifications and with enough core skills to be retrainable again and again as technology changes. The Germans emphasize that a person who has received good apprenticeship training has learned how to learn a trade; such a person is much more easily retrainable when new skills are needed. The advantages for employers are clear.

Some few firms in Canada understand these advantages and have excellent training programs. They should serve as models for the others. Many other firms neglect training because, among other reasons, they say they fear losing their trainees to other firms.

I asked Herr Richter, Bayer's director of vocational training, whether he worried that his well-trained apprentices would be lured away by other firms. He answered that those other firms would benefit from the skills he taught his apprentices; would do better and the whole economy would do better, increasing the demand for his own products. "Besides," he added, "I am not the only one who gives good training. I can raid other firms for well-trained apprentices, if I lose mine. In any case, passing on skills to the next generation is a sacred obligation."

Honourable senators, I wish more Canadian entrepreneurs understood this and felt this way.

The advantages for business of taking in students from the academic stream one day a week, and for short periods only, may seem less obvious than the advantages of taking in apprentices; but advantages there are all the same. It is in the interest of business that future voters should have an understanding of how the world of business functions. And it is in the interest of business to understand how the voters of tomorrow think and how very much they know. Moreover, a good proportion of the students in the academic stream would end up in public service or in elected office at the three levels of government, or in teaching—in segments of society that need to know more than they do about business.

Grades 10 to 12 students in the academic stream would work one eight-hour day a week outside school for six terms, at $4.00 an hour. As this would not be a three-year apprenticeship for a specific trade, they would spend two terms sampling firms of their choice. During the other four terms they would perform paid national service one day a week as helpers for day care, hospitals, mental institutions, home care for the aged, the handicapped and working in old folks' homes. Such experience is important in understanding those members of our society who cannot manage without help from the rest of us.

Students in grades 10 to 12 who gave satisfaction to firms or institutions where they worked during the school year would have a better chance of being hired by the same employers for summer jobs, replacing employees on leave.

In parts of the country where there is not much industry, high school students would have a smaller choice of trades to which they could be apprenticed. In those areas, the workshops in the schools and the community colleges would have to be upgraded, in compensation. And arrangements could be made for the students to spend summers apprenticing away from home, camping in schools of the host town.

● (1110)

As for education after grade 12, the collaboration between business, universities and colleges has been

increasing as it should. In the chapter on defence, I shall propose measures to increase this collaboration on research projects. The federal government would pay to augment the numbers of research assistants for all university projects that received research grants. This would not only help the professors who lead the research but also create new jobs.

Federal financing of university education should be changed. The money should no longer be given to the provincial government. The same total of money should be divided among the students, at so much per student or at so much per course, which would take into account parttime students. Provincial governments would have to cut their grants to universities; but the universities could compensate themselves by raising the fees they charge students. One advantage of this policy would be to let students know each month that the federal government is helping them.

Students would only be eligible for this federal grant if they passed a national university entrance exam to show they had the necessary knowledge of mathematics and either English or French, as appropriate. The first national university entrance exam would take place three years after it is established, to give high schools time to prepare their students for the exam. Students who failed a year would be given a second chance at studying with a federal grant but not a third, save under special circumstances. Students who dropped out would have to repay the unused part of their grants.

The kind of education proposed in this chapter, both general and vocational, need not cost more than the kind of education we now provide. Canada spends more on education, as a percentage of our GDP, than any other industrialized country, except Sweden.

Scandalous!

There is no better investment for Canada than spending on the education of our young.

Hon. John B. Stewart: May I ask a question?

Senator Gigantès: Certainly.

Senator Stewart: The proposal that you are putting forward with regard to education is certainly an interesting one. It reminds me of the proposal that Mr. Pearson made in 1963 with regard to a Canada fellowship program. In that program 10,000 fellowships were made to qualifying students from all parts of Canada. If I recall correctly, those fellowships were to be attainable at any college or university within Canada. However, that Liberal plank could not be brought to fruition, if that is what you do with a plank, because provincial governments objected. They said that it was an intrusion into the field of education and, consequently, in order to maintain co-operative relationships with the provincial governments, the Pearson government put that particular program aside after the 1963 election; instead, it brought in the Canada Student Loans Plan. It was able to have that plan enacted by the Parliament of Canada under the banking clause of section 91 of the Constitution Act. It was not done as an educational measure, but as a banking measure. That disappointed Mr. Pearson greatly. He would have much preferred to have gone ahead with the fellowship program rather than the student loans program.

My question is as follows: Is your scheme so different from the one discussed a quarter of a century ago that that same kind of problem would not arise, or is it that Canadian public opinion, as articulated by provincial governments, has moved on from that kind of provincialist viewpoint which prevailed, let us say, in 1963 and 1964? Have you considered that, and can you assure us that what you are now talking about is practicable?

Senator Gigantès: Thank you. I have considered that matter, and I even asked Senator Beaudoin, who is not here right now, whether there is anything in the Constitution that would prevent the federal government from saying, "I will give a scholarship to any student who passes the exam." It would not interfere with what the provinces are going to teach, except that the parents of the students would demand that they be taught, in the provincially run educational system, those things that are necessary in order to pass the university entrance exam. It can therefore be done. It is "tough love" and the provinces will not like it, but I think that the crisis in education in this country is so large that this is one instance in which the federal government should say, "We can no longer give you money to dissipate on bad education. We will now pay the students directly." The principle of the federal government paying citizens directly is well established, even in fields that are of provincial jurisdiction, such as social services. So this can be done.

Education is a provincial jurisdiction, but the federal government pays half the costs of post-secondary education in each province. If elementary and secondary education are poor, much of the effort and money going into university education is wasted.

That is the rationale.

Senator Stewart: Senator Gigantès, I believe you are wrong in your facts when you say that the federal government pays half. It is my impression that that was the old arrangement, and that since 1977, under the Established Programs Financing Act, provinces have been getting a sum based on the yield from a certain number of personal income tax points. As I recall, it is based on one corporate income tax point and a cash payment. The provinces can use this money any way they like. It happens that all the provinces except two, I believe, use all the money they receive for post-secondary education, but in fact they contribute very little. Some of them contribute very little of their own money. So to say that half the costs of post-secondary education in Canada are borne by the federal government really does not do justice to the federal government. For example, I believe you would find that in Nova Scotia the federal government provides about 80 per cent of the money that is paid out for post-secondary education.

I mention two provinces which apparently do not put in any money of their own. Perhaps it is no longer true but, as I recall, at one point the contribution from the federal treasury on behalf of post-secondary education in Canada was about 113 per cent of the amount expended by the Governments of Prince Edward Island for post-secondary education. The same was true of Newfoundland. So I wonder if what you just said is fair to the actual situation vis-à-vis the federal government.

Senator Gigantès: On average it is about half. For instance, the Province of Quebec spends more of its own money on education than it receives from the federal government. Even if it is not half, the point I am trying to make is that spending money on post-secondary education to educate students who have been left functionally illiterate by elementary and secondary education is a waste of money. Federal funds would be much better spent, in my view, by giving university scholarships to students, provided they pass an exam. To help students pass the exam, there would be pressure from the populace on provincial governments to improve their education systems.

Reading on:

● (1120)

> The proposals in this chapter need not give rise to jurisdictional disputes. Provinces would participate in these educational shcemes only if they so chose. But provinces that did not participate would not be entitled to the same benefits as those that did. To put it another way, the federal money would be earmarked; it would be money for education; provinces would not be able to take federal contributions to education and use them to pave roads. This is not a federal invasion of a provincial jurisdiction, but federal financial help for those provinces that choose to collaborate with the federal government in improving the education system for the young; collaboration, in other words, between the feds and the provinces, under provincial leadership, in order to improve our education.
>
> We now come to the retraining of the unemployed. The kind of retraining they need would depend on the jobs we see emerging and the skills the unemployed may lack. The functionally illiterate need improved skills. If they cannot read and understand and write effectively, they will never be able to face the repeated retraining that will be the lot of most people during their working lives.
>
> Many of the existing programs aimed at eradicating illiteracy rely on volunteer teaching. Such programs can be supplemented by measures that provide employment for both student and teacher. University students can be trained to teach the illiterate as a part-time job. Many physically handicapped people are anxious for employment but require the help of someone who is not handicapped. Illiterates could be employed to look after the handicapped who, in turn, after suitable training, could be paid to teach their helpers to read and write.
>
> The illiterate often feel ashamed; they hate to admit they cannot read. One-on-one teaching is easier for them to accept than being in a schoolroom with others. Being taught by someone who needs them and whom they can help would boost their sense of self-worth and that of their teachers as well.
>
> Another serious problem is that of workers who lose their jobs at 50 or 55 and stay unemployed. Many of them would like to work by they are not hired. This phenomenon is common to many Western countries, even though they have found that letting the older workers go deprives them of expertise and of the best "coaches" for younger workers.
>
> These unemployed workers in their 50s (the "mature" jobless) could be paid, for example, to be members of teams that provide home care for elderly people who do not need constant medical treatment but who cannot cope well enough on their own. A team of three or four mature workers of both sexes could be equipped with a small car, a vacuum cleaner, mops and pails; they would be asked to look after four elderly couples still living at home.
>
> The team would visit each elderly couple twice a day, clean, cook, shop, chat and leave. Since they would be operating as a team, these mature workers would not be in a servant-master relationship with the elderly couples they would care for. There would be supervision, of course, and training.
>
> There are many permutations to such schemes, some of them already in effect. A mature worker and his wife have a suitable house or apartment but they may lose it because the breadwinner is running out of unemployment benefits and is going on welfare. They could be asked to take in an old person who is not in need of constant medical supervision and is lucid. They would be paid $70 a day or $25,550 a year for this service, which is very much more than they would get on welfare and very much less than it costs the government to institutionalize the elderly.
>
> An alternative might be started during a downturn in the construction industry: elementary schools that no longer have enough pupils because of the falling birth rate could be converted into housing for old people. The conversion would include several apartments suitable for mature workers who look after the elderly—several apartments because people who look after the old cannot do so constantly. They have to be relieved for short periods or for vacations.
>
> Look at what has been proposed: work for jobless construction workers during a downturn; employment and low-cost housing for mature workers who have trouble relocating after they have been replaced by machinery; homes for the elderly. Incidentally, nine per cent of our elderly are in institutions, whereas this is the case for only five per cent in Britain. Home-care schemes, like those proposed above, cost less and the elderly prefer them to being institutionalized. The jobless young could work in such schemes as well as the mature unemployed.

If any of you doubts this, ask Dr. Keon. He will tell you he is all in favour of such schemes.

> In all these jobs of looking after the young, the old, the handicapped, the service would be sold to the users. Users would pay according to what is called their income before deductions for registered savings plans, retirement plans or tax shelters. The poor would pay less. The rich would not need to use the service if they did not want to or if they could find a better deal.
>
> Looking after the old, the sick or the very young is not the only kind of work that can be offered to the unemployed as an alternative to unemployment insurance. There are all kinds of potential jobs aimed at improving towns and their infrastructures, and the unemployed can be paid to do them. Such work is not getting done because the costs are supposed to be too high. But we have seen that it is cheaper to employ people than to keep them unemployed.
>
> Readers are reminded that by putting the unemployed to work, especially through subsidies to businesses that create verifiably new jobs, we would be reducing the deficit. Moreover, each unemployed person who joins the work force would be increasing our GDP by $26,588. If we put 740,000 employable jobless persons to work, federal tax revenues would increase by $3.2 billion.
>
> The people in the places where this work needs to be done could determine what should be done, plan the operation and run it. They would know they have labour that is subsidized, so the more labour intensive the projects they chose and the more service oriented, the better.
>
> The Americans would not be able to say we were engaging in unfair competition if our subsidized labour were not used to make things exported to or imported from the United States. And there would be no preferential treatment for Canadian enterprises: U.S. firms operating in Canada that wanted to create new jobs they would not otherwise have created would receive the subsidy paid to those hiring the unemployed or welfare recipients.
>
> All such projects would provide workers with the opportunity to work four days and train one day a week, if they wanted to learn new skills to allow them to change jobs or to climb the ranks in the jobs they held. Community colleges have the staff, the teaching experience and often the equipment for this training. Employers and labour unions should participate in writing the curriculum for retraining. And so can the military . . .

So we now come to our splendid armed forces. I am very fond of them. I am a former member of the armed forces.

> The day has not yet come when "the wolf shall also dwell with the lamb, and the leopard shall lie down with the kid; and the calf and the young lion and the fatling together" (Isa. 11:6). We are not yet ready to beat swords into ploughshares.

● (1130)

> We still need the means to protect ourselves from war and always shall. There is little point in striving to improve our living if life is to be ended in war.
>
> Inevitably, as we shall see, Canada has some role to play in preserving the peace. To better define this role, we need a sensible grasp of the worldwide military situation.

I think the danger of a generalized third world war with nuclear weapons is fast disappearing. Even the necessity for NATO is fast disappearing. There will still be a danger from terrorists; there will still be local conflicts. The American endeavours to produce the Star Wars shield will be shown to be useless and mathematically impossible. Even though there are some people in the United States who still hope to go ahead with such projects, they will not work.

We will be faced with problems such as the one of Saddam Hussein, and similar conflicts and problems could escalate until someone has to play policeman to the world. Therefore, we are going to have to have armed forces.

> Because nuclear weapons are so destructive, we'll never stop fearing madmen. What if some religious fanatic takes power in a state wealthy enough to pay for the construction or theft of a nuclear weapon? What if he fires it at New York from a seemingly peaceful cargo ship? Might the Americans then assume, erroneously, that the weapon came from the USSR and start a world war?
>
> The likely outcome in this matter of fanatics with nuclear weapons will be increased superpower collaboration to deny such weapons to fanatics. This collaboration might go so far as to launch a pre-emptive strike to keep some madman from acquiring nuclear weapons. His bomb-making facilities should be blasted before they can produce.
>
> Because they've been sane enough not to use nuclear weapons, existing nuclear powers have the moral right to deprive mad fanatics of nuclear weapons. They also have the right to determine collectively or individually which fanatic is mad enough to use a nuclear weapon. This is not a matter for big-power rivalry; it is a matter for vital co-operation and the big powers will see things this way increasingly.

I will now address the Canadian role and the economic implications.

A more common problem is how to deal with terrorists who do not have nuclear weapons but who are prepared to kill and die themselves in the act. The world has lived with this problem from ancient times, and it remains unsolved. If not for one cause, then for another, fanatics kill.

The only defence is greater vigilance, better spying on the refuges of fanatics and refusal to deal with them. We should never bargain to get hostages back. We should write them off, unless we can rescue them in a military operation. It is brutal, but it is the only way.

Canada has many roles to play in this. For instance, it can play a role in making superpowers feel safer. The Soviets have the White Sea in which their nuclear missile launching submarines are safe. Maybe we should allow the Americans to use Hudson Bay for the same purpose and charge them rent. No Soviet killer submarine can come into Hudson Bay, just as no American killer submarine can go into the White Sea. The result would be a small but utterly stable deterrent which would keep either great power, even if the Russians went back into the hands of a military dictatorship, from using weapons without knowing their country would be utterly destroyed.

Canada should design and build its own devices to make sure that submarines enter Hudson Bay only with our permission. We should also design and build our own ocean-floor devices for monitoring submarine (or fish) movements.

There is a wonderful loophole in the Free Trade Agreement that allows Americans to do this. It was put there for them and we cannot participate in that. However, we could develop our own high-tech armaments which would benefit our research industry.

We should design our own surveillance satellites that could warn of missile attacks. In the case of the 1981 incident when, by error, the NORAD computers showed a Soviet missile attack, an independent Canadian warning system could have told NORAD that it was a false alarm. The Americans might not have believed Soviet assurances that there was no missile attack, but they would have believed us.

The same Canadian satellite warning system could confirm for NORAD whether a single rocket heading for New York had been launched from Soviet territory or from elsewhere.

Since it would be insane for the U.S.A. to launch a surprise nuclear attack on the U.S.S.R., we can be truly loyal allies of the Americans by telling them that we would use our satellites to warn Moscow of any attack against the U.S.S.R.

We don't want the USSR to be nervous. Nervous and trigger happy people with nuclear weapons are dangerous. With a surveillance satellite system Canada can help keep the two superpowers from getting too nervous.

We would thus become an internationally respected contributor towards keeping the peace. We could ask other countries to join us in this endeavour; to control our surveillance systems along with us. Sweden would certainly join, followed by other Scandinavian countries. Poland, if it continues its progress towards democracy, might join, and so might Hungary. These partners could contribute expertise and money. As a team, we and they could form the nucleus of the international surveillance force that the world will need increasingly, as arms reductions start cutting close to the bone and the temptation to keep a cache of bombs grows.

Economically, this is very worthwhile for us.

Further, we should have our own polar and coastal radar, including radar that sees over the horizon, to detect anything approaching Canadian territory, planes or cruise missiles, ships or boats. This would be useful not only for defence and against spying, but also against smuggling.

To police our waters, we should abandon the current orthodox concept of relatively large, super-sophisticated fighting warships. Instead, we should build a large fleet of small patrol vessels that can also sweep mines. The British build a type of lifeboat for their coast guard that literally cannot sink. It rights itself if it capsizes. A large, faster version of these is what I have in mind, with sonar for underwater detection, radar of the kind merchant ships carry, a rapid-fire 40-millimetre gun, and a long-range, radar-equipped, unmanned, recoverable observation

plane. Moreoever, we should have one carrier off each coast bearing high-speed helicopters armed with rockets and machine guns. All this equipment should be designed and built in Canada.

Senator Stewart: Senator Gigantès, may I ask a question? It would be most helpful to know about those smaller craft to which you refer. You said that they might be useful for fisheries surveillance, a topic in which I am inevitably interested representing as I do people in Nova Scotia. What length would these craft be? How could you make a craft that was suitable for military purposes, armed as you suggest, suitable for fishery patrol work? Could they haul illegal nets? Would they carry the helicopter to which you made reference? Could you give us a little more idea of what you are talking about, because the Department of Fisheries and Oceans does have a very seaworthy patrol boat which is self-righting, and so on? I just wonder how much adaptation is going to be required.

• (1140)

Senator Gigantès: We don't have enough of those patrol boats. I am proposing an increase. The kind of boats I am talking about are around 72 feet long. They are not heavily armed. They carry only one gun.

Senator Stewart: Where is the aircraft?

Senator Gigantès: They will have a drone. They launch a small, unmanned drone for surveillance. And I have said that there should be carrier on each side with armed high-speed helicopters. So it is a combination of all these things. To continue:

Obviously this kind of naval armament would not be good against enemy warships bent on attacking us. Enemy warships would only attack us in the event of a major war involving the U.S. A. That is most unlikely. For other naval roles, such as helping clear an important waterway that has been mined, harassing a foreign vessel that is trespassing, or catching smugglers, the sort of equipment proposed here makes much better sense. It would also form a useful component of a peace-keeping force.

When our current American-built war planes grow too old, we should replace them with long-range planes built and designed by us. Again, we are not looking for fighter aircrafts that will engage in aerobatic combat with enemy planes. We are looking for equipment that gives as good surveillance, as well as the capacity to launch target-seeking missiles at intruders who do not obey orders to leave. On land we do not really face a threat that we could cope with. The Russians are unlikely to attack us by land over the North Pole, and the Americans are even less likely to march across the border. English Canada will not use force to keep Quebec from separating. We saw earlier that a non-nuclear Soviet invasion of Western Europe would succeed in a matter of days . . ."

But that is now less and less likely. To continue:

A repeat of lengthy land fighting and upper land fighting in Europe, as in the Second World War, is highly unlikely: the Western Europeans do not take such a possibility seriously and are not sufficiently prepared for it.

Eastern Europeans are now no longer satellites of the Soviet Union and would sabotage a Soviet attack on Western Europe.

So what we really need are 3,000 commandos as good as the members of Britain's Elite Special Air Squadron and Special Boat Squadron. They can deal with terrorists who have taken hostages. They can capture and destroy terrorist nests or raid a terrorist arms dump. Generally, troops like Britain's SAS can fight and win against forces far superior in numbers and arms. To continue:

Then we should have other units trained as peacekeepers. The people in such units should know about helping to run elections as well as relief missions for areas affected by famine, natural disasters or epidemics. They should have the skill to negotiate with warring factions, supervise ceasefires and be sufficiently good warriors to protect themselves against kidnappings and bomb attempts. Some of our peacekeepers should be linguists. Ideally, these units should also have skills to help with economic development in the foreign ares where they operate.

All such foreign operations by Canadian armed forces would get support from our navy, air force and commandos, when and if this is necessary.

To make all this possible, we must establish a Canadian Forces Corps of Engineers, CANFORCE. It should have a branch to deal with training our service people for all the functions detailed above, CANFORCED, and another branch, CANFORCEMED, for the medial aspects both at home and in peacekeeping abroad.

CANFORCE would manage the important research we would be doing in radar; sonar; lasers; communications equipment; computers and computer software; engineering, marine and air, both for structures and engines; metal alloys and plastics for our satellites, aircraft and ships; research in harnessing solar energy and wind energy for our satellites and unmanned radar stations. We would involve ourselves in robotics for our unmanned surveillance planes, our ocean-floor detection devices and the submarine robots that would position them. We would be doing intensive research in aerodynamics and hydrodynamics. CANFORMED, meanwhile, would do research in medication, to protect our troops from diseases overseas.

The aim of these proposals is to ensure that we do high-tech research in Canada. Many of our industries are foreign owned and leave the research to the head office. Why should a pharmaceutical branch plant spend money setting up laboratories in Canada when its mother house has the latest in laboratories at Denver or San Francisco? Why should the branch plant of a giant foreign high-tech firm spend money on establishing research facilities here when its mother house already has the best in California's Silicon Valley?

Canadian industry does not do nearly enough research. On August 25, 1989, Prime Minster Mulroney complained that 97 per cent of Canadian manufacturing firms do no research at all. On October 3, 1989, John Roth, executive vice-president of Northern Telecom, told a Senate committee that only five Canadian firms do any research at all. Moreover, where once we could demand that foreign plants do their research at their Canadian branches, buy materials and equipment here, use Canadian subcontractors, we relinquished these rights under Chapter 16 of the Canada-U.S.A. Free Trade Agreement. Hence, we are likely to do less and less research, especially in the high-tech fields of tomorrow, if we leave it entirely to the private sector.

The military should be used, therefore, to fill the Canadian research gap. Since defence matters were exempt, on American insistence, from the provisions of the Free Trade Agreement, the U.S.A. could not invoke the FTA to demand a share of our defence pie. Our defence forces could thus give research contracts of the sort suggested above to Canadian firms rather than to American firms or their subsidiaries.

In this way, CANFORCE could look, for example, into hydrogen-fuel technology. Hydrogen is the cleanest fuel. If it is used in an automobile engine, the only exhaust is distilled water vapour, totally non-polluting. The problem is that the amount of energy needed to make hydrogen fuel is greater than the energy the hydrogen fuel would release when burned. There are two points to consider here: one is that techniques for making hydrogen are becoming more cost-effective; the other is that by using the more expensive hydrogen fuel, we save the cost of coping with the pollution caused by other fuels.

Our hydrogen research, if we undertake it, should be directed at creating plants that will burn fossil fuels to make hydrogen. We would then develop engines to use hydrogen instead of fossil fuels. The plants that burn fossil fuels to produce hydrogen would scrub their emissions: that means that they would remove from the emissions they release into the atmosphere all ecologically harmful components, including carbon dioxide, one of the main contributors to the greenhouse effect. We already know how to do this chemically. It cannot be done when the fossil fuels are being burned in a motor car or an airplane. It can be done at a large plant. Many of the pollutants can be transformed chemically into substances that can be used industrially.

• (1150)

Like the Americans, we have too much support personnel for each of our fighting men. We should cut down on support staff drastically and use the savings for the sort of activity I outlined above.

CANFORCE and its commercial partners will contract out the research to Canadian scientists at our universities. Partnerships between CANFORCE and private industry are the way to operate because the private firm will have an eye for turning a profit. We should duplicate the way Northern Telecom developed. It had a steady and reliable client, Bell Canada, steady and reliable because Bell was a regulated monopoly. Thus long-term planning was possible; long-term research projects could be undertaken. Bell invested in and was partner of Northern Telecom. When new technological breakthroughs were made, Northern Telecom established laboratories abroad near clients who wanted its inventions adapted to their needs. CANFORCE could be the "Bell" of at least some emerging Canadian high-tech firms, the steady client and part-owner.

All the products detailed above have commercial applications that are potentially very profitable. We could sell patents or franchise them under licence and the Canadian state can recoup its costs. Please note that none of the research would be going into developing destructive weapons: these, we saw, are sterile because their use does not generate any economic activity. The kind of research the military should finance and direct would have profitable and beneficial civilian applications.

If CANFORCE and other government agencies help a private firm by buying shares in that firm, it could not be considered a subsidy under the various U.S. definitions of the word. Other methods of helping research, such as tax credits, might be considered a subsidy. By following the CANFORCE route, we have double protection against the Free Trade Agreement: we would be investing, not subsidizing, and since CANFORCE would be part of our armed forces, its activities would be exempt from the agreement because the Americans wanted to exempt their military activities in general; and the U.S. Army Corps of Engineers, in particular, is not covered by the FTA.

The U.S. Army Corps of Engineers keeps the Mississippi navigable, for "military reasons." It is on the Mississippi that most American products sail to their foreign markets. The U.S. Army Corps of Engineers builds and maintains dams, harbours and roads, all for sound military reasons that, happily, also serve regional development.

CANFORCE should do the same. Since we would have a fleet of small patrol vessels, they would use all the harbours of Canada; CANFORCE could help keep them in repair or develop them further. Our military would need good roads leading to those harbours; CANFORCE could chip in. And there would be military establishments in those harbours and in other towns on the road to those harbours (and air bases and surveillance facilities) and CANFORCE labs or factories; so good sewage would be necessary and CANFORCE could chip in for infrastructure spending.

Out west we have huge deposits of coal that burn cleanly. That coal would be a cost-effective base for a pilot hydrogen plant based on research sponsored by the military. Newfoundland, meanwhile, has a huge hydroelectric potential in Labrador. It cannot market its hydroelectricity except by going through Quebec. Newfoundlanders feel they have had problems dealing with Quebec. Newfoundland's hydroelectricity could be developed to produce hydrogen, which could then be shipped to offshore customers. Nova Scotia could use its coal in the same say.

We could have many small bases for our military personnel around the country; CANFORCE will help the local schools with audiovisual equipment. Educational programs developed by CANFORCE, both for teaching specific skills including languages and for general knowledge, could be made available on videotape to schools across the country. And they would be developed, of course, in collaboration with the educational institutions in the provinces.

All this would be done by agreement between the federal government and each province. Provinces that did not want to participate would not be obliged to do so. We are not talking of a constitutional transfer of power from provinces to Ottawa, but of Ottawa minding its own military business (which is exclusively federal) and offering help to provinces and municipalities that want it.

This implies much closer co-operation than we now have between governments and business. This has been done very imaginatively in Quebec. Its Caisse de Dépot et de Placement is a central investment fund into which all public pension contributions are deposited. Over the past 20 years, the Caisse has become a huge pool of investment capital that has been used to make the economy of the province grow. Hydro Québec has played a similar role, hiring Quebec firms for its huge projects and helping them become world class. Both the Caisse and Hydro Québec are owned by the government of Quebec. Both follow the general guidance of the government of Quebec and give public interest more weight in their decisions than individual capitalists do. Quebec, in a real sense, has been practising co-operative capitalism. It has not stifled the province's entrepreneurial spirit—quite the contrary. It is time the rest of Canada began imitating Quebec.

If we do no research, we are condemned to being second-rate. So we must put in place a defence policy that not only produces armed forces attuned to the role we can usefully play but channels more of our military spending into high-tech research, and the production throughout Canada of items using the fruits of our research.

In doing all this, we must not forget the environment:

In the past two decades, Canadians have become increasingly aware of the urgency of environmental issues and of the fact that they are international: each country that fouls its nest fouls the nests of others; pollution has no frontiers. Pressure has mounted on politicians and industry to respond, and they have done so to some degree. Emissions of lead, carbon monoxide and hydrocarbons have been brought down through reductions in auto-emission levels. An increasing number of companies use, sell or ship recycled products. The federal government encourages local groups to set up recycling and clean-up programs.

We established the National Task Force on Environment and Economy. We have a National Round Table, and Round Tables in each province, to discuss environmental issues and to devise environmentally sound economic policies. Agriculture Canada has begun a four-year investigation into foods that are likeliest to retain pesticide residue and harm consumers. Other federal departments and agencies are busy with steps of their own.

Companies like Loblaws are realizing that safeguarding the environment can be commercially profitable. Many industries have already realized that going green doesn't necessarily mean being in the red through loss of competitive advantage. Manufacturers like Alcan, chemical producers like Dow and resource companies like Noranda and Inco are now investing hundreds of millions of dollars in environmentally low-risk industrial processes. Inco was the worst polluter in the country. It has cleaned up its act a lot and is making more profits than ever.

These companies, like their international counterparts in Japan, Sweden and elsewhere, are finding that it is cheaper to use a process that prevents pollution in the first place than to clean up after, or to install scrubbers to clean polluting emissions.

● (1200)

We have solid, indisputable evidence that we will pay far more to clean up a mess than we would pay to prevent it. We saw that in economics it is not good enough simply to estimate the cost of any action and that we should also take into account the cost of inaction. This is even more important where the environment is concerned. Meanwhile, we are faced with daunting scientific evidence of what we continue to do to our planet. Our responses are so far not enough.

Most of us have heard of the "greenhouse effect," whereby the sun's heat is trapped under the thickening layer of carbon dioxide, methane and other gases we throw into the air. This will cause temperatures to rise as much as four degrees Celsius over the next 50 years. Sea levels will rise as ice caps melt. There will be flooding in many areas, and pressure on all forms of vegetation and wildlife to adapt to completely new environmental conditions in a matter of years, rather than centuries.

DISTINGUISHED VISITORS IN GALLERY

REPRESENTATIVES OF CHOIR OF PAULARO

Hon. Peter Bosa: Honourable senators, I draw your attention to the presence in the South Gallery of representatives of the Choir of Paularo, composed of 40 members. The choir will

be performing in the rotunda at 12 o'clock. They are led by a member of the provincial legislature of the province of Udine, Friuli, Italy, Mr. Sergio Tiepoli.

On the behalf of the Senate, I wish them a happy visit to the capital of Canada.

Hon. Senators: Hear, hear!

[*Translation*]

BUSINESS OF THE SENATE

MOTION TO CALL ORDERS OF THE DAY—DEBATE CONTINUED

Hon. Paul David: Senator Gigantès, I would like to know what page you are at now . . .

Hon. Philippe Deane Gigantès: On page 148, senator.

Senator David: . . . in this filibuster that is being going on for how many hours now? What time did you start?

Senator Gigantès: So far, I have been at it for five hours and 50 minutes.

Senator David: Five hours and 51 minutes. Just about six hours . . .

Senator Gigantès: Five hours and 50 minutes. And I will be at it for a few hours more.

Senator David: So that means very close to six hours.

Senator Gigantès: Approximately, yes senator.

Senator David: In other words, six hours of time totally wasted in this chamber.

Senator Hébert: Well, that is your opinion!

Senator Gigantès: That is very unkind!

Senator David: It really disturbs me to see that all this time, there are young people coming in here who are going to realize—and fortunately, they do not stay long—the extent to which you are abusing your freedom. You are abusing . . .

Senator Gigantès: I would just like to point out, senator, that they all began to leave when you rose to speak. While I was speaking, they were still here.

Senator David: Well they would have left shortly thereafter anyway.

Hon. Azellus Denis: What if the GST were to be abolished because of that?

Senator David: I sincerely believe that your example is totally inappropriate—you who are always defending freedom and democracy. I think that from the perspective of Canadians who are going to have to pay for all these totally unnecessary services, you set a very poor example for all the people listening to you, and who are quick to leave, I might add, and for all of us.

Hon. Eymard G. Corbin: Honourable senators, I would like to speak to the point of order raised by "cardinal" David . . . sorry, senator David.

I guess he must have a short memory. Perhaps he would like to talk about the antics of his conservative colleagues in the House of Commons when they held this chamber hostage for 21 days a few years back.

I do not think we have any lessons to take from the fat cats opposite, who see themselves as the salt of the earth, virtue incarnate and all the rest.

Do continue your most interesting discourse, senator Gigantès. I am getting a great deal out of it.

I do think that you should perhaps condense, not your speech but your treatise, so that it could be distributed to Canadian school children. I have been listening carefully to your remarks and I know that you care a great deal about educating our young people.

I think it would be very useful to them, if you saw fit to do this. I would certainly be prepared to help you in any way possible.

Senator David: I just want you to know, senator, that I heard your malicious insinuations there; I am gradually getting used to them.

Even there, I think we should show some respect . . . If you want to call me "cardinal", I have no objection to your doing so, but at least you should show some respect for parliamentary tradition and use more discreet language.

Senator Corbin: Honourable senators, on Senator David's point of order, I, like Senator Chaput-Rolland, would like to tell him that you people opposite are in no position to teach me anything.

I have had a long parliamentary career. I was a docile and faithful parliamentarian for 22 years until you started pulling your tricks here in the Senate.

I have no intention of taking any advice from you, senator Poitras or any of the rest of you who jump up on your feet every once in a while like school principals to try and restore order.

Had you complied with parliamentary tradition, you would not be in the mess you are in today.

So, please save your sermons for Sunday.

Senator Gigantès: Senator David, if you continue to interrupt me, this is going to take a long time!

I did hope to finish before noon. Soon I will be starting a section that has to do with medicine and public health, which is certain to interest you.

[*English*]

> Chlorofluorocarbons (CFCs) also contribute to global warming. CFCs are used as propellents in spray cans (or the CFCs are replaced with butane, which is a greenhouse-effect gas), as coolants in refrigerators and in the manufacture of polystyrene cups and foam cushions. They erode the ozone layer, which filters out the sun's harmful ultraviolet rays and protects us from skin cancers, cataracts and numerous other medical problems.
>
> Recent initiatives have resulted in partial or projected bans on CFCs. But if depletion of the ozone layer continues, we are likely to see cancer rates rise, with an accompanying burden on our health-care system. Even if current CFC emissions were halted altogether, those already in the atmosphere would continue damaging the ozone layer for years to come.
>
> Meanwhile, deforestation is destroying trees and vegetation that absorb carbon dioxide and other polluting gases. Over eleven million hectares of tropical rain forest are felled each year, and reforestation efforts in most countries, including Canada, are sadly inadequate.
>
> As we leave ourselves with fewer trees to pump water from the ground, we hasten the process of desertification in some parts of the world. This threatens food production in these areas, as well as animal habitats and food sources.
>
> Finally, the world's growing population continues to strain the earth's land, energy and other resources. Poor Third World countries often resort to the use of fossil fuels, which are cheaper but more harmful than cleaner power sources such as solar or nuclear energy. Thus, they continue to deplete scarce resources and to pollute.

• (1210)

> Canada, for all our concern, contributes to these problems. Blessed as a nation with a seemingly limitless supply of fresh-water lakes and rivers, coal, forests and farmland, we have become great wasters of energy and water. Our record on reforestation has improved over the past two decades, but it is still abysmal. We spew approximately five tonnes of carbon dioxide per capita, per annum into the atmosphere. Every year we lose 300 million tonnes of topsoil across the prairies because of modern farming techniques that destroy the organic matter in soil. Arable land in Canada has decreased by 2,600,000 hectares in the past 20 years; our food imports have risen.
>
> We allow pulp mills to produce chlorine-bleached white paper, which pollutes the air and water with toxic dioxins. We provide little incentive for such mills to use recyclable newsprint, and the mountain of waste newspaper grows.
>
> We have polluted or killed many of our central lakes and destroyed our trees with acid rain. We are threatening the survival of beluga whales in the St. Lawrence and we continue to pay huge sums to export much of our toxic waste abroad for disposal and incineration.

[Senator David.]

About 80 per cent of the five million tonnes of toxic waste we produce each year seeps, untreated, into the environment through aging, inadequately monitored dump sites. Each of us produces about 1.7 kilos of garbage every day — that's 16 million tonnes of garbage a year. Because the earth turns, the muck we throw into the air and the sea ends up at the poles. Iceland, near the North Pole, finds garbage metres deep on its beaches after each major storm. The garbage has labels and can be traced: this was dumped in the sea off Athens, that off New Orleans, this off Montreal. In the same way, ozone-destroying gases drift to the poles, widening the holes in the ozone layer over the Arctic and the Antarctic. The immense Arctic peat-moss fields will rot as temperatures rise and release huge amounts of methane to thicken the greenhouse layer.

We do not need any more studies to prove that we are destroying the earth. We know beyond all reasonable doubt that the pollution we produce is poisoning our air, water and soil, and causing dreadful genetic damage to other species. Eventually, it will do the same to us.

Still, we wrangle about who should pay to clean up, and often this is a matter of foreign relations. Take a pig farmer, for example. His pigs produce enormous quantities of excrement; the excrement gives off methane, which in turn aggravates the greenhouse effect. The excrement also runs off into the water supply and fouls it. Keeping the pigs in pens where the methane is captured and burned cleanly to produce energy (something we know how to do) would cost the farmer a lot, initially. Preventing the pigs' excrement from reaching the water supply would cost even more. Who should pay?

If you ask the farmer to pay for it without increasing his prices, he will make no profits. If he raises his prices but his U.S. competitors do not, their bacon and pork will cost much less. Canadian consumers will stop buying our farmer's products and buy those of his American competitors. He will slaughter his pigs and go out of business. Meanwhile, U.S. farms will get more pigs to replace the slaughtered Canadian pigs. The U.S. pigs will produce just as much methane, the greenhouse effect will continue unabated, and a Canadian farm will have gone belly up.

Or take the coal-fired electrical generating plant New Brunswick wants to build for $850 million. In October 1989, Dalton Camp, former adviser to the Mulroney Cabinet, said on radio that the acid rain produced by this plant would fall not on New Brunswick but on the Gaspé in Quebec. To install "scrubbers" that would remove the pollutants from the emissions of this plant would cost an additional $150 million, Mr. Camp said.

I am glad that they have decided to put these scrubbers in. For a while they were saying that they would not put them in, even though calculations showed that they should have and could have.

If this extra $150 million were borrowed for 20 years at 10 per cent, and if the loan plus interest were repaid in equal monthly payments over 20 years, New Brunswick would be paying some $2 million each month to service the loan of $150 million to clean the pollution out of the emissions of its new power plant.

New Brunswick exports electricity to the United States. Assuming that the electricity from the new coal-fired power plant in question is sold to one million households, these households would have to pay $2 more a month. But then some U.S. power station that does not use scrubbers might offer electricity for $2 less a month. Would Americans be willing to pay more for New Brunswick electricity just because it came from a non-polluting plant?

American Midwest power companies, using very dirty coal, are the main cause of acid rain in North America. They destroy forests, soil, lakes and the life they contain to the east and northeast. These U.S. coal-burning generating plants use the influence of senators and congressmen from coal-mining states to resist legislation that would demand that their emissions be scrubbed. They fear, of course, that if they scrub their emissions, the price of their electricity might rise enough for them to lose customers to, say, Canadian hydroelectric plants, or to Canadian natural gas, which burns more cleanly and is cheap.

The result is that the American Midwest is destroying the American East and Northeast to avoid what may amount to no more than an extra monthly charge of $2 on each household's electricity bill. They are also destroying Canada, but this is a secondary concern for American legislators.

Moreover, American and Canadian businesses (and European, Asian and Latin American) maintain that if their energy costs went up for the sake of "scrubbing" power-station emissions, they would be less competitive than foreign firms using cheaper, but dirtier, electricity.

Meanwhile, we still have the problem of poor, underdeveloped countries. To develop and get richer, they must industrialize. To industrialize, they must rely on the

cheapest available sources of energy, often fossil fuels. These are major polluters.

China has one-third of the world's coal reserves. If the American Midwest says that it cannot afford to produce clean power, then China can say it in spades and with much more justification. So can India, Africa and Latin America. But if they all pollute the air and the sea as we did when we used fuel indiscriminately to industrialize ourselves, then no matter what we do in the developed world, the earth will be poisoned at an unremitting pace.

Telling these poor countries not to industrialize is not an option they will accept. It is all very well for the rich to admire the purity of poverty; the poor never do. The elites in these countries preach industrialization, just as we would, if we were in their shoes.

Clearly, the problem is international. All nations should agree to increase energy charges to pay for scrubbing the emissions from their power plants. If they do, no nation's businesses could gain a competitive advantage from the lower costs of using dirty power. At the same time, producers of pollution other than power plants in every country should agree simultaneously to stop poisoning the air and sea. Then no chemical plant or smelter could say that it cannot increase its production costs by cleaning up its pollution when its foreign competitors are free to keep costs down by fouling the earth.

And if we want to persuade poorer countries to stop polluting, we must help them clean up their emissions. We must compensate them for the cost advantage they will lose. Paying more taxes to help China and India put scrubbers on their factory chimneys and filters for their effluents will never be a sexy platform in any developed nation's election. But pollution, no matter where it originates, is directly linked to our personal well-being. We can no longer afford to use the fears of politicians and industrialists or the difficulty of gaining international agreement as excuses for inaction.

● (1220)

Action, predictably, comes fastest when the problem occurs in our own backyard—when the link between our personal well-being and pollution is brought home. The closer we are to the source of pollution, the harder we fight it. Since the disaster at Love Canal in Niagara Falls in the 1970s, the U.S. Environmental Protection Agency (EPA) has concentrated heavily on regulating and cleaning up hazardous waste.

The 1980 U.S. Comprehensive Environmental Response, Compensation and Liability Act authorized funding for the clean-up of the Love Canal and other abandoned hazardous waste sites. The act was amended in 1986 to incorporate stricter clean-up standards and greater public involvement in the decision-making process. The current EPA administrator has said that the EPA will force polluters to pay for cleaning hazardous-waste sites.

Similarly, in the wake of the Exxon *Valdez* oil spill disaster in Alaska, the newly formed Coalition for Environmentally Responsible Economies, comprising American environmentalists and investors, has proposed a code of conduct known as the Valdez Principles. Among the principles embodied in the code are protection of the biosphere, sustainable use of natural resources, marketing of safe products and services, assessments and annual audits, and reduction and disposal of waste. The drafters of the principles hope to persuade major businesses in the United States to sign the document.

But a crisis-by-crisis response is not enough. We must begin to shape policies, both at home and abroad, that reduce the economic and health costs to society of a polluted environment. Regulatory and enforcement measures at the disposal of governments provide little incentive for business to clean up or adopt environmentally sound ways of doing things. The jurisdictional ambiguity of federal and provincial laws ensures that government efforts are often duplicated in some areas and nonexistent in others. We must look at other approaches to cleaning up the environment.

The American economist Steven Blinder and others promote the idea of a market-oriented approach. Blinder suggests that governments adopt a system of user or emissions fees. Emissions could be monitored, like long-distance phone calls, and polluters would be billed. Alternatively, industries could be required to purchase "pollution permits," allowing the permit holder to emit a certain amount of pollutant—for a fee.

Opponents of this approach argue that a market-driven system of fees, permits and environmental quotas amounts to a licence to pollute. They suggest that a company would rather pay a tax than reduce its pollution. Others oppose fees on the grounds that it is impossible to put a price tag on our precious natural resources. But every business faces the same dilemma when marketing and pricing a new product: if the price ends up too low, it is

subsequently raised; too high, and down it comes. We need not treat the use—the sale—of clean air and water any differently.

I am sure the free enterprise barons would agree with that.

The key to designing taxes or user fees is to fix them at levels high enough to discourage even the most prosperous business from polluting, but low enough so that the economy does not grind to a halt because smaller companies must shut down under the burden of stringent controls.

The measures Blinder proposes seem preferable to legislative interdiction, if only because mandatory standards are difficult to design in sufficient detail and then enforce: most fines are so surprisingly small that industrialists may prefer to pay them rather than buy the necessary clean-up equipment.

The Canadian Environmental Protection Act (CEPA) attempts to provide a legislative framework of controls to shape industrial activities by imposing fines of up to $1 million a day and jail terms for offenders. But so far, the largest fine has been $500—not much of a disincentive for corporations and industries. Further, there has been no assessment of CEPA's effectiveness. Such an assessment would be one way to ensure that federal laws do what they intend to do for the environment.

Blinder's proposal would make it economically attractive to respect the environment and reduce effluents by making a company pay only for the quantity of pollution it produces. Reducing pollution would reduce the payments, especially if the price of clean air and water keeps rising. Measures like these would help to raise the environmental awareness of industry.

There are other things we can do. For example, refusing to subsidize farmers who use destructive irrigation and fertilization practices would do much to preserve farmland across the country.

As proposed in the chapter on defence, we should enhance our research into alternative energy sources like hydrogen fuel, and developing technologies that conserve resources, prevent pollution and restore the environment without compromising our economic success.

Further, we could explore obligatory insurance. The insurers of a polluter would pay for the clean-up. CANFORCE could work on becoming the world's best expert on clean-ups, renting its services to polluters.

Economic success becomes an absurdity if we kill the earth. We will act for our neighbourhood first, then our town, then our country and, by extension, neighbouring countries. Cleaning up is inevitable, and it is much costlier than not polluting in the first place. Meanwhile, the scientific evidence is overwhelming: if we kill the earth, we kill humankind.

● (1230)

I would like to come back to some of the objections from senators opposite to my recent dispatch. I will have to read the chapter on health after lunch. Senator Stanbury, may I continue at 1.30? As I promised Senator David, we are now going to pass on to health matters, which are obviously matters on which he is an authority. He is also a learned, kindly man.

Neglecting the environment is not the only thing that can kill us. There are accidents, diseases, the act of giving birth or not giving birth, drug abuse. For individuals, better educational, economic, defence and foreign policies take second place to health. That is why we need the health services we have. Most of us like them, though we would like to see them improved. Some would like them privatized, which is the current fashion.

One is Dr. Michael Walker, head of Vancouver's Fraser Institute, who told me in 1986 that even our health services should be run for profit; only the profit motive can install the necessary efficiency and avoid waste, Dr. Walker said. He cited the fact that after Saskatchewan introduced free medical services, the number of hysterectomies shot up in that province. What this showed, according to Dr. Walker, was that people will be immoderate in their use of a service if they think it is free. What this showed, I replied, was either that there had been an awful lot of women who had needed hysterectomies but had not been able to afford them before medicare, or that there were an awful lot of doctors willing to butcher women unnecessarily for money.

Dr. Walker is not alone in his views. On January 9, 1987, *La Presse* reported that the Quebec Chamber of Commerce wanted health services returned, as far as possible, to private enterprise; the Chamber repeated its recommendations in 1988. In the same year, newspapers reported that Robert Campeau, who had just bought Bloomingdale's in New York, was on a speaking tour addressing business groups and getting enthusiastic reactions to his suggestion that health care should be privatized.

> A substantial number of Canadian businesspeople seem to think that medicare, which is run by the state, is bound to be more expensive and much less efficient than if it were run by the private sector. They should listen to Lee Iacocca, the boss of Chrysler. He is cited in the October issue of *The Best of Business—Inside Guide* to the effect that the U.S. per capita health bill is 41 per cent higher than in Canada and higher than in several other countries, too. It would make sense if the Americans were getting better care than other nations, but Mr. Iacocca says they are not: ". . . our infant mortality rate is one of the worst, and we have 37 million people without any health coverage at all."

This was stated by one of the icons of the free enterprise system. If Lee Iacocca admires the Canadian medicare system and does not like the American one, we should pay attention.

> He goes on to say that the cost of health care adds $700 to the price of a car his company manufactures in its U.S. plants, as against only $223 for cars made in his Canadian factories.

> On March 2, 1989, the *New England Journal of Medicine (N.E.J.M.)*, perhaps the most prestigious medical periodical in the world, published a major study comparing medicine in the U.S.A. and in Canada.

> Canada and the United States, the article said, have engaged in large-scale competition between socialized and private-sector health care. Canadian socialized medicine has avoided or solved several of the more intractable problems facing health care in the U.S.A., the *N.E.J.M.* concluded: overall health expenditures in Canada have been kept down to a stable share of the Gross Domestic Product, and universality of coverage in Canada, without user fees, protects the patients from the often catastrophic costs of health care incurred by their counterparts in the U.S.A., and protects doctors and hospitals from unpaid fees.

> In 1985, the *N.E.J.M.* says, Americans spent an average of U.S.$1,710 each on health care. If their rate of cost increases since 1971 had been the same as in Canada, Americans would have spent $400, or 20 per cent less. Estimates for 1987 show that the gap between health-care costs in the U.S.A. and Canada is widening, and in Canada's favour. If Canadian rates of cost increases since 1971 had applied to the U.S., health spending by 1987 would have been about $450 less (after inflation) for every person on average, or U.S. $100 billion less for the whole United States.

> Canadian physicians enjoy more autonomy in treating a patient than do their American counterparts who are under increasing restraints imposed by insurance companies and governments. With firm, centralized management of spending, Canada has escaped the more intrusive methods of cost control prevailing in the U.S.A. writes the *N.E.J.M.*

> Dr. Walker's Fraser Institute, the think tank most wedded to the idea that "only the profit motive works," thinks the word *government* is an insult. It was therefore surprising to read *Caring for Profit*, a 1987 Fraser Institute book on health services by Malcolm C. Brown. Brown says that:

> > It is important to get the Canadian system into perspective; that despite all its difficulties it has been, in comparison with any other system in the world, of which I know, the most successful in maximizing the achievement of conflicting objectives of financial access, cost control, and consumer satisfaction.

This was stated by the Fraser Institute, the mecca of extreme, right-wing Reaganomics.

> Free-enterprise medicine, as practised in the United States, behaves in a way that is almost incomprehensible to a Canadian. There is a hospital chain in the United States whose president pays himself $17 million a year. Hospitals in this chain refuse to admit people who cannot pay. The first thing that is checked when a prospective patient arrives is his or her credit rating.

> In 1983, in Alabama, a man was stabbed in the stomach. Three hospitals refused to admit him because he had neither money nor credit cards. He bled to death on the way to a fourth hospital. *The Ottawa Citizen* carried other such horror stories in a series of articles on health services (February 1986). Readers might think such stories reflect the viewpoint of a Canadian reporter. They should read the lead editorial of the *International Herald Tribune* of August 2, 1988, which said that U.S. hospitals increasingly resist admitting even emergency patients who have no insurance. The paper added that 37 million Americans have no medical insurance, and their numbers are increasing. According to Mr. Iacocca, those Americans who have health coverage pay 3.5 times more than in Canada for an appendectomy or hysterectomy, five times more for a coronary bypass, seven times more for a simple electrocardiogram.

> In effect, Canada runs a universal group medical insurance. Since the "group" is so large, costs can be kept down because even those who are well pay towards the health care of those who are ill. That's the principle on which group insurance is based: every person contributes,

if only through the tax system. Costs can be kept down further because the system is not run by private-sector insurance companies that must make profits.

In the Canadian system, every person is entitled to the same care. There are some small advantages the better off can obtain, such as having a private room instead of sharing with another patient. Otherwise, rich and poor have the same doctors, the same nurses, the same hospitals.

Our medicare has defects, even though it is the best in the world, and even though is is cost-effective. It can be improved, rationalized. But however much we improve medicare, there will be hard choices to make. Should money be spent on expensive new equipment that might benefit one patient in a thousand? Or should the money be spent improving care for the other 999?

Such choices are part of any form of management. They are horrible choices to make when human health, perhaps human life, is involved. One person dies because we did not buy the expensive new equipment and not only do we feel guilt-ridden as managers, but we are hounded by the media for being inefficient and not on the cutting edge of new technology.

The medical world has always had to make such decisions, especially in war. What happens when you have many more wounded arriving than you have surgeons or operating tables near the front? You have to operate first on those who seem likeliest to die if they have to wait. Who makes that choice? If the doctors are desperately busy, a nurse makes the choice and might make the wrong choice. A doctor might have made the same wrong choice too.

● (1240)

This sort of thing happens occasionally in every hospital, not just in wartime at the front. If you are the one who was judged to be a less urgent case and made to wait, you and your relatives might feel you were judged to be less important and you will complain about the terrible state of our health-care system. It happens even in hospitals for very rich patients in the U.S.A. There may be more very rich people demanding attention at the same time, in the same hospital, than there are high-priced doctors or operating rooms.

Inevitably, our medicare system is criticized for not having operating rooms and surgeons available whenever people want them, however numerous these people may be. But this is like saying that the state should provide a limousine for anyone who wants it. It may be reasonable to demand that municipal authorities provide mass transportation or that governments make sure enough taxis have licences. It would not be reasonable to say the authorities should provide each citizen with a limousine.

We can improve our medical services, but however much we improve them we shall not have Cadillac-level medicine because we are only paying for Volkswagen medicine. Our police services and transportation systems operate under the same constraint. We cannot have deluxe service in everything: we cannot afford it.

There are Canadians who could afford Cadillac-level medicine. Some of these are among the most vocal opponents of our medicare system. They would like the Canadian state to let them have their own private-sector hospitals where they could pay for and get deluxe care. This was what the Quebec Chamber of Commerce was suggesting. Hospitals for the rich would have more doctors, beds, operating rooms and equipment for each patient than public hospitals have. Such hospitals would pay much higher salaries to their staff. They would turn down patients without the means to pay their high fees.

Why should we not allow the rich to have their private hospitals? Because those hospitals would attract too many of the doctors we have been training largely at public expense; too many of the nurses; too many of the lab technicians. There would be shortages of such people in public hospitals. It is not inconceivable that some of our most talented surgeons would choose to perform complicated life-saving procedures in the private hospitals rather than in the public ones where their fees would be 10 times smaller. Soon the private hospitals for the rich would be buying organs for transplants. Soon the rich would have a better chance of survival. That is what they have in the U.S.A.

Health care should be one of those equal-opportunity rights for all citizens, like the equal right to be protected by the law and by our armed forces, and the right to vote. Healthy citizens are less burden on society than sick ones. The poor are already more prone to illness than the rich: we shouldn't punish them for this through our health-care system. People are not born equal, but they are born with an equal need for health care when necessary. Equal-opportunity health care makes economic sense. It also makes moral sense, and moral sense is good politics.

Hon. Orville H. Phillips: Honourable senators, I am sorry to interrupt Senator Gigantès. There has been an agreement that the sitting be suspended from 12:30 until 2 o'clock, and I so move.

Senator Gigantès: Honourable senators, I will finish in a couple of hours.

Hon. William J. Petten: Honourable senators, we have discussed this and we are in agreement.

Senator Phillips: It will be just as boring two hours from now.

Senator Gigantès: I am not being paid to entertain you, sir, only to instruct you.

• (1250)

The sitting of the Senate was suspended.

The sitting of the Senate was resumed at 2 p.m.

The Hon. the Speaker *pro tempore:* The sitting will continue.

Hon Philippe Deane Gigantès: I will continue my remarks from earlier today before I proceed to a question or privilege that I shall raise because of the uncouth and dishonest slurs cast upon me by the Leader of the Opposition. I will get to them.

Senator Cools: Who would do a thing like that to you?

Senator Gigantès: Lowell Murray, who else? He always does things like that. I will continue:

> We should improve our existing non-profit health-care system for rich and poor alike. The problem has been looked at by many experts, and there are two main avenues of improvement, neither of which involves more money.
>
> In their book *Second Opinion, What's Wrong with Canada's Health Care System*, Michael Rachlis and Carol Kushner suggest that we would spend a lot less if we spent more on prevention than on cure. These two authors and others have talked about the fact that smoking kills 35,000 Canadians a year and ties up hospital beds, operating rooms and thoracic surgeons. We could teach more about the ill effects of smoking, make better use of advertising to fight this form of addiction.
>
> We could do more about stopping drunken driving. Accidents tie up thousands of hospital beds and orthopedic surgeons. We should also do more through education and persuasion to reduce the amounts of alcohol people drink. Television advertisements implying that beer drinking is associated with beauty, youth or success in sports should be banned.
>
> We could all exercise more and later into life; eat less food with animal fat; eat more vegetables with fibre.

Senator Kelleher: Drink lots of water too.

Senator Gigantès: I do. I will continue:

> We could do more to clean the guck in our environment that is poisoning our air and water and getting into our food.
>
> We could have more effective teaching about safe sex to cut down on sexually transmitted diseases.

An Hon. Senator: What is sex?

Senator Gigantès: Ask the Tories. According to the Mclean's poll, they are the ones who are more sexually active than the Liberals. They say they are. I continue:

> In sum, we could do more to keep ourselves from needing medical care. Healthy living is the best preventive medicine. Prevention is better than cure and far cheaper.
>
> In another vein, Dr. Ralph G. Hawkins of Alberta made the following suggestions in an April 1988 speech. Here are some of his points:
>
> Many rural and community hospitals have more beds than they need for patients requiring acute care, and not enough beds for those needing less acute, chronic or auxiliary care. And of course as much home care as possible should be organized. Not only is it better for the patients, but it creates jobs, as we saw.
>
> Dr. Hawkins proposes, in effect, to de-centralize chronic-care services and centralize acute-care services. This would be both humane in the case of chronic-care patients (getting them closer to home and family) and cost-effective in the case of acute care (getting patients to facilities where care can be expedited and where services won't be duplicated).
>
> Since it is substantially less expensive to deliver care in auxiliary settings rather than acute-care settings ($100 a day versus $300 to $900 a day) the cost savings would be substantial through this single policy alone.
>
> To take care of remote regions, Dr. Hawkins suggests either itinerant teams of salaried professionals (physicians, nurses) who would establish and staff facilities in

remote regions, visiting on a rotating basis, with air evacuations for patients who need more advanced hospitals, in urban centres.

Alternatively, doctors willing to settle in remote areas should be paid more. Such schemes should give doctors time off for professional updating in urban centres and for continuing education, Dr. Hawkins concluded.

These are good ideas. I continue:

Canadian citizens should carefully distinguish between (a) calls to replace all or part of our non-profit, universal, group health insurance with far less cost-effective, far less equitable private health services and (b) calls to improve our medicare.

One of the best ways of cutting the costs of medicare is to improve our behaviour, as we have already seen—start living in ways that abuse our health less. No such abuse is more in the public eye than drug abuse.

There are three things that we can do about illicit drugs:

Which create a lot of costs and decrease productivity in people who take them:

(1) launch a total war against them; (2) decriminalize them, treating their abuse as a health problem; and (3) do what we do now, which is to fight them ineffectively, calling them illegal but letting too many "nice" people get away with consuming the drugs and letting other even "nicer" people make huge profits from laundering drug money.

It is hard not to think of drug addicts as excessively stupid—so stupid that one is tempted to say that if they want to kill or harm themselves for the sake of a transitory thrill, let them: society does not need such idiocy. On the other hand, we should ask whether we, as a society, have failed in our duty to inform people, especially young people, effectively and credibly that beyond the thrill disastrous risks lurk.

The thrills are transitory but often addictive. People who sniff cocaine feel immense relaxation as well as excitement. They get chatty; they think they have become invincible, strong and clever, immune to physical fatigue. But this "high" lasts only for a while. Cocaine may also cause nausea, vomiting, mental confusion, hallucinations, paranoid delirium and toxic psychosis. These consequences are disastrous: the minds and bodies of addicts are irreversibly affected. Premature aging is a startling result of abusing both cocaine and booze simultaneously.

Heroin gives highs that last from two to three hours. The addicts have feelings of voluptuous wellbeing for about 10 seconds. Then they "float" blissfully for periods that get shorter and shorter with increased use. Withdrawal symptoms between doses involve enormous suffering. There are permanent effects: addicts grow pale and weak; they lose appetite and interest in sex; they are constipated, sweaty and they itch. They have problems sleeping. The more they consume, the more useless they are.

Marijuana and its concentrated form, hashish, provoke euphoria, hilarity and a warped perception of time. The attention span is reduced; short-term memory diminishes. Users may suffer nausea, chest pains, confusion and hallucinations. Prolonged use increases respiratory infections and scrambles the capacity to think and learn. Marijuana and hashish users also have a greater tendency to get hooked on alcohol, tobacco and other drugs. (However, those combating drugs have talked as if smoking one marijuana cigarette does as much damage as prolonged abuse. This exaggeration seriously undermines the credibility of anti-drug information.) A 1985 study estimated that there were one million users of hashish or marijuana in Canada at the time; but estimates are estimates, not facts.

The LSD high lasts approximately 12 hours. The pupils of the eyes dilate. The users may experience hallucinations. Hearing and vision may be reduced. Time perception may be warped. There is a feeling of well-being but an incapacity to think coherently. A bad LSD trip can cause depression, chronic anxiety and even schizophrenia. Those who use it, as well as those who use certain other drugs, believe their "creativity" is enhanced. Careful tests have shown that subjects tend to be deluded about their ability to create.

• (1410)

There is a huge loss of human potential through drug addiction. Some sociologists say that unemployment drives people to drugs, but once people take drugs they are much less employable or re-employable. They are no longer punctual. They are often absent from work. They suffer more industrial accidents. They are confused and apathetic. Studies show that drug addicts, including alcoholics, cost U.S. business $33 billion dollars a year in inefficiency, absenteeism, accidents and illness. For

Canada, this cost is estimated at more than $2 billion a year.

Drug addicts (I include alcohol and tobacco addicts) cost the rest of us huge sums in health care. They know better than anyone how destructive and self-destructive their behaviour is.

Honourable Senators, I have had my glass changed because one never knows what might be slipped into one's glass by someone opposite.

As for drug traffickers who enrich themselves by causing human misery, it is tempting not to consider them as human at all, and yet we let them get away with murder while they live like fairy-tale potentates. Despite the hundreds of millions of dollars spent every year by the rich countries to fight drugs, trafficking in narcotics flourishes. Occasional seizures of drugs merely scratch the surface and serve only to increase the price of these substances, wrecking the health of more people.

Law enforcement is failing miserably to stop drugs from entering Canada. An estimated 90 to 95 per cent of the cocaine, heroin, marijuana and hashish destined for this country gets through. And stricter enforcement encourages traffickers to develop less bulky (therefore less detectable) and more potent forms of drugs, the most compelling example being crack.

Another example is the increased popularity of hydroponic growing techniques for marijuana, which can produce a far more potent strain of the plant than earth-grown varieties. This is a simple connection between supply and demand: if the demand is there, the supply will follow, in one form or another. If an addict cannot obtain his or her drug of choice, a substitute will be found.

If we really decide on an all-out war on the drug trade we should attack the demand for drugs; we should also attack the suppliers and their accomplices. We don't.

We do not really attack the demand for drugs, either. We apply our laws very loosely. People who appear impaired while driving or who have accidents are not compelled to take drug tests.

The police know of prominent and not-so-prominent "solid" citizens who take drugs, but these are rarely troubled. Such users are adults who set a terrible example for the youth around them. And it is these respectable adults who account for most of the drug dealers' profits.

Since we cannot exterminate them physically, the best way to attack the drug lords is to take their money away. It is essential for drug traffickers to launder their money—to hide it, that is, by obliterating the connection to its origins. There are endless ways of doing it. A drug dealer can buy a business—a laundry—and deposit much more money in the bank than the laundry actually makes. The dealer will pay some tax on this money, but the money will have been laundered. A drug dealer can deposit money in the bank and say he won it gambling. It would be hard to check out his story. But these are methods good enough for the underlings of the drug lords.

The big drug lords have so much money that they must invest it in big economies: there is nothing big enough for them in Columbia, Peru or Bolivia. They cannot keep billions of dollars in banknotes. They cannot buy a big company, or buy a handful of top-quality diamonds, by walking in with suitcases full of banknotes. They would attract attention to themselves.

A drug lord would not expose himself this way. He would use intermediaries and not care if they were arrested. But he does care if the money is confiscated. He would rather keep it and make it fructify by investing it. To do so, he must put it in some legitimate and inevitably large activity. And that means going through the banking system, having a legitimate account and line of credit.

Of course all this is easier to do in countries that have long followed the lucrative practice of giving refuge in their banks to criminal funds. That is why an attack on the drug lords' money can only succeed through the international banking system. That can only be done through absolute co-operation among the governments and financial institutions of, at least, the U.S.A., Japan, West Germany, Britain, France, Switzerland, Italy and Canada. If these countries agreed among themselves, they could stop the laundering of drug money and seize it.

It has been suggested by a former U.S. secretary of the treasury that those countries that do not already do so should force their banks to reveal to governments all sudden increases in the deposits of a company or individual. The police and tax authorities could check whether the depositor in question is, indeed, doing more business than previously, and therefore buying more supplies or hiring more staff; if not, authorities should be legally entitled to ask where the new money is coming from.

The banks should also be constantly pressed to report on all deposits and bank accounts over $10,000. A bank, moreover, would be obliged to ask that depositors declare, on oath, how they came to have the money they are depositing or holding in their accounts, the country in which they paid income tax, the country where they are citizens and their legal residence; this is done, to some

extent, in the U.S.A., but to attack drug money, the practice should be generalized.

Another law, with heavy penalties, would forbid lying to a bank when making a depositor's declaration. Money associated with a false declaration would be confiscated. Money in large bank accounts would be partially frozen until the facts on the depositor's declaration were checked and found to be true.

Smaller drug-money havens such as the Bahamas, the Persian Gulf states, Monaco, Luxembourg, Hong Kong, Taiwan and Bulgaria would be told by the big-money powers to collaborate in the campaign to confiscate drug money or see their trade and financial institutions boycotted by the big-money powers.

Such measures are not impossible but they are draconian and would be unjustifiably cumbersome and annoying for the vast majority of people who have come by their money honestly and who would hate the hassle of being checked by the bank, tax authorities and the police.

If we don't step up our attack on the drug lords' money, then they will use it to pay for helicopters, fast boats, planes and armed goons. They will have enough money to pay small fortunes to amateur smugglers, to bribe police and customs officers, even judges. Their goons will be fighting drug wars in the streets, as in Washington, D.C. The drug trade will not stop.

But if we take measures such as these (and some such measures are essential if we're serious about fighting drug lords) then we shall catch not only the drug money, but a large number of "respectable" tax evaders, accountants, lawyers, dentists, plumbers and others who get paid under the counter and do not delcare all their earnings as income.

● (1420)

We shall also uncover proof that several "respectable" banks have at least turned a blind eye or even collaborated in the laundering of drug money being carried out through their institutions. The police in several countries are pretty sure bankers know they are laundering drug money. Some bankers, some very senior bankers, might see their reputations ruined or might even go to jail. They and all the otherwise respectable tax evaders will bitterly insist that a full-disclosure banking system is an invasion of privacy, an attack on human rights and too costly.

[Senator Gigantès.]

It would not be too costly. It would finance itself with the illicit money that would be confiscated. We are talking of hundreds of billions of dollars earned by the drug dealers; and there is other criminal money stashed away in banks.

A full-disclosure banking system would reduce our privacy. But the very many who have nothing to hide would mind much less than the few who do have something to hide, such as the failure to pay child maintenance. The point is that though the systematic seizure of drug money is easily affordable, it is also a major hassle. But we cannot fight the drug traders without disrupting many cosy practices of other people.

To further damage the drug lords, we would have to attack the demand side by making the use of illicit drugs a costly experience. There are thousands and thousands of otherwise respectable people, living in comfortable circumstances, who sniff cocaine every now and then, smoke pot and drive a car afterwards, or a plane or a boat; or who are absent from work after a bad trip and say they were sick.

Drug tests for drivers appearing to be impaired should become mandatory. Those found to have taken drugs and to have driven should have their licences suspended and their cars confiscated.

It seems improbable, considering how many people outside the drug trade would have to be inconvenienced, that we shall do what is necessary to fight it. Most likely we shall continue, as now, waging a token, largely ineffectual fight against drug trafficking while it wrecks the health and lives of countless citizens.

So far, the war on drugs has succeeded only in pushing up prices, increasing the profits of the drug lords and creating battalions of smaller drug criminals, many of them minors, who take care of the delivery for wages unimaginably higher than what they could earn delivering, say, pizza or the mail. How can we preach the value of honest work to the young who are poor when they see adults grow immensely rich simply by selling drugs?

The ingestion of harmful substances is as old as mankind. Maybe even older. Recent studies have found that certain species of animals do what humans do and drug themselves. Personally, I am exasperated by the fact that people harm themselves, often irreparably, just to imitate their peers. But though they exasperate me, these are my fellow human beings and I cannot abandon them; I am talking of the victims, not of the drug lords.

Attempts have been made to solve this old problem by police-state methods throughout history. They have never worked. Besides, though to have a police force is necessary, to have a police state is to be avoided at all costs. The sins of freedom are less dangerous than the sins of tyranny. And punishment must not be an end in itself. We saw that Solon believed laws should take prevailing circumstances into account and punish a few to some purpose rather than many to no purpose.

Since our half-hearted war on drugs is failing, we should study all the aspects of decriminalizing drugs. This means that they could be sold legally and could be bought legally, in legitimate businesses or, preferably, in government outlets like the liquor control boards.

Before exclaiming that it would be immoral for governments to sell addictive, harmful substances, people should consider alcohol. It is as addictive as any other drug, more addictive than heroin. People who drink too much are damaged irreparably. It is a major cause of murder on the roads. It breaks down families, ruins careers, rots livers, scrambles brains and leads to violence. Yet governments either sell alcohol or allow it to be sold; in both cases governments derive huge revenues from taxes on alcohol.

The only difference between alcohol and other drugs is that we have come to accept the drinking of alcohol, officially, as a potential evil that cannot be stopped and that can be taxed to increase government revenues. We have not so accepted cocaine, marijuana, hashish, LSD or heroin, though they are demonstrably doing no more harm than booze to the individual who abuses them.

In 1919, appalled by the ravages of alcohol, the Americans made the sale of alcoholic drinks illegal. Gangsters took over, became enormously wealthy, defied the law when they could not corrupt it. People boozed as much or more than before. So the law banning the sale of alcohol was repealed. Alcohol still destroys people and families. Youngsters who do not have the legal right to buy drink still manage to buy it and we do next to nothing to stop them.

Consider also tobacco. Health statistics show that 35,000 Canadians die each year as a result of smoking. They die painfully, horribly and very expensively. Yet governments allow the sale of tobacco and only demand that a small warning appear on cigarette packages. Revenues from the tax on tobacco sales are huge.

Morally and logically, there is no difference between allowing people to harm themselves drinking booze or smoking tobacco and allowing them to take drugs such as cocaine, heroin, marijuana or hashish.

The problems of who would sell the drugs legally and which drugs and who would have a right to buy would be no different for decriminalized drugs than they are for the alcohol and tobacco that can now be sold legally. There will always be people with underdeveloped survival instincts who ingest something, however dangerous, banned or not. The ban makes no difference. Human stupidity on such issues is astounding at any age. The young will always want to buy something before they are legally allowed to do so: breaking the rules makes them feel grown-up. And adults do not sound convincing when they condemn drug use but allow the sale of alcohol and tobacco: the young are quick to think of their elders as hypocrites. This is not a minor matter. We must consider seriously young people's opinion of the laws.

Then there are the addicts who need psychological and medical help. When drugs are criminalized, addicts are afraid to seek help and they sink deeper and deeper into their habit, as the Le Dain Commission of Inquiry into the Non-Medical Use of Drugs observed. Addicts who inject themselves intravenously are afraid to buy clean syringes or ask for help, for fear of the police. By sharing needles, they can now catch AIDS and give it to others.

But our half-hearted, ineffectual war on drugs has diverted attention from health concerns and underlying social problems. Actually, some sociologists consider a war on drug users an act of social injustice.

Drug use has been going down, these sociologists say, rising only among the disadvantaged. Statistics Canada reported in 1988 that the incidence of drug crime (mostly charges of possession of a narcotic) declined in the 1980s, and the 62,000 drug offences recorded by the police in 1987 represented less than 2 per cent of all recorded offences that year. Between 1980 and 1987, the number of people charged with drug offences fell 30 per cent from a total of 62,000 to 43,000. Experts on addiction believe that drug abuse is going down among high school students and the general population. But as a result of falling prices, particularly of cocaine, the one group increasing its use is the disadvantaged. All of which must be taken with a pinch of salt because all statistics on drugs are unreliable, as every statistician admits. This "enemy" mentality helps to justify sanctions that are sometimes cruel, very costly and totally ineffective at solving any underlying problems. For example:

● (1430)

—A district court judge orders a divorced mother of five to leave her four-bedroom apartment in a public

housing complex within a week because she knew her cousin was selling crack in the complex.

—An unemployed grandmother faces eviction from her Metro Toronto Housing Authority town house because her sons have been involved since 1980 in illegal drug transactions.

Both these women are clearly casualties of the current "war on drugs." It is appalling treatment, bordering on abuse. They have committed no crime and yet are being punished. The startling aspect of these cases is that the enforcers have the public's support.

According to sociologists, the law-and-order approach to fighting drugs has led to a dearth of treatment programs for drug abuse. No amount of jail time, fines or probation orders is going to help a person get over a drug problem. Indeed, past studies show that being treated like a criminal often makes a user's problem worse.

"We are seeing a new youth who is unconcerned with sanctions, unconcerned with consequences, a youth who lives on the streets and fears nothing—fears nothing largely because of drugs." (Gordon Hogg, counselor at a British Columbia youth detention centre, White Rock, B.C.)

The view that drugs cause crime is not supported in the professional literature. Studies show that some form of juvenile delinquency generally precedes drug use; and studies of adult addicts also show criminal behaviour most often precedes drug addiction.

However, other researchers say that among the young, criminal behaviour does not necessarily precede drug addiction: peer pressure is often the reason a youngster tries drugs—the need to be cool, like other young drug takers.

Young offenders frequently have no traditional supports because of family breakdown, alcoholism and abuse, or because they have dropped out of school. How can we ignore these factors and simply blame drugs, sociologists ask?

So what do we do? Do we listen to the sociologists who study crime or do we say that they tend to see all criminals as victims, rejecting the possibility that there may be people, even young people, who are not victims but who are stupid enough to take drugs because their stupid peers do? It is a question many will ask, but it is not relevant to our problem.

Our problem is that we cannot keep drugs out of the market. That being the case, some version of the steps we have recommended should be seriously considered as an alternative to our current, ineffectual or war on drugs:

(1) Try to convince the world's major banking countries to launch a real war on drug lords, uncovering their funds and confiscating them. But this should be done without intruding into the lives of honest citizens. Whatever else we do, we cannot allow the drug lords to get away with what they have done and are doing. We must confiscate as much of their illicit wealth as possible. We cannot let them keep the money with which they are able to fight a veritable war against the government of Columbia, to corrupt the justice system in many countries, to turn battalions of disadvantaged youths into criminals and to fight gang wars in major cities.

(2) Our governments should take over the sale of drugs, much as they now sell alcohol or allow the sale of tobacco. Buying a drug from the government store would not be a criminal offence, but a purchaser would have to prove that he or she belongs to one of the provincial health services. Buying drugs from unauthorized dealers would be considered criminal drug trafficking, and both seller and buyer would be subject to heavy penalties, including prison, confiscation of automobiles and whatever else hurts. Selling to minors would be an even more serious crime, with intent to cause bodily harm.

The government sales centres would be equipped with giant video screens showing the behaviour of terminal drug addicts and recommending to buyers that they get free counselling and treatment to break their habit. No buyer would be able to get more than a reasonably small amount of drug. They would have to show proof of identity if they looked too young.

(3) The government would import and process the drugs. It would buy locally grown marijuana. A grower selling marijuana to any buyer other than the government would be committing a serious criminal offence. Admittedly, this would leave many questions unanswered. Would the government sell crack, which kills some people the first time they take it? This is like asking whether the government would sell wood alcohol in its liquor stores. It does not. But there are still people stupid enough to drink it. Not much can be done about such people, whatever their age, beyond redoubling the volume, effectiveness and credibility of our information effort. Nevertheless, there will always be people who are suicidally stupid and will ingest substances they know to be lethal.

(4) It would also be a serious crime to take any drug, alcohol included, while performing any task in which a clear mind is needed to prevent accidents: driving any vehicle on land, air or sea; operating machinery; perform-

ing surgery and so on. People acting as if they were impaired would be legally obliged to pass a drug test.

(5) Drugs sold by governments would be taxed as alcohol and tobacco are and would be a major source of revenue used to finance the other parts of this program, including law enforcement. Money confiscated from the bank accounts of drug dealers would also be used in the same way.

(6) These policies must be pursued in combination with other steps recommended in this book to provide employment and training to the jobless; to teach the young skills that will allow them to have a good life. To the extent that we reduce the numbers of young jobless, we might reduce the numbers of these who allegedly take drugs out of despair. And we must have readily accessible treatment for those who are controlled by the drugs they take.

The drug problem is a health problem. Unfortunately, it is also a criminal problem and we cannot pretend otherwise. We must deal with both aspects.

QUESTION OF PRIVILEGE

Hon. Philippe Deane Gigantès: Honourable senators, on a question of privilege, I am told Senator Murray spoke to the press outside this chamber and said that what I was doing was fraudulent. If he says that is not true, I will accept his statement.

This is a book I have written. It has been published in English. I submitted it in French to the French publishing houses, and they did not think that the book on Canadian unity and how to achieve unity would be saleable, and they did not print it.

● (1440)

I am writing another book which I will dedicate to you, Senator Murray, and I will give any royalties to a charity of your choice. The title of that book in French is *Postulons un Québec indépendant: La conversion amère d'un québéçois de laine impure.* The rough translation is: *Let us postulate an independent Quebec, the bitter conversion of a Quebecer of impure blood.* The book is based on the premise that the Mulroney government will lead to the break-up of this country within the next two years. I am pessimistic because of the incompetence and trickiness of its Prime Minister and his apprentice to the apprentice sorcerer, Senator Murray.

I am a Quebecer and I will have to live in a new country. My nationality will be changed. In that book I intend to ask: How can an independent Quebec get along and have relations with whatever is left of Canada, in one piece or otherwise? It is a bitter book to write, because I love Canada, but I cannot help it. I intend to be a Quebecer. I will be a Quebecer and not a Canadian, and not both, because of that man there and his boss, that man who prevaricated all through the negotiations on the Meech Lake Accord, who said one thing in Quebec and another thing in the rest of the country, like his Prime Minister.

This man has the gall to accuse me of being fraudulent.

An Hon. Senator: What are you talking about?

Senator Gigantès: This is a point of privilege. To be fraudulent, I would have had to try and make some money out of my activities as a senator. I published a book in 1988 entitled: *Is The Free Trade Deal Really For You?* It was almost entirely based on a very long speech I made in the Senate. It also appeared in French. It states in the book that any royalties from that book will go to pay for scholarships. I do not make a single penny. As I say, I pay my taxes and I have not been engaged in any shady business activities, like so many other people whom I will not mention.

My privilege has been grossly attacked by the statements of Senator Murray. If indeed he has made such statements outside the chamber and from their notes members of the press can show me that he has, I shall sue him in civil court for having defamed me. It is defamatory to say that someone has done something fraudulent when no fraud is involved. He should not judge other people by the company he keeps.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I will read the honourable senator's remarks in *Hansard* to see whether there is a matter of privilege to which I should respond.

BUSINESS OF THE SENATE

POINT OF ORDER

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I should like to rise on a point of order, if I may, to comment upon where we are in the business of the

Senate. In the normal course, we would continue with debate on Senator Doody's motion until we could move the adjournment under the new rules at 5:45 p.m. We would then resume tomorrow at 2 p.m. and continue until 5:00 p.m., at which time we would move an adjournment for the weekend.

It had been my intention, and it was signalled by the Deputy Leader today, that we would permit this motion to be carried not later than late tomorrow afternoon so that third reading could be moved and we could begin on our amendments on Monday. That is what our intention had been. It was not our intention to prolong this debate on this particular motion into next week. However, that is what we are facing unless we interrupt that scenario.

What I propose, if the Leader of the Government finds favour with this, and I think he might, is that today we could agree to have the motion on third reading carry in order to get to Orders of the Day. Third reading could then be moved and the session then suspended until 2:00 p.m. Monday when I would begin by moving the first amendment. We on this side would be agreeable to that procedure. We would welcome the additional time for the preparation of our amendments. We are aware that the Senate has been under considerable pressure in the last several days and I believe that this alternative might meet the objectives of both sides of the house.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, there have been discussions between the Leader of the Opposition and me on this matter. I have considered the matter and consulted with colleagues on this side. I have also considered the alternative, which is to continue with the present debate through tomorrow. Considering the alternative, this proposal is, in my opinion, manifestly superior—no offence meant to any honourable senators opposite. I left here at eleven o'clock last night and returned at 6:30 this morning, as have a number of honourable senators.

I take it then that my motion that we move to Orders of the Day would be put by Your Honour now and would carry on division. Senator Kelly is ready to move the third reading of Bill C-62 after which, if it is agreeable, we could suspend under the provisional rules until Monday at two o'clock.

MOTION TO CALL ORDERS OF THE DAY—CONCURRED IN, ON DIVISION

The Hon. the Speaker: It is moved by the Honourable Senator Doody, seconded by the Honourable Senator Ottenheimer that the Orders of the Day be now called. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

Motion agreed to, on division.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—THIRD READING—DEBATE ADJOURNED

Hon. William M. Kelly moved the third reading of Bill C-62, An Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act.

• (1450)

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I should like to take the adjournment and begin the debate on Monday.

The Hon. the Speaker: It is moved by the Honourable Senator MacEachen, seconded by the Honourable Senator Murray, that debate be adjourned until Monday at 2 o'clock in the afternoon. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

On motion of Senator MacEachen, Debate adjourned.

BUSINESS OF THE SENATE

The Hon. the Speaker: Is it your pleasure, honourable senators, that all other orders be postponed?

Hon. Senators: Agreed.

ADJOURNMENT

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, under Provisional Rule P-1(a), with leave of the Senate, I move that this sitting be suspended until Monday, November 5, at 2 p.m.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, I support the motion, but I don't think it needs to be done under the provisional rules, because it is a mix-up between the Thursday and Friday. Why not just move that we suspend until Monday at 2 o'clock?

Senator Murray: Yes. I so move.

The Hon. the Speaker: Honourable senators, the motion is to suspend the sitting until 2 o'clock in the afternoon on Monday next. Is it your pleasure to adopt the motion?

Motion agreed to.

The sitting of the Senate was suspended until Monday, November 5, at 2 p.m.

[*Editor's Note: For continuation of proceedings see Issue No. 105G.*]

APPENDIX "A"

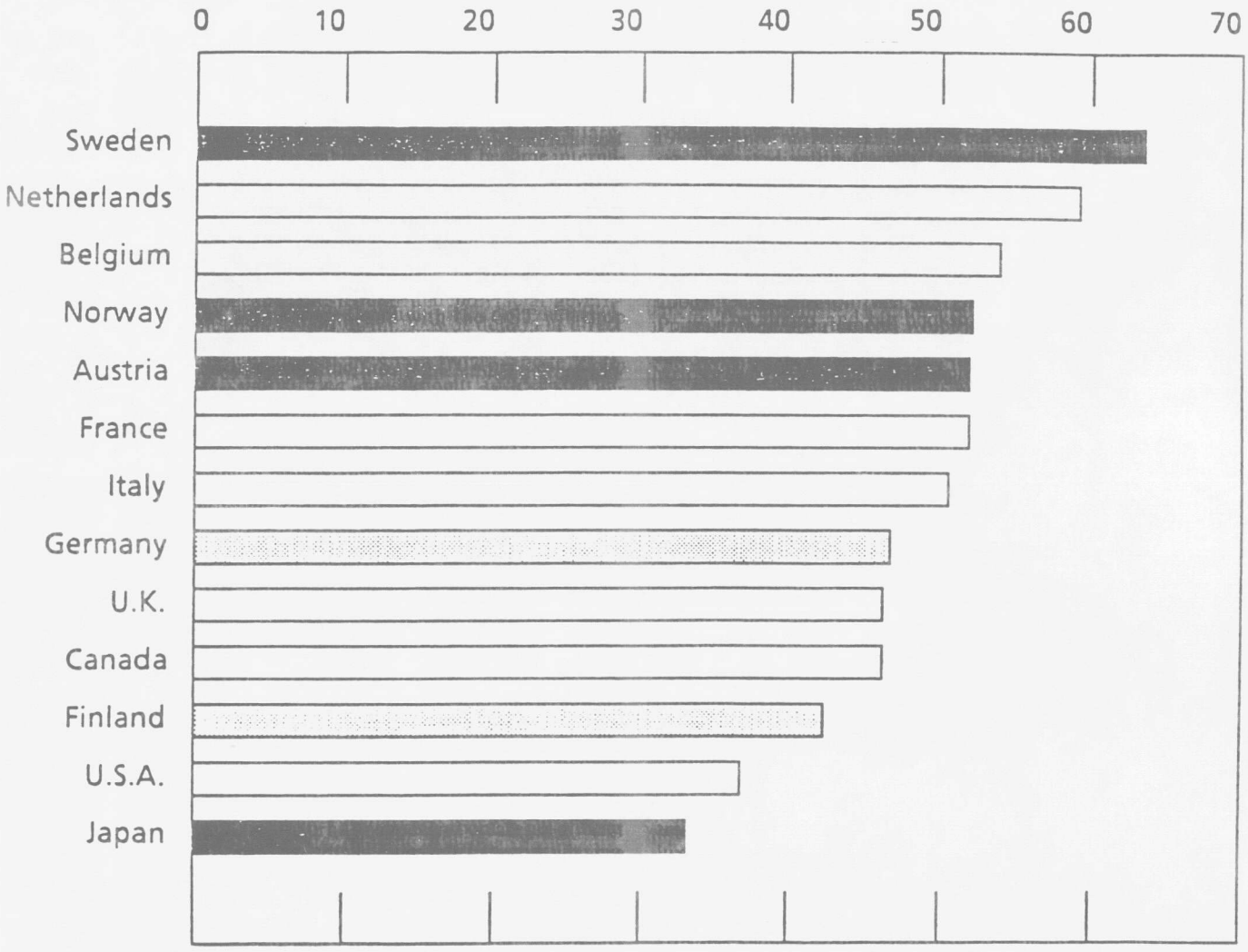
SERIES OF GRAPHS

(*see p. 3451*)

GRAPH A

IN MANY COUNTRIES, GOVERNMENTS SPEND MORE THAN IN CANADA

PERCENTAGE OF GDE SPENT BY GOVERNMENTS (1986)



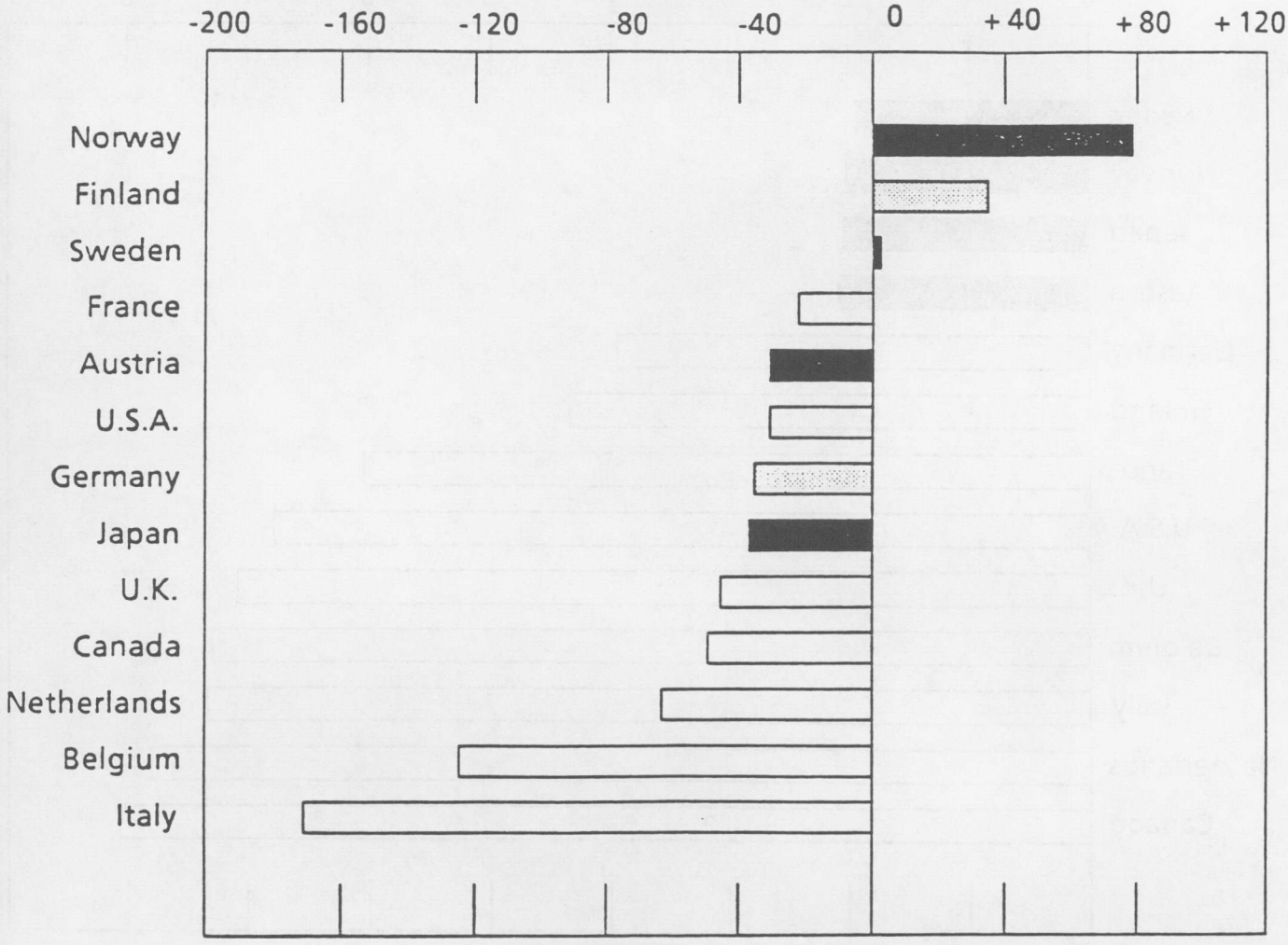
SOURCE: **Organisation for Economic Co-operation and Development (OECD)**

NOTE: *The U.S.A., as a society, spends 10.5 per cent of its GDE on health care. The fact that it spends it through the private sector makes only one difference: U.S. health care is less cost effective than ours; our overhead costs are 4 cents on the dollar and U.S. overhead costs are 16 cents on the dollar.*

GRAPH B

FULL EMPLOYMENT COUNTRIES MANAGE DEFICITS BETTER

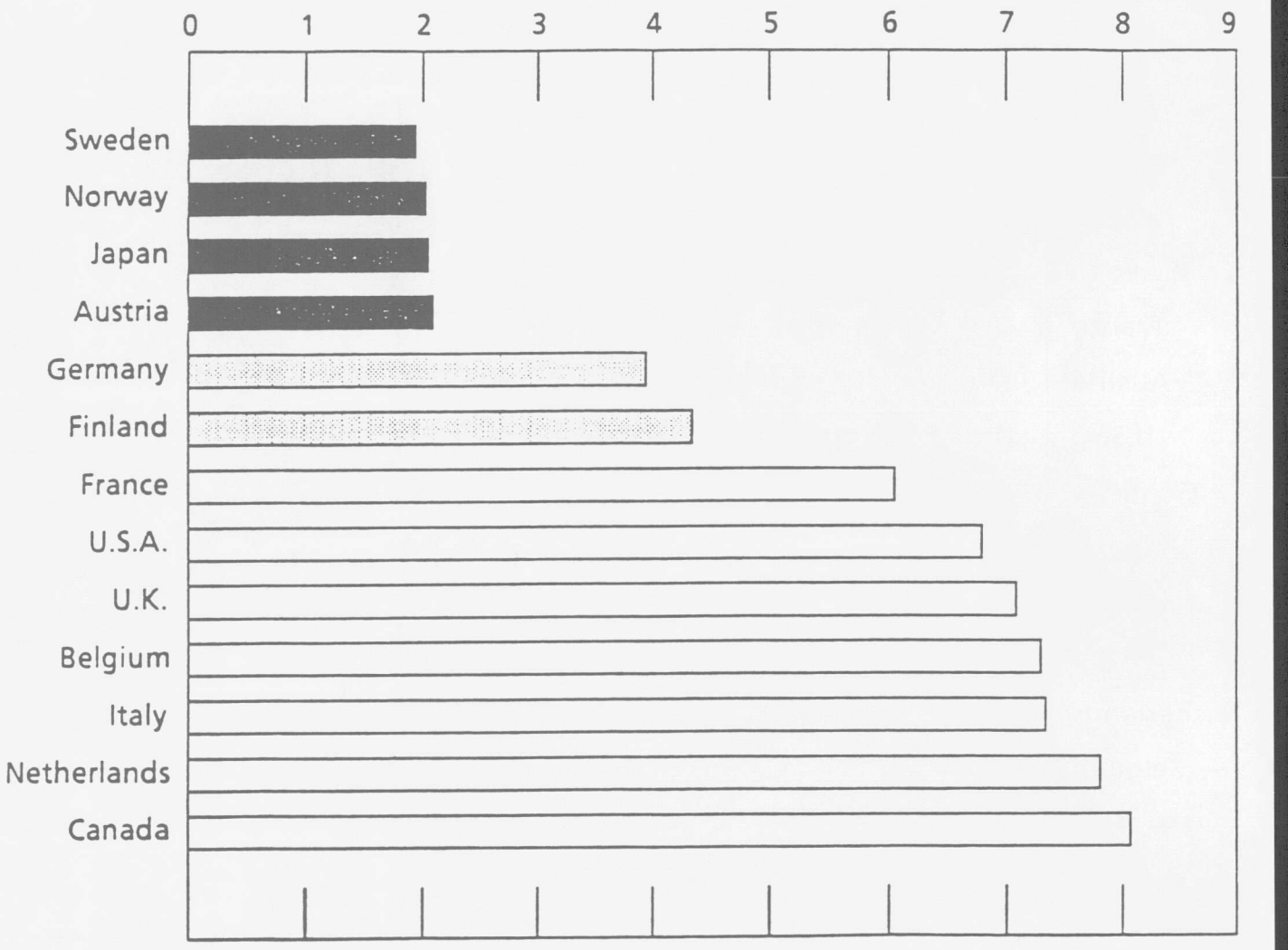
ACCUMULATED BUDGET DEFICITS (–) OR SURPLUS (+)
AS A PERCENTAGE OF GDP, 1970-87



SOURCE: Organisation for Economic Co-operation and Development (OECD)

GRAPH C

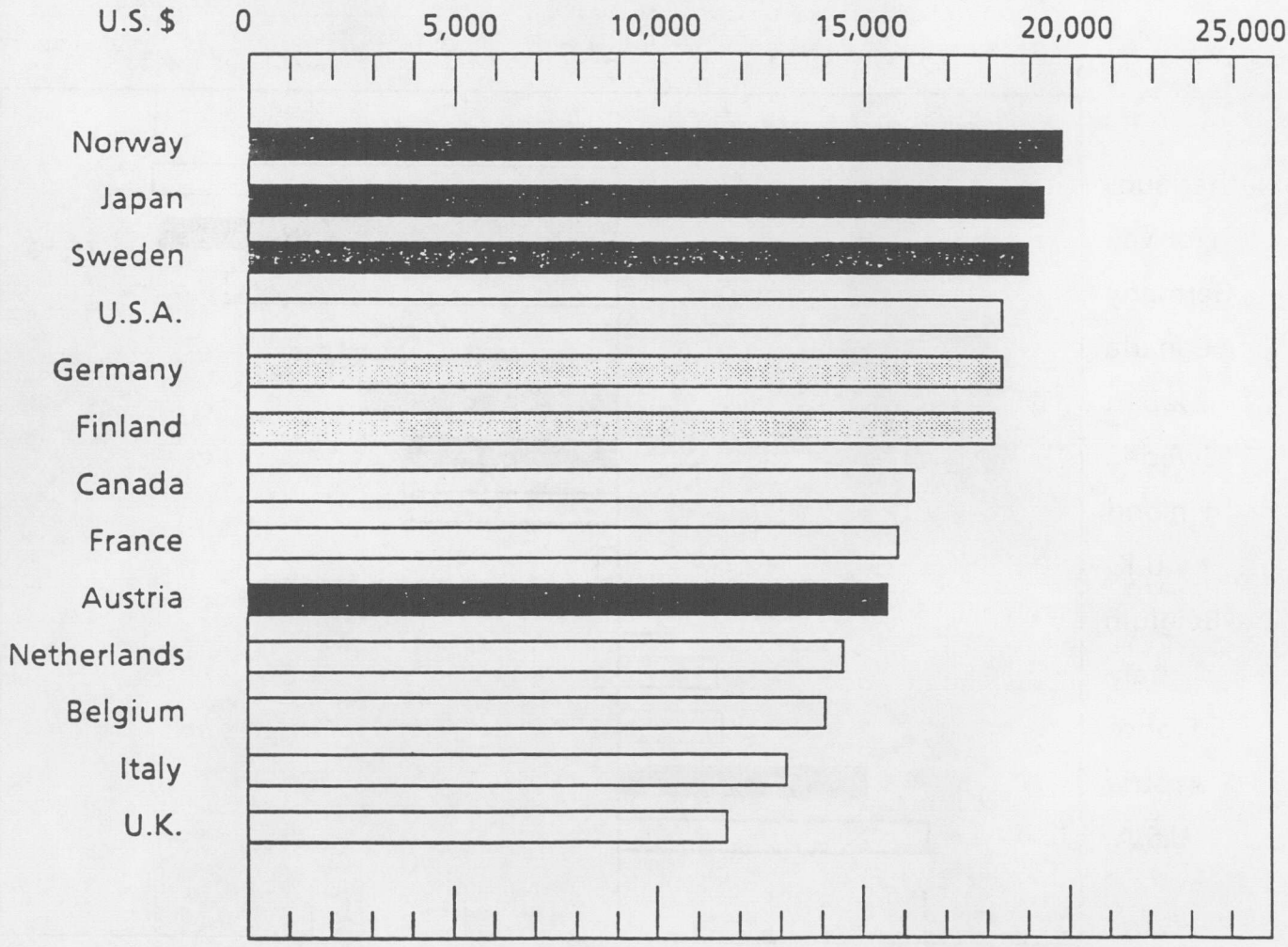
AVERAGE UNEMPLOYMENT RATE FROM 1970-87



SOURCE: Organisation for Economic Co-operation and Development (OECD)

GRAPH D

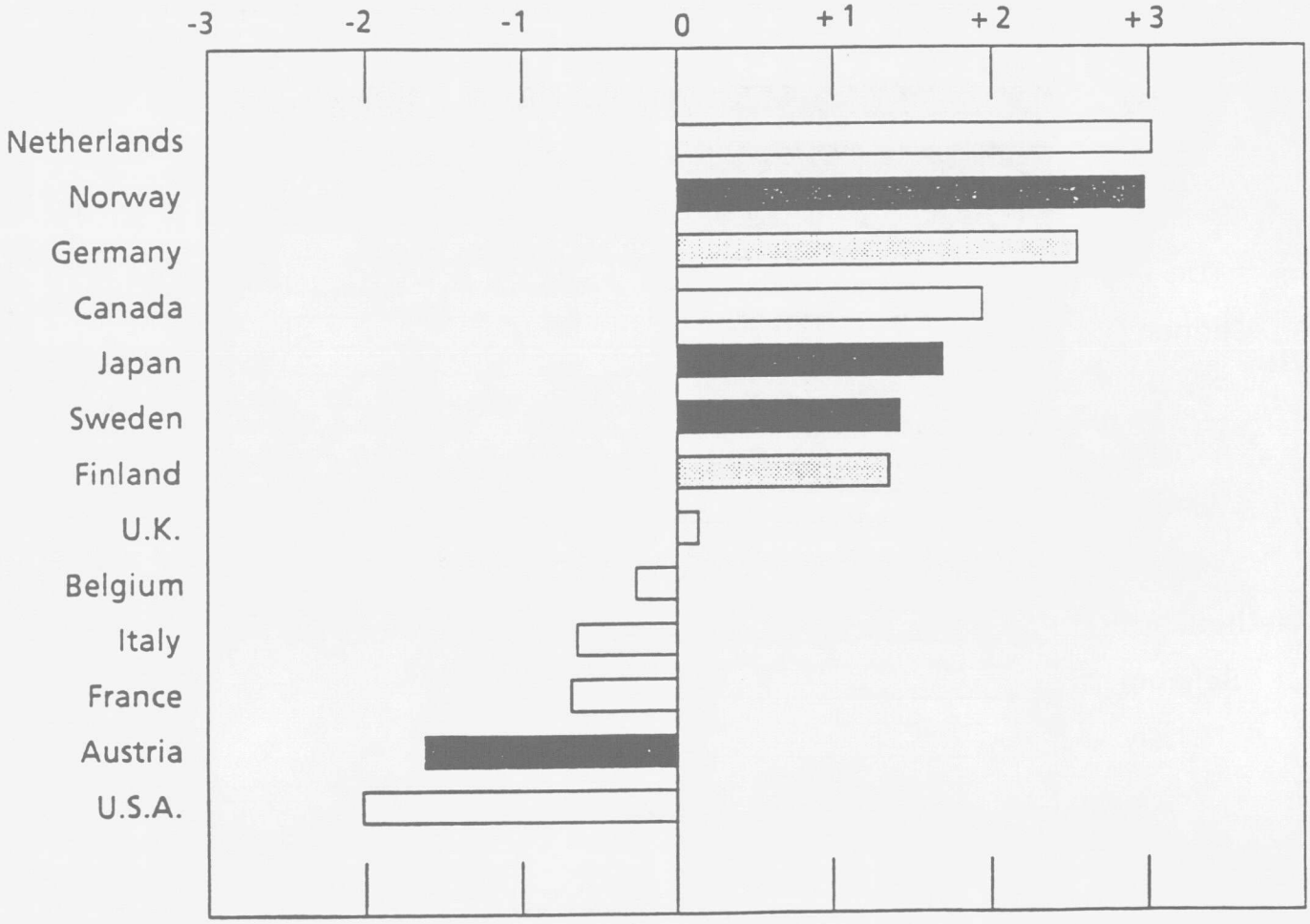
GROSS DOMESTIC PRODUCT PER PERSON IN 1987



SOURCE: Organisation for Economic Co-operation and Development (OECD)

GRAPH E

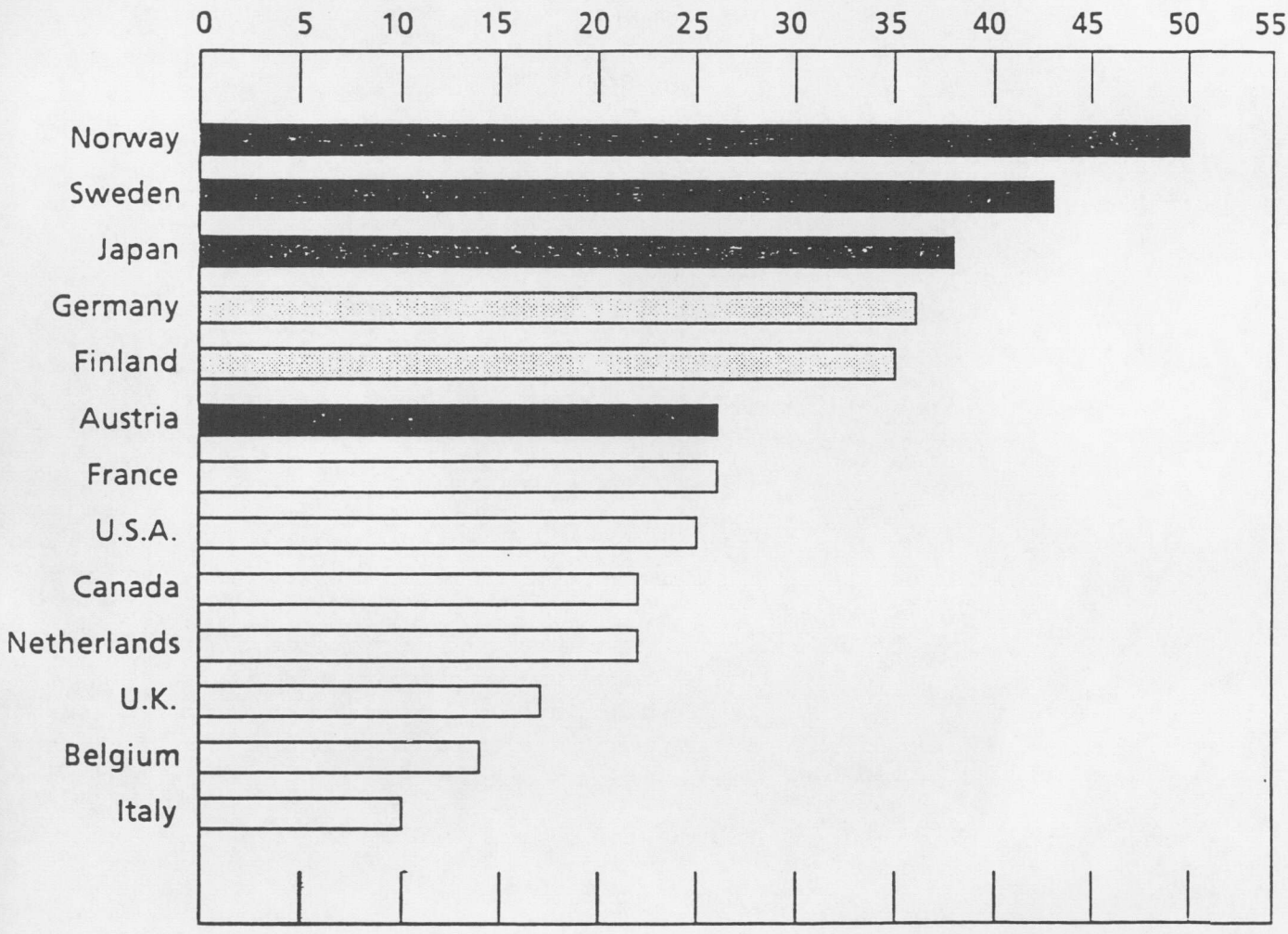
ACCUMULATED TRADE DEFICITS (-) OR SURPLUSES (+) AS A PERCENTAGE OF GDP, 1970-87



SOURCE: Organisation for Economic Co-operation and Development (OECD)

GRAPH F

COUNTRIES WITH FULL EMPLOYMENT ARE THE OVERALL ECONOMIC WINNERS

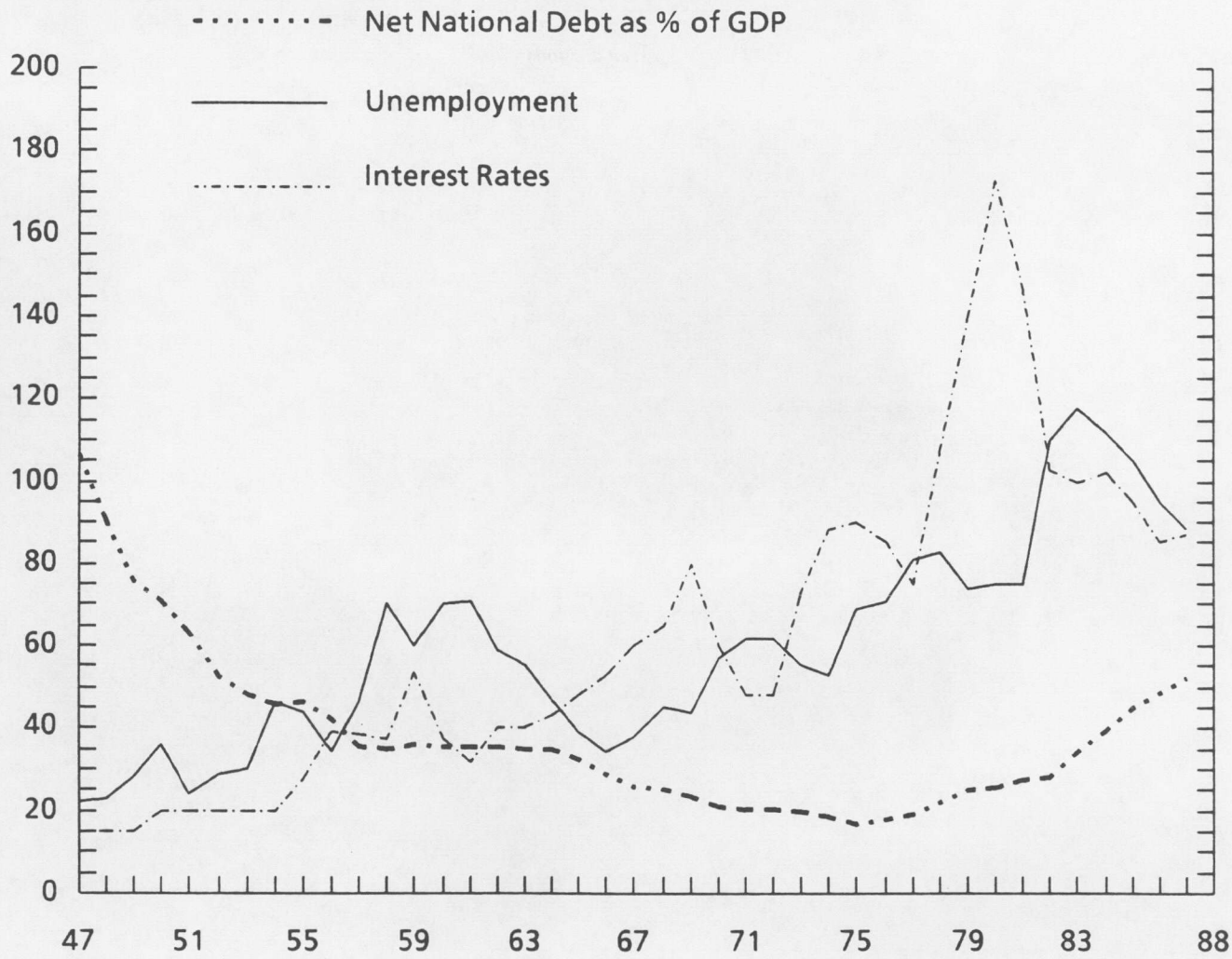


APPENDIX "B"

GRAPH H

(*see p. 3456*)

GRAPH H



Source: Department of Finance

APPENDIX "C"

TABLE 8

(*see p. 3466*)

TABLE 8

COMPARISON OF THE EFFECTS ON GOVERNMENT ACCOUNTS OF PAYING UNEMPLOYMENT INSURANCE OR A PUBLIC-SERVICE SALARY TO AN UNEMPLOYED PERSON, USING THE MULTIPLIER

(A)

WHEN SMITH, THE AVERAGE UNEMPLOYED CANADIAN, WAS EMPLOYED

(a)	Smith's employment income in private industry	$15,640
(b)	GDP generated by Smith's employment income, $15,640 times the multiplier of 1.7	$26,588
(c)	Governments' net balance, 34.4% of $26,588	+$ 9,146

(B)

SMITH LOSES HIS JOB AND GOES ON UNEMPLOYMENT INSURANCE

(d)	Smith's unemployment insurance benefits, a net loss for governments	-$ 9,023
(e)	GDP generated by Smith's unemployment benefits $9,023 times the multiplier of 1.7	+$15,339
(f)	Tax revenues for all levels of government, from GDP generated by Smith's U.I. benefits, 34.4 per cent of $15,339	+$ 5,277
(g)	Reduction in tax revenue for all levels of government because Smith lost his job [(c) - (f)]	-$ 3,869
(h)	Increase in government red ink [(d) + (g)]	-$12,892
(i)	Interest on (h), which government must borrow	-$ 1,450
(j)	Change in governments' net balance [(h) + (i)]	-$14,342

(C)

LET US PAY A PRIVATE FIRM $7,820 TO HIRE SMITH AT $15,640

(k)	Smith's employment income	$15,640
(l)	GDP generated by Smith's income [1.7 X line (k)]	$26,588
(m)	Tax revenues for all levels of government, [34.4 per cent of line (l)]	$9,146
(n)	Government contribution to Smith's salary	-$7,820
(o)	Net government balance, [(m) - (n)]	+$1,326

Note: Eighty-six per cent of the increases or decreases in spending in Table 8 affect the federal government; 14 per cent affect the provincial and municipal governments.

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105F.*]

The sitting of the Senate was resumed at 2 p.m., November 5, 1990, the Speaker in the Chair.

The Hon. the Speaker: The sitting is resumed. I call on Senator MacEachen.

EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT

BILL TO AMEND—THIRD READING—MOTION IN AMENDMENT

Hon. Allan J. MacEachen (Leader of the Opposition): Mr. Speaker, I thought you might have called Presentation of Petitions first. We were all waiting eagerly for that opportunity. However, we will postpone that pleasure until a later date, possibly tomorrow when we return to the routine proceedings.

Under the provisional rules that we have adopted, we will be asking to have the vote on the question on the amendment which I will be proposing deferred until tomorrow. It may be unnecessary to defer a decision until tomorrow if the government would accept the amendment immediately. Of course, that is a lot to expect, but we were encouraged this morning to hear Senator Castonguay tell us that the government would consider reasonable amendments, that reasonable amendments would be carefully considered and any effort to improve the bill would be accepted in good faith.

Honourable senators, if there is a single amendment that would qualify under that particular description, it is the one that I propose to move today to Bill C-62. It is a simple amendment and one which has universal appeal. It has to do with what can broadly be described as reading materials.

Even the Prime Minister, in his visit to British Columbia, expressed the view that he himself had concerns about the imposition of a tax on reading materials, particularly books like the Bible, and reading materials in general.

The acceptance of such an amendment at this stage would give a signal that the government indeed is truly concerned about the views of the Canadian public on such an important matter as reading materials. It would be too much to expect at this stage to ask the government to withdraw the GST, although many Canadians would appreciate that decision; but I do not think it is too much to ask the government to consider a number of important amendments.

Honourable senators, I am sure, are fully familiar with the current situation with respect to reading materials. It was explained fully before the Standing Senate Committee on Banking, Trade and Commerce by representatives who appeared before the committee and by a submission which was delivered to the committee in respect of the proposed goods and services tax on behalf of the Don't Tax Reading Coalition. The Don't Tax Reading Coalition represented the following organizations: Antiquarian Booksellers Association of Canada, The Association of Canadian Publishers, The Canadian Book Publishers' Council, The Canadian Booksellers Association, The Canadian Community Newspapers Association, The Canadian Daily Newspaper Publishers Association, The Canadian Library Association, The Canadian Magazine Publishers Association, The Canadian Teachers' Federation, the Canadian University Press, and Periodical Marketers of Canada. A patron of the Don't Tax Reading Coaltion is Mr. Stephen Lewis.

Honourable senators who have not had an opportunity to read this submission will find it interesting, and that it covers most of the pertinent information that any senator would require in deciding whether there is merit in the request of the coalition and in the amendment which I intend to propose. I do not intend to take a long time addressing this subject because a number of other senators on this side wish to speak and because the matter is really fairly simple and clear cut.

In the testimony which was presented before the Standing Senate Committee on Banking, Trade and Commerce, it was made very clear that books and similar materials, printed materials, are not presently subject to any federal sales tax at any stage during their manufacture. They are free totally from the burden of taxation.

In the presentation to the committee, the coalition asked that the government maintain the present position. There is no federal sales tax on any aspect of the production of a book or printed material. As was pointed out by witnesses, there is no federal sales tax on the paper, the binding or the colour separation that is involved in production of printed material. In fact, the testimony went further and pointed out for example, that there was no federal sales tax on the purchase of printing equipment.

The lead speaker for the coalition before the committee said:

> Not even on the capital costs of the purchase of printing equipment. Except for a very small percentage of what we might buy in terms of office equipment, furniture

or supplies, we incur no FST at the moment. We are zero all the way from the bottom to the end product.

That is the present situation. Under the proposed GST, all printed material would be subject to a 7 per cent sales tax and, in the view of the witnesses before the committee, if harmonization took place they would probably face a possible tax of up to 15 per cent. They have appealed to the committee and the Senate to listen to their representations and to propose an amendment that would delete the application of the tax to printed materials.

Honourable senators will understand that there is an exemption, for example, on textbooks, if those textbooks are bought by an institution. Textbooks purchased by an institution will be subject to the tax, but they will be eligible for a rebate; and witnesses stated that the rebate would not cover the full extent of the tax itself but might amount to only about 4 per cent, and that the recipient of the rebate would be the institution, not necessarily the purchaser of the textbook. Whatever may apply, and whatever the inequities of this particular tax on institutions, the tax will fully apply to textbooks purchased by students. I believe it was the manager or executive director of the book store at the University of Toronto who made the comment about the tax that would be placed on a student entering any book store at a university to purchase textbooks. They would be fully taxed.

It was interesting that, in the discussion which was participated in by a number of senators who are present here, that reference was made to the dollar limit that is usually suggested at universities and high schools on the amount that students ought to spend on textbooks. Senator Marsden pointed out that at the University of Toronto the dollar limit on textbooks is $700. The question was asked, "What will be the impact on this dollar limit?" The answer was that the dollar limit of $700 will not be changed but, because of the application of the tax, fewer books will be available to the student who is working under this dollar limit. It seems that it is unnecessary for any of us to argue at length about the undesirability of applying a tax to the purchase of textbooks, particularly for students in all the institutions of learning throughout the country. I think we can all agree that that is not a good thing.

● (1410)

In his comments, Senator David stated, "As Senator Marsden said, books for students should have a special status." But they do not have a special status under this particular bill now before us.

In that context, Senator David went on to raise a very interesting question with respect to Canadian magazines to the effect that these are commercial magazines that sell advertising and have commercial revenue. He asked why they should be tax free, as he inferred students ought to be. I thought the answer was very interesting from the point of vue of those in the industry. The answer was to the effect that the number of successful commercial magazines in Canada was indeed very limited, that the average profit margin, if I remember correctly, was about 2 per cent or 3 per cent, and that any additional burden on the magazine industry would be a burden that might be very serious indeed.

I think I should read the comment made by Mr. Jeffrey Shearer, President of Telemedia Publishing and President of the Canadian Magazine Publishers' Association, who said:

> We wish that magazines were more a commercial business than they are—commercial in the sense that they produce strong and healthy profits for magazines across the country. The reality is that they do not. The average magazine produces a 2 per cent or 3 per cent profit margin. Many operate at a loss or break-even point.
>
> . . . we compete directly with American titles both on the newsstands and by subscription. We are all at what we consider to be the highest price at which we can maintain our circulation. What we believe and what all our modelling has done on the impact of the GST demonstrates that we will lose circulation, that our ability to amortize our magazine over a smaller circulation base will erode, that advertising dollars will be less because circulation is less and that, over all, the business will weaken. At 2 per cent or 3 per cent you do not have to have many revenue-weakening dollars to end up with a net loss. So the ultimate fact is that the GST imposes an enormous negative impact on magazines—enormous in the sense as it affects subscriptions, newsstand prices, and even as it affects advertising.

I did not read any evidence that would contradict the assertion by the representative of the Canadian Magazine Publishers' Association; but what ought to be borne in mind is that in addition to the magazines which we normally identify as magazines—for instance, *Maclean's* or *Time*—there are other periodicals and magazines that are more of a literary, educative or historical nature. It was Mr. Mozersky who said:

> For every one successful *Maclean's*, *Time* or *Chatelaine*, there are literally hundreds of periodicals, journals, scholarly and literary publications that one does not see on the newsstands that are no different from essential scholarly works or the kinds of books that institutions are buying for their students. We make no distinction. The printed word is the printed word. True, some magazines are successful in the commercial sense, but the vast majority of them are not and have no commercial impetus behind them. They are educative. They are fulfilling a mandate, whether it be social, political or literary. They are magazines, journals and periodicals that fulfil a very important function in our society.

I doubt whether those who framed this tax, which is of such general application, were able to discern clearly at the beginning the many effects that the tax would have. One effect that was surely not intended was that which would place a burden upon the magazine publishing industry, which is not a robust industry to such an extent that its work will be seriously hampered.

I do not know what honourable senators think about newspapers, but the witnesses refused to draw any distinction

between newspapers and other printed materials. They argued that newspapers should receive the same treatment as magazines or textbooks, that they were in the field of opinion and that newspapers were, if I may again quote from one of the witnesses:

> ... the symbol of freedom of speech and freedom of expression and therefore they should remain untouched. But they happen to fall into the category of the printed word. Therefore we are not splitting hairs. We say the printed word includes magazines, books, periodicals and newspapers.

That is the argument. What will the Senate think of it? What will the Senate say to the textbook question, the magazine question and the newspaper question? What will the Senate say to the competition which the Canadian publishing industry will receive from the United States?

I understand that much of the business they do depends upon the distribution in Canada of books that are imported from other countries. These will attract the GST immediately upon crossing the border. They worry about the burden of the inventory which they will have to carry before these books are disposed of. That is another effect which I am sure was not intended or foreseen by those who framed the tax.

● (1420)

I found it interesting that reference was made to the level playing field and whether a level playing field had been achieved in this industry.

In the magazine publishing business and book publishing business, Canadians face a competitor in the United States which does not carry a 7 per cent burden of GST. When it comes to subscribers and the whole subscription business, which is 90 per cent of our circulation, we will have the 7 per cent disadvantage. That 7 per cent disadvantage against our American counterparts, who already have the economies of scale that are 10 and 20 times as large as ours, will just add another burden to make it difficult to maintain a healthy or existing periodical industry in this country.

These are the main points that were made before the committee, and they were repeated in the committee's report.

There was no contrary evidence that I could find that successfully rebutted the main arguments that were put forward. It seems reasonable to us that an amendment, that would restore, in a sense, the status quo, that would protect or safeguard printed materials against the GST, would be appropriate. It would maintain a system that is presently in effect in Canada and, at the minimum, would give a fighting chance to the publication industry in Canada.

MOTION IN AMENDMENT

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I move, seconded by the Honourable Senator Frith:

> That Bill C-62 be not now read the third time but that the Schedule of the Bill be amended, on page 342, to make provision for reading material by adding to Schedule VI, and numbering accordingly, a new heading and Part as follows:
>
> "READING MATERIAL
>
> 1. A supply of a book, periodical literature or other reading material."

[Senator MacEachen.]

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion in amendment?

[*Translation*]

Hon. Jacques Hébert: Honorable senators, how long can a government get away with pushing everyone around without listening to anyone, ruining entire sectors of the economy without the tiniest bit of compassion and jeopardizing our culture while ignoring the pleas of the authors, poets, editors and distributors?

"Quousque tandem abutere Catilina patientia nostra?"

In spite of the largest ever general outcry, in spite of the advice of experts in all fields and circles, including the business circles, in spite of the recession which will make even crueller the consumption tax, the Conservative government is stubbornly going ahead with its suicidal plan for imposing the GST at all costs ...

In their hundreds of thousands of letters, phone calls and especially petitions, Canadians have sent us senators a clear message: "Elected or not, you are required under the Constitution to improve bills, whenever possible, or to block them in the case of repressive, unfair and immoral legislation.

It is therefore our duty to oppose with all our might the GST and to use all the legal means the procedure affords us to delay ad infinitam a vote on this bill. Each day, more and more Canadians understand the disastrous effects the GST will have on our fragile economy. Each day that goes by sees a growing number of Canadians oppose the GST, as indicated in the Gallop polls. In September 1989, 72 percent of Canadians indicated clearly their opposition to this flawed bill. Four months later, in January 1990, the opposition had grown to 74 percent. In the most recent poll, published on November 1st, 76 percent of Canadians say no to the GST, with a 92 percent peak in Atlantic Canada.

On this side of the Senate, we are determined to keep up fighting, to continue showing the people the negative impact of the goods and services tax. And one day, Gallup polls will tell us that only a very small percentage of Canadians are in favour of the GST. They will be the inveterate supporters of the GST. I would say that the names of Brian Mulroney, Michael Wilson may be, and Laurent Thibault, president of the Canadian Manufacturers' Association, would be in that category.

In the next few days, weeks or may be months—who knows?—Liberal senators and probably some independents, may be some Conservative troubled by their conscience, will be denouncing the most odious aspects of this already infamous bill.

As far as I am concerned, I will limit myself to talking about the catastrophic impact of the GST on the book industry. Newspapers and magazines will be hit as well, but it is the book which is the base of our cultural development.

• (1430)

I will probably use freely the most remarquable submissions received by the committee so ably and patiently chaired by Senator Sidney Buckwold. Just the presence of Senator Simard opposite is enough to test anyone's patience, and we all congratulate him.

I will quote publishers, booksellers, journalists, authors, but I will try not to mention my own experience in this field, except to say that I probably published more than 1000 articles in dailies, weeklies and magazines, including a polical weekly that I founded and published for five years; that I authored 25 books; that I founded a bookstore, a book club, book distribution companies and two publishing companies which have published more than 800 books in fifteen years, with Pierre Tisseyre, J. Z. Léon Patenaude, and several others, to develop in Quebec and Canada a book industry which in the early 60s was still in its infancy.

As an example, I would simply remind you that, in those days, when I started working in the publishing business, in all of Quebec you could only find about twenty bookstores, and they sold essentially books imported from France. Today, there are more that 400 bookstores, and books published in French in Canada are not relegated to some obscure corner anymore. In thirty years, the publishing industry has made giant strides in Quebec and the rest of Canada, as you will see by the numbers that I will quote later.

I will especially emphasize the doubly catastrophic situation of this industry in Quebec, although it is not very reassuring either in the rest of Canada. For example, this is what Lysiane Gagnon wrote in *La Presse* of October 20th:

> Until now, books were not taxed in Canada.

Some of us may be not fully aware of that. Never since Confederation has any tax been imposed on books. I quote further from Lysiane Gagnon:

> "Everything will change within a year. The GST will put a 7 per cent tax on books. To which Quebec will add its own 8 per cent tax. All at once, the price of books will go up 15 per cent or rather almost 16 per cent, since the provincial tax will be calculated on the after GST amount.
>
> Booksellers and publishers are, rightly, in a state of alert. They forecast a 25 per cent decrease in sales and expect that publishers will be less inclined to "take chances".

I must tell you that this is an anglicism that Lysiane Gagnon herself put in brackets. In French, you should have said "take risks". However, I read a quote and by the brackets, I assume that Lysiane Gagnon knew she was taking risks with the French language.

> . . . Only guaranteed bestsellers will be published. The next Réjean Ducharme whose manuscript will raise doubts will have to be published at the author's expense. Or else stop writing."

Of course, many culturally-oriented magazines—*MacLean* and *l'Actualité* will probably get by—will not survive the GST.

The letters, documents and briefs opposing the GST in general and especially as it applies to books and magazines are so numerous and of such high quality that it would be difficult to quote even their most essential parts. If there is an industry which is unanimously against the GST, it is the book industry. As evidence of this, here is a partial list of associations which have indicated their opposition to a bill which would destroy all the progress accomplished over the past 30 years. Although incomplete, this list deserved to be heard. I have just received an updated version which is twice as long, but I will dispense with it, limiting myself to the one I had here already.

Association des Éditeurs, Société des éditeurs de manuels soclaires du Québec, Union des écrivains québécois, Union des éditeurs de langue française, an international organization, International Publishers Association—which is not stricly French—Association des éditeurs de périodiques culturels québécois, Association québécoise des salons du livre, Association des distributeurs exclusifs de langue française, Association des librairies du Québec, Association québévoise des presses universitaires, Corporations of Professional Librarians of Quebec, Association pour l'avancement des sciences et des techniques de documentation, National Catholic Communications Center, Canadian Magazine Publishers Association, Communication Jeunesse, British Columbia Library Association, Association of Canadian Publishers, Canadian Book publishers' Council, Canadian Booksellers Association, Canadian Community Newspaper Association, Canadian Library Association, Canadian Teachers' Federation, Canadian University Press, Periodical Marketers of Canada, The University of Toronto student's administrative council . . .

As I told you, a few days ago I received a list which is twice as long, but I will spare you.

Allow me however to quote a few passages from the excellent brief of the Conseil consultatif de la lecture et du livre:

> The publishing industry is the oldest of all activities now described as cultural industries. However we will have to wait for the industrial revolution if we want the organization of the work to be comparable with what it is today, complete with a division and specialization of duties.
>
> There are various stages in the production of a book, beginning with creation and on through the distribution of the product. The creation stage, that is the work of authors and translators, gets the production process under way. The second stage, editing and publishing, is the major activity of the editor who runs the risk . . . oftentimes.

For oftentimes it is an incredible and extraordinary risk in Quebec . . .

of publishing a text proposed or written at his request. The following stage includes the publicity work required to make the book known, as well as the distribution operations to get the book to the sales point or to the consumer in cases or direct sales. At the end of the process the book reaches the public in one of three ways: through sales point, particularly book stores . . .

. . . but certain types of books can be found in smoke shops, department stores, drug stores, and so on.

. . . or in libraries, or through the mail and book clubs.

Until the 1960s the Quebec publishing industry was concentrated in major teaching or near-teaching institutions where some of the major collections are the very foundation of our culture.

Also, up until then, the major distribution networks, especially those dealing with general literature, belonged to foreign interests.

During the sixties and the seventies, Quebec companies publishing both specialized and non-specialized works, grew in number. Soon, every niche of our market would be represented by national products published by Quebec firms. That was true for works of fiction as well as non-fiction. Many creative people could better reach their public just as the first generations of publishers were becoming more professional and anxious to increase their share of the market, so far dominated by French publishing companies, not to mention the competition on this small market coming from English publishers, both Canadian and American.

That is something people often find amazing when Canadian publishing is discussed abroad. No market is as much sought after as the Quebec market for the simple reason that, being bilingual, most Quebec readers have readily access to two large cultures, the French and the English. That means that they have direct access to the American production, which is enormous, largely through pocket book format, as well as to English literature from Great Britain, Australia and, of course, English Canada. Furthermore, we are also faced with strong competition, in our own language, from the French industry, one of the largest in the world, not to mention, to a lesser degree, but nevertheless a significant one, the competion coming from Belgium, Swiss and even Monaco in specific areas.

Today, only 33 per cent of French general fiction books on the Quebec market are produced by Quebec publishers.

Only 33 per cent! Imagine what it was like in the 60s!

"In the Seventies and Eighties, another battle started: the take-over and consolidation of distribution networks. Although the situation is still far from ideal, an increase in national distribution agencies and take-overs of major foreign agencies have brought about profound changes in the Quebec publishing sector.

But what about our marketing infrastructure? If we consider traditional distribution networks, European French-language imports have long benefited, as we said before, from the fact that distribution networks in Quebec were a monopoly of major French publishing groups. This was a real obstacle for Quebec publishers, most of whom had to use the distribution networks of their French competitors. Take-overs of foreign distribution agencies and the creation of new Quebec agencies have been a first step towards genuine control over our own market.

At the next marketing level, we find bookstores and a network of small sales outlets.

And, as I said earlier, sometimes some of the major newsstands, smoke shops or drugstores.

After the 1972 order in council, the number of bookstores in Quebec increased significantly, not only in the big cities but also in the regions . . .

This is of course a provincial order in council. It would take too long to explain, but it was a measure to help bookstores become more or less viable.

Nowadays, there are between 300 and 350 bookstores in Quebec, and the five chains own close to 50 more.

That is over 400 all in all.

More than 80 per cent of certified bookstores are independant concerns. But all bookstores do not derive the majority of their intake from the sale of books; several of them also sell stationary.

That helps them survive.

There is also a network of sales outlets other than bookstores like drugstores, smoke shops, convenience stores and department stores. In these 2,000 to 6,000 stores, they mostly push pocket books and practical books.

You will not find any great literature in this kind of store but only at the 350 or 400 professional booksellers.

This network is needed for comprehensive coverage of the market, but its operation is costly and its potential is but partially developed by many publishers in Quebec

As to the printers, very few of them print only books. And the network of libraries is unfortunately very poor in Quebec.

I think that the GST will deal a fatal blow to the book industry.

The economic significance of all the players in this industry should not be overlooked. Income generated by those businesses contribute an important capital to the economy. Registered libraries contribute some $125 million and publishers $75 million. Although no figures are available on distributors, it can be assumed that their income totals at least $100 million.

Thus, income in the book industry as a whole can be estimated at more that $300 million annually. This is a very conservative estimate because the income of non professional booksellers and of foreign publishers in Quebec is not included.

Because salaries in the book industry are not high, it generates more jobs than an industry about the same size but with a larger payroll.

● (1440)

It is particularly surprising to see how low salaries are in bookstores and publishing houses. The reason, I think, is quite simple: the product sold by these so-called businesses is not similar to other products. Moreover, working with books even at a ridiculous salary is often more interesting than having a better pay to sell products other than books.

"Publishing houses have a very important cultural place in Quebec. They have a vital influence on book contents and readers' tastes. Their contribution to cultural life and education is also of the utmost importance.

However . . .

and God knows I learned that.

. . . this is shaky industry. Shaky because it is a young industry which does not have control of its entire infrastructure; shaky because it lacks needed capital since almost 80 percent of publishers and 75 per cent of bookstore owners have incomes of less than $1 million; shaky because its market is too small to allow economies of scale and because of the strength of foreign competition.

That is often forgotten but according to the United Nations standards, a publishing industry cannot be viable in a country of fewer than 10 million people speaking the same language. In Quebec, even including those few on the outside, we are about six million. As I explained earlier, those six million are very fortunate, as far as book readers are concerned at least, to be bilingual and have access to two great literatures, which reduces further the part of the market that remains for the purely French language Quebec publishing sector.

The strength of foreign publishing

. . . must not be neglected

. . . is also manifested in book clubs. Almost all book clubs in Quebec are foreign-owned. Apart from the fact that all benefits realized on the national market escape Quebecers, strictly speaking, no benefit accrue to our publishing companies from the existence of those clubs that feature few of our books. In fact, the Quebec content in the catalogue of Québec-Loisirs, a subisdiary of France-Loisirs and the most important French language book club in Quebec, varies between 8 and 10 percent while, as we have seen, the real performance of Quebec books amount to 33 percent of the market.

Thus, Quebec books account for 33 percent of the market but, in the largest book club of the province of Quebec, scarcely 8 to 10 percent of the books that are proposed to the readers are from Quebec.

"On the other hand, since the average period of time that books remain in bookstores is considerably reduced now, an average of 3 to 6 months . . .

At the end of which the bookseller says to the publisher: "Take back your books because we are expecting new ones.

. . . Quebec publishers must constantly increase the amount of new releases, with the important investments it involves, and forget about the establishment of a publishing fund they absolutly need to make their investments profitable.

Although Quebec publishers are exporting an increasing number of their books, those exportations now represent no more than 5 percent of all the sales of our publishing industry.

Despite all the efforts which have been made and which started at the time I was getting myself into the publishing business in the late 50s or early 60s, all kinds of operations undertaken to try and sell our books abroad failed or were extremely difficult and not profitable. As for the French, of course we have to understand that there are three things they do not like imported from abroad: perfumes, wines and books. They think, not without reason, that they produce themselves and provide the rest of the world with the best in those three areas. The fact remains nonetheless that the result for the moment may not be very satisfactory with only 5 per cent of the total sales of our publishing industry going abroad, mostly to France.

The difficulty inherent in benefitting from these rights can be explained by the fact that Quebec publishers have so few outlets, and it is a significant loss of a source of income for all people involved in the book publishing industry, whereas European and American competitors take full advantage of these rights which account for interesting additional profits.

The weakness of our cinema industry and the extremely low CBC budgets which the government keeps paring down are all factors which contribute to reducing even more the opportunities for publishers to sell their rights to movie and TV producers.

With respect to publishing, it is a fact that government policies have played a significant, indeed a determining role in the growth of the book industry. This also needs to be said today because there is a long standing tradition—it goes as far back as I can recall—concerning books.

First, as I pointed out earlier, never has a tax been levied against books in this country. Not only that, but grants have been awarded to authors and sometines to publishers to help pay for translating and publishing books, particularly in the field of literary works.

It goes without saying that such initiatives on the part of both provincial and federal governments gave added currency to a belief which some people want to deny today, namely that books are not products like all others, that publishers and book sellers are not ordinary tradesmen but indeed key agents of culture dissimination at the most accessible level—books.

This has always been recognized by both levels of governments through a wide range of policies and supportive measures. I will not go into the fine details, but there was a great variety.

It is passing strange that practically overnight, now that we are beginnning to reap the benefits of this provincial and federal public policy, the government should say: Listen, provincial or federal government policies did make for some progress that enabled the industry to grow, but now we intend to do away with them all by introducing the GST.

Senator Simard: No way!

Senator Hébert: That is what I am saying, Senator Simard. When you deliver your brilliant speechy in a few minutes I hope you will try to show us to what extent the Conservative government is attuned to cultural matters, particularly the Quebec book publishing industry!

• (1450)

[*English*]

Senator Cools: Senator Simard cannot make a brilliant speech.

Senator Hébert: He cannot? Give him a chance; he may. We don't know.

[*Translation*]

Now listen to this, Senator Simard.

> In the last decade, the federal and provincial governments gave publishers tens of millions of dollars in direct and indirect subsidies. With that money, Quebec publishers were able to compete with foreign publishing companies on our domestic market.

Those grants may seem enormous, but for the publishers, a million dollar subsidy only represents 8 percent of their annual income. No one should believe that we were supporting them completely. With those subsidies, the governments made it clear they did not consider books just like any ordinary goods and publishers like mere merchants.

The 1972 Order in Council and the 1981 Act greatly enhanced the development of a network of licensed bookstores. I just referred to a couple of pieces of legislation in Quebec which were rather felicitous, since they helped bookstores build a solid base for survival.

On the other hand, investments in public and school libraries are far from meeting the minimal needs of their users. The Sauvageau and Bouchard reports made that very clear.

Why approve the GST in general, as the witnesses am I referring to did, but reject it when it comes to books? That's interesting, because the group I am talking about is not willing to abolish the GST totally. But they are totally against taxing books.

The industry cannot offset the negative impact of the tax by absorbing price increases resulting from the application of this tax. As was shown in a study conducted by Woods Gordon on the impact of a 15% GST on books (since in Quebec, it is 15%), Quebec publishers and bookstore owners will have to charge their customers that tax.

> They won't be able to absorb it themselves. Their profit margins are too narrow.
>
> Unfortunately, customers are not in a position to absorb the increase in publishing costs either. Although sales in bookstores have kept pace with retail sales, book purchases by the average Canadian family dropped 38 per cent during the period from 1978 to 1984. Furthermore, the worst impact will be on students and low-income families.
>
> The industry agrees that putting a new tax on books will cause sales to drop 25 per cent. Take Spain, for instance. The Conservatives kept reminding us that many if not most European countries had GSTs on everything and that we were lagging behind the times.

However, they seldom mentioned the example of Spain where a 6 per cent tax (the Canadian government is talking about 7 per cent which, combined with the Quebec tax, will add up to 15 per cent) resulted in a 25 per cent drop in sales.

This happened in Spain, with a 6 per cent tax.

> According to Woods Gordon, only the big text book publishers . . . Conservatives like to think big. The big corporations come first, and little guys can look after themselves!
>
> The big publishers of general fiction and text books . . .

The big guys will survive . . .

> The chains and big bookstores will survive the GST on books. All the others will collapse, sooner or later. We think that in this respect, the situation in the Quebec publishing industry reflects what is going on in the industry, across Canada.

The statement I just quoted was not made by a particular pressure group but by Woods Gordon, and concerns the situation in Canada generally.

So the situation will certainly not be better in Quebec.

> Those who do survive will see their net income drop by between 65 and 84 per cent, for publishers, and between 62 and 93 per cent, for bookstores.

You heard the figures.

> With a tax on books, the Quebec publishing industry will be wiped out, to all intents and purposes, and the Quebec book will cease to exist.
>
> Without thriving enterprises, the Quebec publishing industry will be a sitting duck for foreign take-overs. Here come France and the U.S.! This is what free trade means!
>
> It means that as far as publishing is concerned, Quebec will be back where it was 30 years ago. When I started in the publishing business, and I know what it was like 30 years back, the industry was dominated by foreign, often European and, increasingly, American interests.

In the 1960s, we had to fight against the Hachette publishing house which wanted to grab everything we had. They were battles on merit. We won these battles! Now, 30 years later, I just cannot understand this ill-advised and ill-conceived legislation which does not exempt books as is the case in most European countries the names of which are so often listed here. I just cannot understand that after 30 years everything we have fought for will be destroyed simply because of a lack of flexibility on the part of the people opposite. I should say on

the government side because Conservative senators (or rather some of them) do not decide. They simply say "yes" in the caucus and then it is "bye-bye"!

In every country in world, except in Denmark—I hasten to say that in case Senator Simard would be nitpicking as usual! So, in every country except in Denmark, the tax on books has either been reduced or completely eliminated.

I suggest that this is worth repeating: "in every country in the world". Heaven knows how often we have been told that the value added tax was something normal which all civilized nations had adopted. That is right, but in every nation except Denmark, the tax on books has either been reduced or completely eliminated.

Hon. Paul David: Senator Hébert, could you tell us in how many countries the tax has been reduced compared to those where it has been completely eliminated? Could you do it some time, Senator Hébert?

Senator Hébert: I suggest that you have those figures because it was your side which constantly referred to foreign countries. I do not have these figures at this time. Don't worry, Doctor David, I will find them for you if they can shake a bit more your conscience which I feel is already weakened.

If this could help that I should provide you with the list of all the European countries which already have started reducing the tax of books, you can be certain that I will get their names for you within minutes following my speech.

Senator David: The tax reduced compared to what it was before?

• (1500)

Senator Hébert: Yes, compared to what it was before.

In Ireland, for instance, the elimination of the 10 per cent value added tax on books (10 per cent, that is quite a reduction!) resulted in a 10 per cent increase of sales over the following quarter.

That is not so bad when we realize that we are dealing here with books, and not potatoes or jet engines.

As you may have noted, the situation has improved considerably in Quebec. However, it remains precarious, and a tax such as that proposed by the government would result in a few months in the destruction of thirty years of hardwork by the Quebec cultural industry.

I should like to repeat here the comments made by the many authors and publishers who emphasized the negative effects the GST will have on the publishing industry: their forecasts are nightmarish. For instance, one third of all Quebec bookstores will close—are you denying that, Dr. David?

Senator David: I was not talking to you!

Senator Hébert: I am very sorry. I thought you wanted to say that such a disaster should never happen. Perhaps that is what you meant.

One third of all Quebec bookstores will close, not to mention the publishing houses which will go bankrupt.

All these little stores will disappear within three or four months following the introduction of the tax.

For a Conservative who associates constantly with the rich and the affluent—They say that such is the law of the market place that small publishing houses should go broke. The corner bookstores should disappear because they are insignificant as far as free competition is concerned.

Except that, small publishers are often the ones who bring us little marvels big publishers might overlook.

Small publishers take risks unheard of on behalf of writers they like and believe in.

The small insignificant bookstore often becomes the only cultural activity centre in a whole neighbourhood.

Let's not forget that a bookstore is not simply a plain business as one might think. It is an arts centre. It is a meeting place where ideas are exchanged, where literary discussions are held, where the mind is aroused.

So, if the bookstore disappears, it does not mean a plain business has vanished. It does mean that an arts centre has been destroyed. That is exactly what will happen with this bill.

Think of all these writers who will not find other small publishers to suit their convenience and who will be rejected by big publishers who would need larger numbers of copies for the new market created by the Mulroney government . . . Well, I let you add up the number of murdered Mozarts or, closer to us, murdered Marie-Claire Blais, murdered Réjean Ducharme, murdered Victor Lévy-Beaulieu, and many more.

In an article published in *Le Devoir* on Wednesday October 3, 1990, the author Jean Éthier-Blais, The newly reelected president of the Quebec chapter of the PEN CLUB, expressed his concerns in these terms, and I would like to quote him. This is an author speaking, not one of my party's supporters nor someone calling for the death of the Conservative Party, although 85 percent of the population are calling for it. What I mean is that this is his reaction as an author and nothing more.

> The double taxation of books will have a devastating effect on young authors . . .

That is to say the great authors of tomorrow.

> . . . because the publishers will not want to take risks any more.

There are limits to what can be expected of publishers. It is already difficult enough as it is to publish a young author's work. In the circumstances I described and will go on describing, that is going to become complete heroism. Such heroism is usually short-lived because it leads straight to bankruptcy.

> Come January, the price of books will go up . . .

Well, that is not sure yet.

> . . . by 15 percent (due to the increase in both the federal and provincial tax). Echoing many others who sounded the alarm, I suggest that, in reality, the increase will be closer to 30 percent, due in part to the lower sales and the higher printing costs.

> However, editors are not to be pitied too much, because . . .

Notice this is still the author speaking, and there is always, at least on the surface, a degree of agressivity or perhaps a somewhat agressive form of complicity between authors and publishers. I have often worked on both sides. Of course I know how authors react to their publishers, whom they always view as the ones with the money and the power. It always seems to the author that the publisher does not attend to them well enough.

● (1510)

Hon. Royce Frith (Deputy Leader of the Opposition): And without any literary savvy.

Senator Hébert: Indeed, without any literary savvy and who do not understand why their masterpieces gather dust on their shelves. I return to Mr. Blais's text:

> But editors are to be pitied the most because they are organized and hold some negotiating power with governments.

It is true that governments in the past listened to publishers. They listened to the Association des éditeurs de littérature générale. They listened to the Association des éditeurs de manuels scolaires. It is no longer true at the federal level. Right now nobody is listening to publishers. I know publishers' representatives tried to meet with senators on the other side today. They could meet none or very few. So Jean Éthier-Blais says publishers are organized and hold negotiating power with governments. Again I quote:

> For authors, on the other hand, things are very much different. At the publishers' they will come against a stone wall.
>
> A handful, five, ten at best, live by their pens.
>
> Let us try a comparison with other honourable professions, law, medecine and even journalism. According to Éthier-Blais, already in Quebec, there are maybe five authors, ten at best, who live by writing books, by their pens. Such a statement is an unbelievable acknowledgement of the poverty of a society. Quoting again:
>
> Others earn between $700 and $1,000 a year by their pens.

Seven hundred or a thousand dollars a year by their pens! Quoting still:

> —that does not allow for any luxury but it is status recognition.

A recognition of the status of the author, meaning that you may be starving but you nevertheless receive $700 a year in copyright and you can consider yourself having a status. You do not give away your books totally. So it is not a real income but a nominal and ironical recognition of your status. It goes on:

> . . . but it provides for a certain upgrading of the writing profession.

Listen, I have made $700 this year with my books. That is something. Mr. Blais goes on to say:

> The government shows disrespect toward intellectual activities. We rank among the slaves in that greedy society.

I saw that the word "money" stirred something on the other side. In fact, I am getting some information that senator David seemed to need urgently. I will try to make sense of this. The VAT in the European Community and taxes on books in Europe in 1990—this information is not too old. So in Germany, the normal rate is 14 per cent for the VAT and for books, it is 7 per cent. But there was no special low rate in 1990. There was one in the previous years, because the rate was lowered from 14 per cent to 7 per cent. In Belgium, the normal rate is 19 per cent and the rate on books is 6 per cent. In Denmark, the exception that I mentioned earlier, they kept a flat rate for books and other things. In Spain, where the normal rate is 12 per cent, the rate is 6 per cent on books. In France, where the normal rate is 18.6 per cent, it is 5.5 per cent on books. In Greece, where the normal rate is 16 per cent, it is 3 per cent on books. You see the difference in rates. You cannot say that the rates were lowered every year. In Ireland, the rate is 0 per cent on books, while the VAT is 25 per cent. In Italy, the normal rate of the VAT is 19 per cent.

You see what awaits us. They talk about 7 per cent, but you see where we are headed. The government read also those numbers. In some countries, rates are at 25 per cent now. The Conservatives are doing some small calculations. They are good at those. They say: Well, by God, we start at 7 per cent. They wanted to start at 9 per cent, but there was too much protest. They reduced the tax to 7 per cent. Someday, when people are used to it, they will increase it to 20 per cent and 25 per cent, like in Ireland.

In Italy, the general rate is 19 per cent and the rate on books is 4 per cent. In Luxembourg, the general rate is 12 per cent and the rate on books is 6 per cent. In the Netherlands, it is 18.5 per cent and on books, it is 6 per cent. In Portugal, the VAT is 17 per cent and on books—you are still taking notes, Senator David—0 per cent. In the United Kingdom, the general rate is 15 per cent and on books, 0 per cent.

Jean Éthier-Blais warns us that a decrease in book sales will affect literature first and foremost. It is clear that it is not the recipe books that will be affected first. It is evident that it is not the books which explain how to stop smoking in three days, or how to repair your garage at no cost, things like that, that we are talking about. We are talking about literature. That is what will be affected first.

It is not the worst, but the best literature that is always hurt first. I will give you a small personal example. I will not abuse of that because I told you I did not want to get too personal with my examples.

Marie-Claire Blais is certainly one of the most famous Quebec writers. There are others but nonetheless she was a big name a few years ago. She was a very young girl from Quebec City when she was discovered by chance by Father Georges-Henri Lévesque who had sensed in a letter she had written him that here was a great talent. As he was from Quebec City, he

introduced her to a publisher of that city who published her first novel which was, I believe, *Tête blanche*.

I was not yet in the publishing business at that time, so it must have been in the 1950s. She was barely 20. It was already an outstanding book.

Then, she wanted to publish another book entitled *Le Jour est noir*. She submitted it to her publisher, a small publisher of Quebec City who thought: "This is a difficult book, I could not publish it, the risks are too high." That was how, because of this Quebec City publisher, Marie-Claire Blais came to the publishing firm I was running at that time, Les Editions du Jour, to show me her work entitled *Le Jour est noir*. I remember taking the manuscript home and finishing it in one night. In closing it, I said to myself: Here is a superb book, but not—as we say erroneously and in brackets—a commercial success. In other words, it will not sell. I nevertheless told myself: it is impossible not to publish such a book even if it does not sell.

Therefore I decided to publish 3,000 copies of it, which is the minimum number of copies for its selling price to be reasonable. I had copies in warehouses for I don't know how many years. Finally, when she published *Une Saison dans la vie d'Emmanuel*, that started obviously a whole process. She won the Médicis prize, one of the great literary prizes of France. Then, I had to reprint *Le Jour est noir* I had hesitated to publish some six years earlier. All that to tell you that a little publisher, in a difficult economic situation, will tend to reject a good book, even if he believes it is good, for fear of losing his shirt in publishing it.

In the context we can expect, if the GST is ever applied to books, publishers—whether we want it or not, this is often done in a subtle way, but it will be done—will favour practical books, recipe books, How to books, sure bestsellers. Even if we know they might not be great literary works, that is what will be happening. This is to tell you how the effects of this law are more insidious than one thinks. Publishers—we must understand them to an extent—will chose the safest investments.

So, faced with a manuscript like *Le Jour est noir*, by Marie-Claire Blais, a very difficult book, the publisher will say to himself, "I think we will wait until next year, when things are better." I will quote Jean-Éthier Blais who said:

> In literature, there are 90 per cent of just mediocre books and 10 per cent of good ones.

I can tell you that I have personal proof of that. It means that you must publish books that are not so good because the author is talented and if you don't publish his ou her first book—which will not sell and on which you will lose $2,000—this person will never become a good writer. This is the kind of decision a publisher must make all the time.

Very often people would ask me why I chose to publish a mediocre book by an unknown author when I knew I would lose money. Yes, I lost money but I think this author shows promise. There is in him or her the potential for a masterpiece. So, when you accept to publish a first book you invest in the future. Reginald Martel from *La Presse* and other critics will help teach the writer his or her job.

Do you think publishers will be tempted to do that in the new situation the federal government is offering them? I do not think so. This explains why it is not just a matter of money being lost, of jobs being lost in book stores, in the publishing trade and courier services. There is a human dimension to this problem that we must deplore. This is not what really matters in my opinion. What matters even more is the fact that all these talented writers and poets will never be published because of this tax.

As Mr. Éthiers-Blais said: you have 90 per cent of second-rate books for 10 per cent of good ones. The best ones could vanish with the not-so-good ones. And it is not the cook books or those on parapsychology which will disappear from the shelves. As I was telling you earlier, they will always be there. Do not worry, people will keep on cooking. There is no problem for the cooks.

Furthermore, the implementation of this new tax on books which, I must remind you, have always been tax free, will bring about at least a drop of 25 per cent in the sales. And that is not all: this drop in sales will have an effect on the number of copies which will be reduced also, and this will increase production costs which in turn will raise the retail price of books.

It is very easy to understand. In the 60s, I brought out a book called *Le Jour est noir*. Then, 3,000 copies were printed. Today it would probably be too many for a difficult to read book which, we know, wouldn't be a big seller. After the implementation of the GST, it means that we would have to restrict publication to about 1,500 copies. You know very well that the fewer the copies printed, the more expensive the book sale price will be.

In an aticle published in the Sunday, 30 September edition of *La Presse* under the byline of Bruno Dostie, Jean-Claude Lapierre, a bookseller from Verdun, not the most important bookseller in that town, he is just an average bookseller, was expressing very well the difficulties the booksellers will be faced with after the adoption of the GST. And I quote:

> The new GSTs—we are lucky in Quebec, we are distinct, we have two of them. 15.56% if both federal and provincial taxes are applied, as expected, on January 1st—will drive the nail into the coffin of the book industry.

Jean-Claude Lapierre is the owner of the book store Sons et Letters.

> The book is not isolated from the rest. It is an integral part of the world of consumption. Everything is tied together. Housing, transportation and food come first. As far as I am concerned, the reduction in social support of this summer, I felt it at the beginning of the school year.

People are growing poorer and who suffers from it before anyone else? The corner book store because, before buying books, one has to buy food, and buy clothing for children in

order to send them to school. Books will be bought only if there is any money left.

The real question, for Mr. Lapierre, is how much money consumers will have in their pockets once they have paid everything, and I quote:

> It is not necessary to be a statistician to realize that we are in a recession. You need only take a walk on a commercial street or visit a shopping centre to see a great many stores with signs "to let" in their windows. Our sales are already down. First, the GST will apply to all sorts of things; then they will apply also to pieces of clothing and footwear. If, because of the Persian Gulf crisis, the prices of gas and fuel oil increase too, this will mean less money for us. Not to mention all the money the various levels of government are already taking out of the pockets of overtaxed consumers through income taxes, property taxes, lotteries, Hydro-Quebec dividends and all sorts of fines! Will there be any money left for books?

Jean-Claude Lapierre sees the application of these two GSTs from the concrete and daily point of view of an average businessman, already affected by the new legislation on opening hours and trying to earn a living in spite of the traffic and heavy competition of a commercial street, far from the cocktail discussions on the importance of reading.

I wonder if people realize what a bookstore means for a businessman like him who gets about 1,000 bills a month from his various suppliers. Each book is a different item. He may buy as many as ten copies of some books with a large run, but he has also a great many other objects in his bookstore, i.e. books. Therefore, an infinity of suppliers. So, for this man who is getting as many as 1,000 bills a month from his suppliers, the GST will be an unbelievable nightmare, because he has no computer: he cannot afford one. His business will get bogged down.

As I was saying, in such countries as Spain which imposed a 6 per cent tax on books, sales fell 25 per cent. On the other hand, in Ireland, sales increased 10 per cent after the government abolished its tax on books. These two examples should be enough to convince the 16 per cent of Canadians who are still resisting that the GST is a very bad piece of legislation, that should be killed without the slightest hesitation.

Along the same line of thought, last September the coalition against any kind of tax on books gave newspapermen a document on the social, cultural and economic impact of a tax on books. Coalition spokesmen held a press conference ealier today , and I must say the conference was well covered by the press. The conference was held in French because that delegation came from Quebec. Even so the English media were well represented. Allow me to quote a few particularly telling abstracts from their presentation.

> Access to books is one of the essential condition of an individual's intellectual development. It is a right to literacy, culture, information and education.
>
> From a social and cultural standpoint, taxing books is tantamount to harming the French language, impoverishing our culture—and, by the same token, society as a whole—and turning books into luxury products which only the wealthy can afford to buy.

By the way, wealthy people are not necessarily the most avid readers in a society. Earlier today I saw coalition representatives circulating a petition in some kind of a book whose rather interesting slogan was: Taxing books is encouraging ignorance!

> From a social and cultural standpoint, taxing books is taxing young people from poorer families. Book prices will become one more barrier preventing access to education and will worsen the drop-out trend among the secondary and high school student population. The tax will further weaken the already precarious situation of the French book publishing industry in Quebec and provide us with a front-row seat to witness the decline of written culture and the impoverishment of society as a whole.

Quebec culture therefore stands to lose as a result of this short-sighted economic measure; a book is neither a product nor a service but a tool to develop and increase one's knowledge.

Every study and every foreign experience have shown that a 1% increase in the retail price of books results in a decrease of up to 2.5% in sales.

A report published by Coopers & Lybrand Consulting Group, entitled "Consumers sensitivity to increases in book prices", prepared for the federal Department of Communications in August, 1986, and a study made by Woods Gordon, "Impacts of a multi-stage sales tax on book publishers, booksellers and periodical publishers", prepared in September 1987 for the Don't tax readin Coalition, an English coalition similar to the Quebec group I referred to earlier, showed that if the price of books was to increase by 20%, then 50% of book readers would stop buying new books.

Let's not forget our industry was able to develop thanks to the financial and political support it received from our governments. And that is why I think there is a huge contradiction between what is going on now and what the governments, both Liberal and Conservative, at the federal and provincial levels, have done for the book industry. Our industry, specially in Quebec, would never have been able to develop without the financial and political support from our governments, which have always recognized the importance and cultural value of the book industry for the social and economic well-being of our society. That particular point of view is shared also by a the vast majority of Western governments which generally apply a tax-exemption policy on the printed word and especially on books.

Quebeckers gained control of their publishing industry only recently. The vast majority of Quebec publishing houses are only 15 or 20 years old. Quebec publishers only account for 30% of sales made in Quebec.

As you see, that industry is in the first stages of development and is only starting to fend for itself.

For Quebec publishing companies, that is 90 French companies and 12 English companies in Quebec, net sales in 1988-

1989 totalled $156,522,000. Statistics Canada released data in September 1990 showing that those firms paid that year $34,937,000 in wages and salaries, $14,586,000 in copyrights, and spent $92,289,000 in printing costs and so on to publish their own books.

Nevertheless, the future of our publishing industry is still uncertain. Its recent obvious successes, over the last two decades, should not cloud reality. That industry is still not in a totally confortable situation.

The dramatic decrease in sales following the implementation of that tax on books will bring about in the publishing industry a major crisis which will lead to the closing of a significant number of publishing houses and bookstores.

The situation will be just as much dramatic within the book distribution and shipping sectors. Many printers, typographs, graphists, proof readers, carriers, translators and so on will lose their jobs. Last, the number of authors published in the province of Quebec will decrease sharply.

School publications will be greatly affected by this new tax. The price of books bought by college and university students will increase from 20 to 30 per cent. You know what such an increase means for them. The same situation will prevail for private school students at every level.

As for primary and high schools, only book procurements by school boards will benefit from a partial rebate to compensate for tax paid by the boards. Every other item paid for by the students or their parents will be fully taxed, namely copybooks, school supplies, reading books, dictionaries, and so on. Parents usually buy school supplies for their children, and they will have to pay 15 per cent in tax in the province of Quebec.

Furthermore, the tax will impose a heavy administrative burden on publishers and school boards while its benefits in the form of tax revenues will be relatively small. Interestingly enough the government will gain almost nothing from that tax.

Lastly, our financial partners, not to inclined to invest in our publishing industry as it is, have already started to worry about the future viability of the industry following implementation of the GST on books.

I remember one bank manager who was not too happy to see me enter his office to tell him how important it was to invest in authors like Marie-Claire Blais and Victor Lévy-Beaulieu. They didn't understand what I was taking about.

● (1530)

We must gather our courage and say "no"! I know that there is no problem on this side, but I am thinking of you, on the other side. We must say "no" to the annihilation of 20 years of work. We say "no" to any tax on books. That is what we should all say.

Senator Simard: Did you say "yes" to the preliminary study in March or April? You got caught in your own net and now try to blame others.

Senator Hébert: I don't think a preliminary study would have convinced you.

Senator Simard: That's the problem!

Senator Hébert: I don't think that a preliminary study would have convinced Senator Simard because I never saw the senator swayed by any argument appealing to the intelligence or to the heart. But you could perhaps give me one example of change—

If books are essential to the intellectual health of all Canadians, including Senator Simard, if they are the traditional instrument of freedom of expression and form the basis for building one's national identity, for the French-speaking population in this country they play an altogether unique role. They are the guardian of a minority culture's knowledge and linguistic expression, in a way that is unique in North America. And they are particularly important to this Francophone cultural minority.

For the same reasons as our Canadian Anglophone colleagues, and aware of the disastrous impact the application of this tax would have on a product that is so basic to cultural enrichment, we ask . . . I yield the floor to the Coalition I mentioned earlier:

We ask that books be considered an exempt product.

Books have never been taxed in Canada. And I say this for the third time since I started my speech. However, I imagine this may have escaped the senators who are talking. Since Confederation, books have never been taxed in Canada. Recognizing the educational value of books and their importance to the public, Canada has always refrained from introducing measures that would have made books an elitist product.

The Canadian government has made books accessible to all, in all regions of this country. It promoted the birth and growth of a national publishing industry thanks to intelligent policies, supported by substantial programs to assist the publishing industry. The Department of Communications has spent $23.5 million and the Canada Council $23.9 million on the publishing industry over the past three fiscal years.

Why do some people think it is worthwhile for a government department and for the Canada Council, which is still independent but which those gentlemen would dearly love to control . . . Why do these two agencies keep giving substantial grants to the publishing industry, when the GST will come and take it all away?

The government has even planned measures regarding the postal rate. There was a special rate for books so that the vastness of our country would not be a discriminatory factor in the availability of books. Because of the cheaper rate, we were able to send books to the small French bookstore in Vancouver.

The government has taken all these measures for a simple reason: the government believed in the written word and accepted the fact that it was the basis of culture in society.

Gestures like those clearly show how the Canadian government has always tried to offer the people of Canada a truly democratic education. The government has never imposed discriminatory measures on books. It wanted to give Canadians the same access to knowledge, to favor the freedom of

expression, and to permit all Canadians to express the country's many cultural realities.

Until now, the Canadian people have benefited from these measures. Despite the fact that Canada is relatively young, that its population is scarce, and despite the strong foreign cultural trends sweeping over it every day, Canadians have managed to recognize and define themselves through their own writers.

The Canadian consumers could gladly say that to the East as to the West, books were equally accessible to all families, whatever their means.

The fact that the written word has never been taxed in all the history of Canada shows the importance the people and their leaders—when these leaders listen to the people, which is not always the case—attach to this unique medium for knowledge and the expression of human thought.

Taxing books is extremely serious and bears a lot of consequences, whatever the rate or enforcement mechanism. It denies the fundamental values that have always been recognized by the Canadian people and supported by the successive representatives of its government, whatever the party.

The imposition of the GST on books and magazines, discriminatory in the way it will limit their affordability, will produce or the Crown revenues estimated at about $13 million or 0.0005 per cent of total revenues expected from the GST, that is $24.5 billion.

You can imagine what a trivial amount it is for the national coffers, unless you totally reject all the disastrous results I foresee.

And at what price will we obtain this extremely small percentage of revenues? Taxing books in order to obtain revenues as small as these is all the more contradictory, since the government reaffirms otherwise the importance it gives to the population's intellectual development. In the document that I'm sure you all know, entitled *Goods and Services Tax, An Overview*, the Hon. Michael Wilson wrote—

It is too bad, I would really like Senator Simard to listen to me because I am quoting the Bible!

Senator Simard: I have been listening reverently from the very beginning!

Senator Hébert: Good. Now this is Mr. Wilson speaking. It's important, and I quote:

> Conscious of the fact that people are one of our most valued resources, the government took steps to make literacy, education and skills development a priority.

Obviously, taxing books is not exactly the way to achieve that!

● (1540)

This concern is all the more relevant—for once, I have an opportunity to congratulate Mr. Wilson—when we realize that illiteracy plagues 24 per cent of the population in Canada and 28 per cent in Quebec. Given those facts, a tax on books would jeopardize basic needs of Canadians. A book is an instrument of knowledge but when its price is raised, it will become a luxury item, which it is not and should never be. Does this government really want knowledge to become a luxury?

At a time when our society must react efficiently to the demands of technological change, which is both lightning fast and unrelenting, should we set for our society discriminatory conditions on training and retraining and also on the development of its most valuable resource, its capacity for thought.

Reading is the only true gymnastic of the mind. With other media, mainly electronic media, only the eye and the ear are put to work. But a book needs a reader to become real. And reading requires only intellectual abilities. The reader has to make use of complex mechanisms of the mind like logic, abstraction—

Hon. Royce Frith (Deputy Leader of the Opposition): Pascal!

Senator Hébert: Of Pascal. Imagination and memory too. It is more complex than watching television.

Senator Frith: You have to think when you watch television.

Senator Hébert: If they had the GST in Pascal's time, I do not think his works would have been published.

Somebody said that a tax on thought is a tax on ignorance.

What I said on reading is valid for any book read for recreation or education. The only difference is a more intense effort to retain the information if you read for education. No other media demands as much discipline of the mind.

Books represent the most accessible, "insidious" and democratic way to knowledge because they can be freely acquired without any prerequisite though the simple will or wish of an individual, irrespective of age, social status or educational achievement. Whatever its subject, whether it be fiction or non-fiction, a book always teaches something new to its reader who often does not even realize how much he learned or kept from his reading. This is so because the written word harbours so much information and requires such a great understanding of what is described. Finally a book is an expression of the human spirit which necessarily uses language as a vehicle. It can express anything in any field, calling on the freedom of thought both of the reader and of the author and achieving the supreme act of free communication of thought, however commonplace it may be.

By deepening the knowledge of reality, books permit appropriation of that reality. Contrary to the electronic media which are instantaneous by nature and which our senses perceive instantaneously, a book requires the reader to embark on a slow process: reading can only proceed one word at a time, requiring the reader to construct a logic. It gives power to the imagination, if I may say so.

Books are the privileged keepers of civilization, they are the memory, a durable memory always accessible and mostly inexpensive. Writing a book requires much less money than making a single movie, teleplay or radio program. It is still the most economical way to propagate and deepen knowledge, express ideas and communicate thoughts and it is still the most democratic instrument of knowledge.

Books do not require any specific tools to be consumer nor do they impose any restriction of space or location on their consumers.

Even senators on the other side are reading a good book while I speak! And they do the right thing!

Books are still the most "open" way of communicating, after the spoken word. Because they store information, because they last, books have deeply marked all our civilizations which are civilizations of the written word: What would the western world be without the Bible, Islam without the Koran?

Because books have all these properties, they cannot be considered, even in our present-day world, as a business product only, nor as a product that can be replaced, their impact on individuals and communities being so deep and important.

I remember the beginnings of television when people would say: this is the end of the book, it is over. When television invaded us, it was so much easier, so much more attractive. People thought: Books do not count any more, they belong to another era. This is not true, television has stimulated the publishing business.

Through its policies, Canada has up until now recognized the important role played by books and those policies have found support among Canadian people.

I have no recollection of governments' support for books having ever been criticized.

As a society, we cannot allow ourselves to tax books. Let us remind ourselves that books are first and above all a matter of language, be it French or English. And language is our only means of access to knowledge. Have we assessed the social cost of imposing the GST on books?

In the context where the implementation of the GST would bring about new paperwork which would increase the burden for businesses, let us remind ourselves that if Quebec publishers have earned income of about 70 millions of dollars in 1986-1986, that is an average of less than one million dollars individually, nearly 80 per cent of them have income of less than one million dollars.

● (1550)

It has to be pointed out also that 16 per cent of the publishers have income of less that $50,000. This is the income of publishing businesses!

That industry, small when compared to the giants of the international publishing world, produced 2,701 titles in 1986-1987. This achievement is all the more outstanding when considering that the average print run for publishers generating income of over one million dollars is 3,960 copies only whereas it drops to 2,500 copies for publishers whose income lies between $200,000 and $500,000 a year. Can you imagine!

There are 953 copies for publishers with revenues under the $50,000 mark, which is surely the case for those who publish mainly poetry. The average number of copies for youth publishers specializing in novels or storybooks is 4,000 copies, while it is 3,061 copies for textbooks. Those are small print runs. But, as in other areas, competition must nevertheless be maintained with children books published in France, at 50,000 copies the very first edition, which reduces the sale price. In literature, the number of books printed averages only 1,289 copies and in general literature, 3,395 copies are produced. These figures are more recent than those I had when I was in the business, for example, I mentioned before the book entitled *Le jour est noir* by Marie-Claire Blais. If I was publishing that book today, I would have to reduce the number of copies to 1,289 instead of 3,000, as I did in the sixties.

For French-language publishers in Quebec and in Canada, to succeed in producing a book that will compete on the market is a miracle when one thinks of the small number of copies they produce.

Yet, one must do it and the competition is fierce. On this small market for a population of six millions, one finds French, Belgian, Swiss, American and English Canadian products. These are available not only in hardbacks, but also in paperbacks, which are cheaper, although they cannot reach the bargain you find in the English paperbacks. Clearly, a book published in the United States goes from 100,000 to 150,000 copies, while even a pocketbook in Quebec can hardly reach 5,000 copies, for heaven's sake. These foreign books are also available at bargain prices and distributed with all sorts of advantages through readers clubs, and, in Quebec, there is mainly one, foreign owned, and the Quebec production represents only 20 to 22 percent of what is available.

In other words, the publishing industry in Quebec has succeeded its takeoff in spite of an enormous competition.

Hon. Paul David: May I ask you a question about the book club in Quebec you mentioned? The name you gave has Quebec in it. You are now saying it is a foreign publishing business. I take it it belongs to someone from another country.

Senator Hébert: It is probably a subsidiary of a business in France.

Senator David: That may be the reason why they have far more books from outside Quebec in their catalogue.

Senator Hébert: Yes, that must be the reason. Among Frenchmen they manage. In other words, the book industry in Quebec manages to soar against fierce competition, without the benefit of economies of scale that characterize large publishing industries, without the benefit either of revenues generated from the exploitation of related rights—sale of film and television rights, sale of a pocket edition or sale to a book club—that require a generally strong and rich cultural industry. The average length of time publishing companies have existed in Quebec is only 16.4 years and the median length of time is 13 years. That means that industry is far from enjoying a maturity that will guarantee Quebec consumers the stability and full development of national books production. Besides, that industry gains from government support as was mentioned earlier. In 1986-87, 84 per cent of Quebec's publishing companies received government aid totalling $6,439,300 or 9.3 per cent of the revenues they generated.

To jeopardize ever so little the fragile equilibrium so hardly achieved that at the moment allows French speaking consum-

ers to buy Quebec books at reasonable and competitive prices is to put at risk the very existence of those books and show a lack of concern for what they represent for people who are fully entitled to derive their education and entertainment from books made and written for them, that resemble them. And Quebec consumers have been enjoying that privilege for such a short time—

The GST would be slammed on all books, including school books. But many people—up to sixty in the case of a reading book—are involved in making these books. School publishers represent 41 percent of the publishing houses in Quebec and generate nearly 67 percent of the revenues in the industry. The literary field represents 44 percent of the industry, but generates less than 30 percent of the revenues. Finally, "other" publishing houses (for musical scores for instance) represent only 15.1 percent of the industry and generate only 3.4 percent of the revenues.

The Coopers and Lybrand study entitled "Consumer Sensitivity to Increases in Book Prices", which I mentioned earlier and was prepared by the Department of Communications, shows that everytime the price of a book goes up by one percent, the sales go down by 2.5 percent. We must remember that. It also underscores the fact that, for all types of books, even a 10 percent increase in price would deter more than 25 percent of the people interviewed from buying new releases and to wait for them to be published as paperbacks. If prices were to rise 20 percent from the original sales price, 50 percent of the people interviewed would not buy, while the other 50 percent would. The study dealing with consumers also shows that among the consumers who would stop buying Canadian books first would be the households where French is the most commonly used language, the people who have completed a college degree, the students and the households with the highest or the lowest gross income.

Considering the present circumstances in Quebec, with its small population pool, can we afford to turn books into an elitist product?

Moreover, in the school sector in Quebec, the school boards do not have a separate budget for book acquisition. It is part of their global budget. It can therefore be expected that an increase in the price of books will result in a decrease in the number purchased. Then, lower sales will make the unit price go up. Will the school book become a privilege? Finally, let it be known that the school boards budgets are already insufficient and do not allow to achieve the goal set in Bill 107, that is that every pupil must be given one basic book per compulsory subject. Even that cannot be achieved at the present time. So, what do you think will happen if there ever is GST on top of everything?

Publishing is a high-risk industry. It involves high production costs that must be distributed over a modest number of copies. The more complex the productions are (such as school books, mathematic or chemistry textbooks, illustrated children books, general and specialized litterature that must be illustrated such as history books that very often need colour illustrations, geography books, architecture books, the so-called gift books, art albums, visual art books, et cetera), the higher the production costs and the more difficult it is for the national publishers to provide consumers with quality books at competing prices. Unfortunately, the Quebec consumer cannot benefit from the economies of scale as do most of the foreign publishers in countries where the cultural activity and industry in general is strong enough to be self-sufficient.

Increasing the risks of the Quebec publishing industry will lead to a strict selection of safer products—potential bestsellers—and to ending the publishing of new and unknown authors. No more risks! It will mean the end or at least a very substantial decrease in the production of more specialized books with a restricted market in, for example, social sciences, essays, special scientific fields. We will quit trying to compete in certain basic sectors. Right now, French-speaking university students in business administration, sciences and many other fields mostly rely on English textbooks that would be too costly to have translated or produced in French. Imagine what it will be after the GST!

Unfortunately, it is impossible for the GST to be implemented without those projections becoming real. The Quebec and Canadian French-speaking consumers will find less books from Quebec and Canadian authors (in this respect, studies by the Canada Council and the Department of Communications have shown that national publishers publish the greater number of national writers, and if it is true for English Canada, it is even more so for French Canada). You should not be under any illusions, because Canadian subsidiaries of American or French publishers are not big publishers of Canadian books. Rather, they sell books from their own country's authors, which is totally normal.

They will also be faced with much less varied Canadian products. Because of higher prices, would consumers not be right to buy the cheapest products? Francophone writers from Canada will fight a losing battle against the American paperbacks or books of science and technology.

Let us listen to what the Don't Tax Reading Coalition, a particularly representative group, is asking us.

> "With its long democratic tradition, the Government of Canada has given books a special rank in its cultural policy and has recognized, with concrete actions, its preferential status."

It is the whole history of Canada that proves that.

The reasons behind this approach and these decisions - the exceptional educational and cultural value of books - justify their existence as much today as before. Trusting that this respect for books and for reading is part of the Canadian values, we specifically ask that books not be taxed. By doing so, Canada will follow in the footsteps of the United Kingdom, Ireland, Australia, Portugal and many other countries that recognized that books are essential to their intellectual well-being and cultural fulfillment and that did not tax reading materials.

Given that the Government of Canada has, with vision, conferred a preferential status to food products, which are

essential to physical well-being, it would be totally logical that books, which are essential to intellectual well-being, enjoy, like food products, also a preferential status and be also declared untaxed products.

Canadian publishers who publish in English have problems very similar to those in Quebec who publish in French. However, here are some relevant Parliamentary proposals submitted by the Don't Tax Reading Coalition:

• (1600)

[*English*]

Canadians have expressed their view on this subject to no avail. A recent poll, the *Environics Focus Report* of July 1989, indicated that 80 per cent of Canadians support a zero-rate of tax on books. Further, a record number of postcards advocating the zero-rate have been received by government members, including the Prime Minister. The coalition now looks to the Senate to ensure that Canadians' voices are heard.

A motion to zero-rate would be both precedented and wholly consistent with current international and domestic policies. Norway, Spain, Switzerland, Ireland, Italy, Australia, Japan, the United States and the United Kingdom have applied a value-added tax rate of zero to reading materials. Further, domestic policies related to the support of the print industries, including those of the Canada Council, Secretary of State and Department of Communications, have traditionally supported the primacy of reading. In book publishing, for example, current annual federal direct assistance totals some $18 million, applied to retail sales of about $400 million. If the GST were applied it would raise approximately $26 million. However, any federal tax gains would have to be offset in new aid to our sector.

A zero-rate would also be consistent with current federal taxation policy. The GST, if applied to the print industries, would not supplant a federal manufacturing tax.

[*Translation*]

As I was saying earlier, everything that went into the manufacturing of books since Confederation, the paper, the thread to sew the book's spine, has been exempted from taxation.

[*English*]

Indeed, the Department of Finance has estimated that the industry bears a one per cent "FST trickle down" at most.

Such federal support was, and is, essential. Expressly, because both producers and consumers have never paid tax on reading materials, the impact of the tax, and the concomitant price increases, would be deeply felt by both. Recent Canadian studies, as well as experience in the U.K., show that a 10 per cent increase in prices would mean a 10 per cent decrease in sales revenue. Given that the government's own findings indicate that the book and magazine industries, including the retail sector, operate on minimal profit margins, and given that companies cannot pass on increases to the consumer, a decline in both output and employment is inevitable. Ironically, the decline will be most conspicuous in those areas where the government has targeted its policy priorities on cultural and social grounds: writing by Canadians on subjects of interest to Canadians.

Canadians are proud and fortunate to be able to enjoy the best English-language books available from Canada, the U.K. and the U.S.

[*Translation*]

As I was saying earlier, French-language books published in Quebec face competition from books imported from France, Switzerland and Belgium, and, as very often their readers are bilingual, also from the United States, English Canada and elsewhere. During all the time I was an active member of the profession, we never wanted competing foreign books to be taxed. We were even against taxation of books coming from France, against taxation of books coming from the United States, because we wanted that the free circulation of ideas be respected to the full extent, and in our case, those were ideas expressed in the French language.

• (1610)

[*English*]

Fully 75 per cent of the books sold in Canada are imported from the U.S—and, by the way, part of them are bought in Quebec by francophones. The Canadian publisher-agents of these books would have to pay the GST at the point of entry. Because publishers' receivables often run as long as 80 days, fronting the cost of money to do so will have serious cash-flow implications. Furthermore, because existing mechanisms for collecting taxes would be overburdened, individual consumers might find it cheaper to purchase books in the U.S., thereby avoiding the GST and disadvantaging Canadian books. Similarly, non-taxed U.S. magazines will be put at an advantage over Canadian. It will not be possible to capture the tax on a vast proportion of the books and magazines crossing our border.

While the government has claimed that education is essential to remaining competitive internationally, the GST applied to books, magazines and newspapers would undermine that stated goal. Educational institutions will be unfairly hit, we submit, since, for example, the school board, not the school, would be the recipient of the rebate. There are no checks and balances to ensure that funds will be returned to the school and spent on learning materials. Similarly, rebates to public libraries will be sent to the municipality. University students will be required to pay 7 per cent on textbooks.

Educationally, the prospect of applying the GST to the production and consumption of scholarly and academic works, we submit, is alarming. Institutional learning, research, literacy, and independent ongoing study all require full and fair access to books, magazines, and newspapers. The printed work is the foundation of our education from the early childhood years through the rest of our lives. We submit that any "educational exemption" should encompass tax-free status for all print materials. To apply that exemption in any other manner can easily be construed as anti-democratic.

Canada's system of education does not exist simply to create elites in which knowledge is protected and safeguarded; the

principle of tax-free reading and writing is a democratic one which must not discriminate among Canadians. This coalition submits that the government's failure to fully address and support the importance of reading and writing in Canada is an inappropriate cost of the GST, and one which this country cannot afford.

Therefore, the Don't Tax Reading Coalition strongly recommends that all inputs and supplies related to the production, dissemination and consumption of print materials must be subject to a zero-rate of tax. An exemption would not be sufficient, as it would lead to unrecovered tax and increased prices on reading material produced for domestic use and for export. The benefits that would accrue to Canada from a signal to Canadians and the world that the principle of tax-free reading is sacrosanct would be far greater than the loss of revenue resulting from zero-rating. They urge senators to return the bill to the House of Commons substantively amended in support of zero-rating of the written word. Education is, to each and every Canadian, subjective. Learning through the printed word occurs at all ages, in all environments, and in any way we choose. A tax rate of zero for reading will ensure the democracy of education.

[*Translation*]

Moreover, the Canadian Magazine Publishers Association backed the submission of the Don't Tax Reading Coalition, insisting on the fact that reading as such, which includes books and periodicals, should be exempt. Allow me to quote one paragraph concerning magazines in particular.

I will read only one because everything that has been said on books also applies to magazines.

● (1620)

[*English*]

They also stress the unique contribution that magazines make to Canadian culture, that our publications are a major source of support for writers and illustrators. Indeed, many of the nation's best-known writers were first published and polished their talents in Canadian periodicals. A full 93 per cent of the writing and illustrations in our magazines are created by Canadians. These publications are a major outlet for creative talent. To jeopardize this industry would deal a severe blow to Canadian culture.

[*Translation*]

I hope that for once Senator Simard will refrain from shouting: "So what?" He did not shout "So what?" because he is not here. Senator Simard is in a position to know that a magazine is essential for the preservation of a society's cultural values.

Magazine publishers in Quebec support the contentions of their English-speaking counterparts.

In their conclusion, they refer to the example of Mrs. Margaret Thatcher with the assurance that it should impress Mr. Mulroney, although these days he is under the spell of President Bush.

And I quote:

[Senator Hébert.]

> By exempting magazines, newspapers and books from the GST, Canada would remain among the countries eager to protect as much as possible the access of their citizens to knowledge. Several countries alreay do. It is the case for instance of Great Britain where Prime Minister Margaret Thatcher has recognized the need to protect magazines, books and newspapers.

George Bush would have had greater impact, but Mrs. Thatcher is better than nothing.

It has been repeatedly stated that the public in Canada generally and in Quebec in particular oppose in large number the GST. It is undeniable. If a poll were taken on the particular issue of applying the GST to books and magazines, I am sure the results would show that nearly 100 per cent of Canadians are against it.

Senator Gigantès: Except the Tories who do not read!

Senator Hébert: Then let us say 99.9 per cent of all Canadians. This does not seem to impress Mr. Wilson and Mr. Loiselle, two ministers who repeated hardly a month ago that they would remain inflexible. I quote Hon. Gilles Loiselle, who as a Quebecer should know what this will mean for Quebec. During a Question Period, he stated that the decisions are made, that they are well known, and that they will not be changed.

That is the kind of people they are. Even if all Canadians are against it, they will not listen and will go ahead just the same. The Prime Minister, for one, is slightly less convinced. It was enough for him to spend 45 minutes with the students at Burnaby South High School on October 22 to be shaken. He finally confessed, and I quote his statement as reported in English-speaking newspapers.

● (1630)

[*English*]

> . . . "Of all the criticisms I have heard, (concerns about tax on religious books) worries me the most", adding that he hoped the tax code would be revised to deal with that issue.

That was stated in the *Globe and Mail* on October 23, 1990.

[*Translation*]

If Mr. Mulroney had spent another half an hour in that high school, books and periodicals would have been GST-free! Another fifteen minutes, and that would have done the trick.

The conscience of each and every senators on the other side of this house is our last hope. When the time comes to vote for or against the amendment were are dealing with, to vote for or against the destruction of the publishing industry in Canada, the closure of a third of our bookstores, and everything else, I am sure some senators will put the preservation of our culture before partisan considerations. I think in particuliar of senator Solange Chaput-Rolland: when the time comes to vote, she will remember, I hope, that she is a reporter, that she even published her own periodical at a time when it took a lot of courage to do so.

When the time to vote comes, I hope she will remember that she was once a reporter, that she directed her own periodical at a time when much courage was needed for that kind of undertaking. When the time to vote comes, I hope she remembers also that she published many books through publishing businesses which might disappear if not exempted from the TPS. When the time to vote comes, I am sure that Senator Chaput-Rolland will not want to betray writers, publishers and bookstore owners because she would be betraying herself.

When the time to vote comes, all eyes in Quebec will be on her and on some conservatives senators who keep talking about "culture".

Senator Simard: I hope that some will remember your antics and that you have fed

Senator Hébert: I did not get what you said but it is probably not very important in any case!

I am almost through. Unless you want to delay the process, I will conclude my remarks.

Senator Simard: Please do!

Senator Hébert: If you would keep quiet for a few minutes—

[*English*]

Senator Stewart: He wants to make a speech!

Senator Hébert: He will make a beautiful speech in a moment.

Senator Simard: That is all right. We will finish with you in due course.

[*Translation*]

When the time to vote comes, the province of Quebec as a whole will watch Solange Chaput-Rolland and some of the Conservative Senators who are always mouthing the word "culture".

And history will draw its revolver!

Honourable senators, I thank you.

Hon. Jean-Marie Poitras: Honourable senators, I believe it is appropriate at this time of the debate on Senator MacEachen's amendment to recall the basic principle we stand up for concerning the GST.

As we know some senators try to distract the public as well as this Chamber from the fundamental principles involved. They try to frighten us with horror stories. According to them every business and sector of activity would be in bad shape, and heading for unavoidable bankruptcy.

True, we are heading for bankruptcy, but the fault lies with the Liberal governement, which has been leading us in that direction for about twenty years.

I would like to begin by recalling the basic principles of this tax, because we must keep in mind that it is fair and equitable.

The first principle is to impose the tax only at the consumer level, rather than taxing companies from the start in such way that they cannot compete with their foreign counterparts. With this tax, our companies would consequently be better able to compete and, above all, to export their products more fairly and efficiently.

The current situation favours importation instead of exportation of our own products.

The second basic principle of this tax is that we taxed companies for 40 years—we are the last country to quit this system—we taxed those who provided the primary products, our manufacturers and contractors. We were taxing them while an economy far different from what we had 50 years ago was emerging. Today, there is a whole sector that we call the service sector. I believe both the public and the initiators recognize it is fair and reasonable that those sectors that are the driving force behind our economy be less severely but more fairly taxed.

The third principle is to establish the lowest possible tax rate and make it universal. This means that, at all levels, in the production or service sector, as a consumer earning $15,000 to $20,000 or $100,000 to $150,000, every one will pay his fair share of taxes. So that some day, we will be able to live within our means and stop piling up debts as we did under the various Liberal governments.

Moreover, senators on the other side seem to forget that it is a replacement tax. Today, 26 million people in Canada pay in excess of $18 billion in tax without knowing it, without realizing how everybody, students, seniors and children are penalized. They pay a sales tax without knowing it and without being able to make themselves an idea of its scope.

We will replace that tax. We are not creating a new one. In a way, those $18 billion will stay in the hands of individuals of our society to promote development. We don't ask for an additional $18 billion. Of course, the opposition doesn't want that tax. They ignore it. It is a new scarecrow. I think that people must realize that it is a replacement tax and keep that in mind.

People were invited to express their views, despite a limit imposed on the numbers and some kind of screening of those who wanted to debate and present their submissions to the Standing Senate Committee on Banking, Trade and Commerce.

At that stage, we had 300 witnesses or, to avoid repetition, perhaps 250 who came to tell us, each in his own way, how this tax would change things for them and how they would adapt to it. They often made constructive suggestions.

We also had many people who wanted to be exempted from the tax for one reason or another, because they got used to the government always helping them.

You all know, honourable senators, what this kind of policy did year after year with the sales tax. Today we have over 22,000 special arrangements for permanent exemption in some cases and for special treatment in others. These arrangements are detrimental to other people who do not benefit from them.

If we start granting exemptions for whatever reason, we will surely get to the same point. What senators on this side want to avoid is a higher tax, but if we start giving exemptions, we will have no choice but to raise the tax and increase the burden

on those who have to pay it. Many people called for all sorts of exemptions. Today, as a first amendment out of eight, senators opposite want books to be tax exempt.

Of course, I recognize that senator MacEachen wanted to be non-partisan, that he wanted to avoid diverting attention through the use of imaginary words and catastrophic situations.

Honourable senators and members of the public, you have to know that publishing, reading, culture and research do not exclusively belong to liberal senators. On this side of the House, we also want Canadians to be better educated, to acquire more knowlege and to undertake more research.

Some Hon. Senators Hear, hear.

Senator Poitras: Senator Hébert was talking before about books which are not selling.

On this side of the House, we have authors of books which sell!

Some Hon. Senators: Hear, hear.

Senator Poitras: When a book has value, whatever the price, it always sells and it is read.

Some Hon. Senators: Hear, hear.

Senator Poitras: So, one diverts the question when one leads the public into believing that, on the one hand, we are for education, and, on the other, they know nothing and they will give up everything!

Senator Hébert has presented a number of arguments, saying that the great majority of publishings are supported either by the Communications Department or the Canada Council.

There are more than one way to support publishing. And, one does not necessarily have to go through the Department of Finance, but through taxes, our taxes on such or such item. I firmly believe that tomorrow our government will again find ways to help entrepreneurs, to help those who take risks, to help those who want to promote young writers. There are many other ways than taxation or non-taxation.

I can assure you, honourable senators, that our government will manage to accept the challenge to support all our publishers, that the Department of Communications, the Canada Council, and many others will find new ways to enable our authors to tell us what they have to tell us, and to inform us. Finally, in research, we will, as much as in the past, publish the findings of the research done here, so that we will support our very best researchers.

There is an attempt to single out the GST and make it responsible for everything. Let us not forget, honourable senators, that at the most this tax accounts for 10 to 12 per cent of the national budget. With a taxation package the government is trying to achieve in this term of office, and will surely succeed, a new tax system that must change as does the economy that can no longer develop the way it did fifty years ago.

[Senator Poitras.]

We must be open to the world. We must find new ways and new approaches. When talking about taxing corporations and individuals, we must remember that our corporations remain Canadian because individuals invest in them. They will do so as long as the corporations are profitable and survive. If not as the publishing companies Senator Hébert mentioned they will fall into the hands of publishers of foreign countries.

Honourable senators, Senator Hébert admitted it. The Leader of the Opposition was too scrupulous to admit the ultimate purpose of the whole exercise was to prevent this new tax to pass.

That is the objective, because these are stalling tactics. The purpose is not to improve to such and such a tax under the pretext of saving the publishing industry, books and culture.

In Quebec and everywhere else, the culture will live on. It will be supported by our two levels of government. I am convinced that with the GST or sales tax we will continue to grow, to make our culture known here in our country and abroad.

That is why I ask you, honourable senators, not to proceed with the amendment put forward today. It is a new partisan strategy. Having heard the last speaker, I think we must say it is demagogy.

Thank you, honourable senators.

Hon. Gildas L. Molgat: Would Senator Poitras accept a question?

Senator Poitras: Yes senator.

Senator Molgat: Honourable senator, I think I heard you say, at the beginning of your speech, that it was a replacement tax. But there is no tax on books and other such printed materials at the present time. In this particular case, it would not be a replacement tax, but indeed a totally new tax. If you decide to impose a tax on something that is not taxed now, you can not call it a replacement tax or can you?

Senator Poitras: I think you need to be much more broad-minded to understand what I was driving at. At present, you and I and all our fellow citizens pay 18 billion on one tax. We pay it only on goods we purchase. In a new and more rational system, we are proposing a tax which, effective January 1st, will apply to one sector of the economy as well as the other, that is to say production of goods and provision of services.

At the same time, we will make sure that the burden of the tax will be fairly and equitably borne by everybody, and not by one single group. In that way, it is a replacement tax. It will not apply exactly to the same things, because the economy is not what it used to be 50 years ago. There were very few service-oriented businesses then. Today, there are more.

On various other points, that is also the difference I see in a replacement tax that will apply to different things. There are other means today to encourage entrepreneurs in the publishing industry and in other sectors of our economy.

• (1640)

[*English*]

Hon. John B. Stewart: Honourable senators, may I ask a question of Senator Poitras? I gather from what he just said about this amendment that he would regard a zero rating for books, scholarly books, for example, as a kind of tax expenditure in relation to the new goods and services tax. It is on that ground that he proposes to vote against Senator MacEachen's amendment. Would he carry that line of thinking against tax expenditures over into the income tax field, let us say the corporate income tax field? If so, would he tell us which tax expenditures in that field he would first abolish?

Senator Poitras: Honourable senators, those are two different matters. I feel that the GST should apply to everybody at every level. If other ways to support the book publishing industry are needed, I feel, as Senator Hébert mentioned, that there are other ways of doing it. He mentioned in his remarks the Department of Communications as well as the Conseil des Arts du Canada. Thus, there are various ways to support entrepreneurship in this country. They are the ways in which I am sure the government will support this sector, as it has done in the past.

Hon. Joyce Fairbairn: Honourable senators, in the past week—

Hon. Jean-Maurice Simard: Mr. Speaker, I thought that you had recognized Senator Chaput-Rolland, who was on her feet until she was interrupted by Senator Molgat.

Senator Molgat: I did not interrupt the honourable senator. I asked a question, which is perfectly proper. Questions are to be asked immediately after a speech is made.

The Hon. the Acting Speaker: Senator Fairbairn has the floor.

Senator Fairbairn: Honourable senators, in the past week we have relearned that more than three out of every four Canadians continue to object strenuously to the GST. The numbers continue to grow despite government expenditures to sell it to the Canadian public.

Canadians understand that Bill C-62 represents a radical increase in the scope and breadth of federal taxation on individuals. This bill will tax the most profitable and the most marginal activities alike. Articles and services which have never been taxed before will now be taxed at every level of manufacture and sale. Indeed, this is a form of taxation which will reach into every pocket in the land. In doing so, the GST will have a particularly devastating and long-reaching impact on the activities that are already under most pressure in this country.

In particular, Bill C-62 will introduce punitive taxation on materials fundamental to our future progress, materials that must be made more accessible rather than less accessible. That is why our first amendment in this debate on the GST urges tax-free status be retained for books and printed matter of all types, including, as has been mentioned, the Bible—materials crucial to learning, to knowledge, to education and to spiritual fulfilment which are in turn activities fundamental to Canada's ability not just to compete but to survive in the 21st century.

Honourable senators, this tax is as hurtful as it is unnecessary. When confronted recently by a student in British Columbia, the Prime Minister conceded that it was not right. He was asked by a young man from Burnaby South High School why the GST would be applied on school textbooks and the Bible. The Prime Minister responded, "Of all the criticisms I have heard this worries me the most". He added, "When the tax has been applied across the board for a while the government will want to look at its impact, perhaps review it and revise it later after it has been put in place".

I guess the question we have to ask today is this. Why wait? Our amendment to zero rate books and printed materials gives the Government of Canada a golden opportunity to remove that tax right now. I think it would be an honourable response to public concern.

The Prime Minister has also called for a collective national effort in education, a call which I very strongly support. A year ago he cried out for renewed cooperation from his provincial colleagues toward educational excellence, and a national task force on human resource development was established. I think it is working toward some guidelines for the year 2000, if I am not mistaken. However, in view of this stated priority the Prime Minister is now bent on implementing a tax on the very materials essential to reaching such a state.

Let us look at his words for a moment. Those on the other side will recognize some of them from the annual convention of the Conservative party held in Ottawa at the end of August one year ago, at which time the Prime Minister told his Conservative supporters, "The quality of a nation's system of education is a reflection of its civilization. It is also a measure of its wisdom because no nation can succeed without the full participation of all its people."

Others will remember similar concerns and commitments from the Prime Minister's opening remarks to the first ministers conference a year ago:

• (1650)

> We are here to ensure that Canada's youth finds challenge and reward, as they grow and build this great nation.

Honourable senators, testimony before our Senate Banking, Trade and Commerce Committee suggested that students were very deliberately exempted from any tax credit relief from the GST. We know from the hearings—and other senators have referred to this—that students currently pay about $700 per year for required textbooks. With the GST, plus whatever top-up provincial governments might tax, students could be looking at an additional $100 a year in costs. I have no doubt that Canadian students will find that challenging, particularly those least able to pay in the first instance. These are people that many of us have heard from in vast numbers.

Honourable senators may recall that I have read hundreds of names from petitions that have been sent in by students

from the University of Lethbridge. Recently, a number of us met with students from the University of Toronto, who came here to see Finance Minister Wilson, as well as members of the Senate. They tried to explain to him the tremendous strain that this was going to put on their lives at university.

I have a number of petitions, which I will not read at the moment. However, I will quote one sentence from the personal petition that was signed by students:

> Furthermore, a sales tax on text books and periodicals would, for the first time in Canadian history, undermine the importance of education and literacy nationwide. Most of us surviving on limited, inelastic incomes cannot afford the nightmare of the GST.

The students continue to say that it heartens them to see many of the senators fighting for them.

I should like to go back to the Prime Minister; when he was talking to his Conservative supporters, he said:

> I want to see Canadian educational standards that match those of our toughest competitors. I want to see reforms that will generate excellence in education from coast to coast. I want to see action, on behalf of all young Canadians, who ask only for equal opportunities.

Clearly, Mr. Mulroney forgot to remind his tax advisors of these lofty objectives when they were devising the GST. He forgot to remind them that equal opportunity for Canadian students was one of his priorities for the future of this country. He went on to say to his Conservative convention:

> I assure this great convention that this government will carry its fair share of the burden to ensure that all young Canadians receive a first class education as they confront a world class challenge. At the federal level we are going to focus more and more of our attention and resources on long term investment in people, education, literacy and the upgrading of skills.

What will the GST do to ensure all young Canadians a first-class education? Is the GST the government's way of shouldering a fair share of the burden and of focusing attention and resources on long-term investment in people, education, literacy and the upgrading of skills, as the Prime Minister has said?

I would submit that the GST, coupled with Bill C-69, which is yet to come before this chamber, fly directly in the face of the Prime Minister's professed priorities. Bill C-69 will reduce federal cash support to post-secondary education over five years through a conversion of direct federal financing over to the provinces in the form of tax points. In doing so, Bill C-69 will effectively eliminate the leverage that the federal government once had for working with provinces on national standards of education.

As Robert Fulford commented in the *Financial Times,* in response to the Prime Minister's plea for education standards to match our toughest competitors, national standards are exactly what our strongest competitors have and are exactly what would allow us in Canada to tell whether students across the country have comparable skills in language, mathematics or physics. Mr. Fulford said:

> On the basis of our performance to date, it seems likelier that Mulroney will see our competitors pull farther away from us, indefinitely.

Certainly without some power of negotiation, we will continue to have barriers a mile high to national education standards and credentials. In turn, they will adversely affect true worker mobility and economic flexibility in this country; in other words, barriers to the educational excellence and economic competitiveness which is this government's rhetorical goal. The only exceptions to the tax on the GST in terms of printing and materials will be official texts purchased by an educational institution, which will then receive a rebate of about half the tax. The major individual purchasers of books—students, teachers and professors—will not be spared, nor will libraries, many of whom have virtually given up maintaining up-to-date and relevant collections.

None of the supplementary texts that are so important for full understanding and enriched learning will be exempt, nor will learned papers, journals or periodicals, nor any of the materials essential for a current and timely understanding of issues, events and advances. Not even published research and development findings—the stuff that is so vaunted by the Prime Minister as the key to Canada's economic future—will be exempt from the tax.

At a time when education—not just the learning of specific technical skills, but the ability to think creatively, to problem-solve, to articulate, to instruct, to lead Canadians towards excellence—could not be more critical, the Prime Minister has chosen to slap a tax on the very activities that are fundamental to his strongly stated and laudable objectives.

Honourable senators, I would like to broaden the context further. Last week I had the privilege, as I believe several senators did, of speaking with representatives of the Canadian Federation for the Humanities. As a classification, the humanities, as we all know, encompasses a group of disciplines: language, literature, philosophy, religion, fine art, history—disciplines that have been subject to a great deal of pressure over the last two decades. To a large extent they have been eclipsed by the social sciences.

It seems that an arts degree is just not on any more. One should have a technical degree, or better yet a Master of Business Administration, according to our business pages. Yet as the Humanities Federation pointed out to some of us, the business community itself is continually complaining that business graduates cannot write. They cannot communicate, and by extension increasingly they seem to lack the skills of critical analysis, of creative problem-solving and, overall, of communications.

● (1700)

John Godfrey, the editor of the *Financial Post*, made this point in his newspaper back in June. As a matter of fact, he wrote quite a good article and received an award from the Federation for the Humanities who, in order to encourage

their point of view, are presenting awards for excellence in writing and communicating that they observe within the business community. John Godfrey wrote, and I quote:

> One of the most persistent complaints about recent graduates of business schools in Canada is that they can't write. In his series on business schools which has been appearing in the *Financial Post*, Gordon Pitts quotes Westcoast Energy Inc. President, Michael Phelps on today's MBAs: "Spelling, syntax and grammar are atrocious. Number crunchers are a dime a dozen. But when you walk into a room and try to find the leader, it is generally the person who is the good communicator."

What this suggests to me is that if we turn completely away from the language, the thought and the articulation skills that are the core of the humanities to strictly applied and technological skills, we will not have the ability to adapt to the societal changes that accompany that technological advancement.

In our focus on technical and workplace skills, we sadly seem to be withdrawing from a long-standing commitment to the very abilities that will allow us and our children to adapt to rapid change, that will keep our workforce from becoming obsolete, and that will ultimately allow us to reach and maintain the competitive position that we seek. It seems to me that our current fixation with the bottom line, with specific marketable skills, particularly technological skills, and the de-emphasis of the core humanities in favour of the social sciences, have all helped to set the stage for a GST that does not exempt knowledge and learning. It is a large and a dangerous step and we should be aware that European countries and Britain, in implementing the value-added tax, have themselves either zero rated reading materials or set them at a lower rate. Authors, printers, librarians and readers, along with parliamentarians, educators, churches, the professions, commerce, and the public at large have all joined forces in making that case in those countries. In response, the United Kingdom, Ireland, and Portugal have zero rated books, while Italy, Greece, and Spain have set tax rates of 2 and 3 per cent.

Both Ireland and Spain reported grossly disproportionate reductions in sales when they initially applied the full valueadded tax to those items, and in fact Ireland was forced to zero rate them, and Spain reduced the rate from 6 per cent to 2 or 3 per cent.

Within the European Economic Community, the book trades are all facing acute problems arising from the fierce competition of the electronic media, reduced public spending on books and increasing costs. Consequently, pressure is mounting in advance of legislation, to give these industries some relief by zero rating these materials across the board.

Here in our country there are many reasons, specific to the Canadian publishing industry, why we should not begin to tax printed material now.

First, as many have stated, printed materials are not currently subject to federal sales tax at any stage of their manufacture. The application of the GST at each stage of purchase of materials and processes means that the ultimate increase in the cost to the consumer will most certainly be more than 7 per cent.

The addition of provincial GSTs, if they come in, by provinces who choose to harmonize their own sales tax systems with the federal GST, will mean that the retail cost of printed material may rise by 13, 14, as high as 15 per cent.

Honourable senators, Canadian book publishers, as well established as McClelland and Stewart, have grave concerns about their own future viability. So where does that leave the smaller publishers of books and periodicals? Indeed if British and European publishers are under pressure, where, with our much smaller market, does that leave our Canadian counterparts, publishers, like Annick Press? Annick is a small and innovative publisher of well written and beautifully illustrated, yet affordable, children's books. Just as I was listening to Senator Hébert this afternoon, I was reading some of these books which I have been loaned by a young friend, Whitney Jennings. They are wonderful books for small children, books that interest children at the earliest possible age in the excitement of reading.

Annick has been in business for 15 years. Its books and its writers are internationally recognized, and yet its owner said in a *Globe* article recently that they are "very apprehensive about what is coming . . . publishing at best can be a pretty marginal undertaking." They fear that the GST will shrink those margins to nothing, which would be a real loss to the publishing of Canadian children's material.

The Don't Tax Reading Coalition points to what happened in Ireland when books were not exempted from the value-added tax. Sales fell instantly and the government was forced to bring in an exemption of printed materials. The coalition estimates that as a result of the GST book sales in Canada will drop 7 to 21 per cent and cost the industry as much as $60 million in lost revenue.

As for periodicals, during the Senate committee hearings, the vice-president of public affairs of the Periodical Marketers of Canada quoted studies within the industry that show that for every one per cent increase in cost there is a one per cent reduction in the purchase of reading material. On the basis of these figures, this industry could be looking at a critical reduction in sales with a consequent loss of jobs and an irreparable weakening of the periodical publishing industry in Canada.

Canadian magazines are now operating with profit margins ranging from a loss, a non-profit margin, to a maximum level of 2 to 4 per cent. Dozens of small, creative and distinctly Canadian publications are already priced at the highest

acceptable level, because of their production costs and their small subscription base.

• (1710)

The Canadian Magazine Publishers Association did a survey on a representative group of magazines to analyze what the effect of the GST would be on them. The five publications were: *Canadian Art*, a special interest publication supported in part by grants; *Canadian Business*, one of Canada's best known general interest business magazines; *Coup de Pouce*, a large circulation, advertiser-driven, French language women's magazine; *Eastern Woods and Waters*, a regionally based, special interest magazine; and *Owl Magazine*, Canada's largest circulation children's magazine, which has become internationally famous and operates with negligible advertising revenue.

Running through those five magazines, the survey of profit as a percentage of revenue shows that *Canadian Art* is now operating at minus 5.67 per cent and with the GST will drop to minus 12.07 per cent. *Canadian Business*, operating at plus 6.59 per cent, will drop with the GST to 0.07 per cent. *Coup de Pouce*, now operating at 7.66 per cent, will drop to 1.10 per cent with the GST. *Eastern Woods and Waters*, now at 0.20 per cent, will drop down to 3.16 per cent with the GST; and *Owl Magazine*, now operating at a profit percentage of 2.09 percentage points, will drop to minus 1.36 percentage points.

Canadians have discovered, through these kinds of magazines and books, that we have a taste for home-grown literature. The demand has become sufficient that these kinds of publications are staying alive in spite of high saturation, mass marketing competition from U.S. publications. But the economics of this new tax will make it tough for these kinds of publications to survive its imposition.

This brings me to a second point, honourable senators, namely, that the government has constantly claimed that its free trade deal with the United States creates a "level playing field". Yet with this tax it turns around and creates a distinct disadvantage for Canadian publishers and distributors who are already struggling to survive in the new and "freer market."

As the president of the Canadian Magazine Publishers Association pointed out before the Senate committee, Canadian publishers will face United States competitors who do not have to charge their subscribers a 7 per cent tax. That 7 per cent disadvantage, combined with economies of scale that are 10 to 20 times bigger than what the Canadian market can provide, may make it even more difficult for Canadian publishers to maintain a periodical publishing industry in this country.

[Senator Fairbairn.]

My final point, honourable senators, pertains to literacy and the shocking levels of functional illiteracy among Canada's adult population. I have spoken about this at some length during debate in the Senate. The government's own statistical research body, Statistics Canada, stated a few months ago, in a special survey done for International Literacy Year, that over one-third of our adult citizens—that is, 38 per cent—are not strong enough readers to meet every day reading demands.

If more than one-third of our adult Canadians had an infectious disease, we would declare an epidemic and take radical measures to cure it. But, instead, despite of all of the good intentions that have been reiterated by the government, and measures launched by the government in recent years, in 1990, in International Literacy Year, the government is imposing a tax that will make reading materials even more inaccessible to potential learners and volunteer teachers.

What kind of symbol is that at a time when we are trying to persuade Canadians to become a nation of readers? And what about Canadians on the margins? In his speech, Senator Poitras made a statement, which particularly impressed me, to the effect that when a book— possibly a valuable book—is written, whatever its price, people will buy it and read it. To a degree, I think that is true. I think that is true for everyone here in the Senate. In other words, with or without this tax we will buy it and read it.

But what about Canadians on the margins — that is, people who do not budget by the month or even by the week, but who budget by the day, item by item? For those people books very definitely fall into the category of being a luxury. They may be poor parents with children who are starting off with a whole lot of strikes against them. It is very difficult in such circumstances, when such people are struggling to maintain a home, to feed and clothe a child, to instill in them an interest or an understanding of the importance of learning to read and the lifelong enjoyment that that learning can produce. It is the same thing with single parents who are trying to cope with a job and at the same time trying to find enough dollars to afford child care. A tax on books will really make that item transfer from the table of "family necessity" to that of "family luxury."

Senior citizens are another group of Canadians who will be affected by this tax—and this is something that I observe constantly. I spend a great deal of time in senior citizens' homes and nursing homes. Very often the residents are people who are living on fixed incomes, pensions and the supplement, with nothing to spare, and their entire support system of friends and family has virtually gone. Books, in many circumstances, are their only continuing friends. For those people a 7 per cent tax can be a monumental sum. They also have great difficulty in availing themselves of a library service.

• (1720)

They are the kind of people in our society to whom this is an unfair tax. It is an inhibiting tax, not just for their pleasure or leisure but perhaps for their whole productive personal future.

As I have mentioned, a number of European countries have taken this into consideration. In fact, on the question of literacy, for some reason Canada has fallen behind not only the United States but many countries in Europe in how it has dealt with this issue over the years. In Europe, literacy is rightly seen as a condition fundamental to democracy and as something to be encouraged, not inhibited.

In the last several decades, we Canadians increasingly have come to appreciate and value our own cultural expression through a proliferation of Canadian books and periodicals, along with other forms of Canadian cultural expression. Our authors are acclaimed around the world, and are becoming more so every year. We rightly value these truly precious assets because they reflect our unique experiences as Canadians and because, as a people, we have a basic need to continue developing and nurturing our cultural identity.

The GST applied without relief to Canadian cultural products, including printed materials, may well make them so inaccessible that Canadians once again may lose sight of their own creative expression. But more than that, the GST will make it harder for those Canadians who are least equipped to meet tomorrow's educational challenges.

In other words, this tax, in a sense, is neutral for the winners and, in some cases, perhaps, disastrous for those who are not as fortunate as we in this chamber. True to the spirit of this government in recent years, the GST seems to slant the field even more steeply for those who will have to struggle the hardest to catch up.

For these reasons, I urge everyone in the chamber to think seriously about supporting this amendment. The Prime Minister has opened the door for us to do it. I hope that the Senate has the courage to take the first step and walk through that door, and to do so now.

[*Translation*]

Hon. Solange Chaput-Rolland: Honourable senators, first I would like to answer to Senator Jacques Hébert. He gives me a lot of credit when he says that Quebecers are very anxious to hear what I am going to say about that tax.

If I pay great attention to Senator Hébert's comments, it is because of him that I am an author before being a senator. In 1963, he was the publisher of my first book, *Dear Enemies*, a small publication that still sells today and that was written in co-operation with a famous author whose name was Guetilyn Graham.

He wants to know what is the position of this author on the GST.

Last week had to be fateful. I have published my sixteenth book, strangely entitled *Agony and Relief*. The title becomes probably real today since I am torn between the agony of being an author and the relief of being loyal to the party I have the honour to belong to. As you, Liberal senators, have been loyal to your leaders all along those tactics against the GST.

I will read to you two paragraphs that say exactly what I think as an author of the application of the law to books. They are taken from a letter I wrote on September 20th, 1990, to Senator Lowell Murray, who will forgive my indiscretion. If I took the trouble to write it, you can be sure I really meant it.

> I am writing to you as an author, sir, and not as a senator, in order to call upon you to try and understand the danger that threatens French and English literature in Canada.
>
> GST will burden our publications so dramatically that our identity as Quebecers and Canadians may lose its strength and richness because of it. The authors who form a distinct and essential social group know how important that tax is to reduce the heavy deficit but all of them, including myself, believe with the publishers and booksellers that the publishing industry should be exempted of that tax . . .

I do not think, Madam, that what I am saying is funny at all. It goes on:

> . . . that may jeopardize the sale of our books in our society.

If I had stood up in this House tonight to speak on the GST or its effect on our books, I would have spoken against it. As much as you, I think that this tax is dangerous. Also as much as you, I am loyal enough to assume that when the prime minister states on television that he himself is extremely worried with the effect of that tax on our books, it is my duty as a senator to make him understand and to commit myself in front of my Conservative colleagues to remind him of his commitment. It is also my duty to remind as much as I possibly can to Mr. Wilson, the Minister of Finance, that he ought to either abolish it or amend it.

Believe me, there are many instances in life, as you know better than I do—but I have a certain experience as a writer

and as a person—when one has to choose between strong personal principles and loyalty to one's own people.

As a French-speaking Quebecer, I know that the collective well-being must often come first. It is in that heartbreaking situation that I am today. That is why I stood up to share my thoughts with you. They are nothing compared to the general outcry against the application of that tax to our books. As much as Senator Fairbairn and Senator Hébert, I am worried about the future, but I am convinced that a tax can be amended once passed.

[*English*]

I would like to remind you that when we adopted Bill 101 in Quebec, it was a terrible fight. My colleague, Senator Thérèse Lavoie-Roux, put up that fight for four months. But a few years later, because of the protestations and accusations, because of the fries for justice of so many Quebecers, that tax—

[*Translation*]

I don't know how to say it in English, my apologies to the interpreters; this tax was relieved of all its irritants. I very strongly believe that the tax must be relieved of its irritants, as far as books are concerned.

As a woman and a writer, I believe that we must change this element of the GST, and I beg the pardon of my colleagues who disagree with me on this. However, my loyalty to the Prime Minister of Canada remains unchanged, and that is why I will vote against your amendment.

• (1730)

[*English*]

Hon. John B. Stewart: Will the honourable senator deal with a question, please?

Senator Chaput-Rolland: Honourable senators, I have said everything that I have to say. I have said it all.

Senator Stewart: I was just going to point out that there appears to be a contradiction between the honourable senator's position and that of Senator Poitras.

Senator Chaput-Rolland: I have said, senator, that my position may not be the same as that of my colleagues, but it is mine. In this institution we all have our freedom, and I have mine.

Some Hon. Senators: Hear, hear!

[*Translation*]

Senator Hébert: Honourable senators, I wish to direct a question to Senator Chaput-Rolland.

Senator Simard: She said that she had said everything she wanted to say.

Senator Hébert: I thought I heard you say at the end of your speech that you were going to vote against this amendment, and throughout your speech, you said that you were against the tax.

Senator Chaput-Rolland: Honourable senators, I am afraid I expressed myself very badly. I stated my position as an author by saying that I was afraid of this tax, but I wished very strongly that the Prime Minister of Canada would fulfill his promise to amend or transform it, and that, out of loyalty for him, I would vote in favour of this tax because, generally speaking, Canada needs it.

I have now said everything I had to say and I certainly cannot be blamed if you do not understand me.

Hon. Claude Castonguay: Honourable senators, had Senator Hébert been here when Senator Chaput-Rolland had the floor he might have understood.

Senator Hébert: Perhaps I understood better than you think, but if you want the floor I will listen.

Senator Castonguay: You missed most of the remarks of Senator Chaput-Rolland. No wonder you cannot understand.

Senator Hébert: She repeated something that was very clear at the end. Indeed I did miss the beginning of her remarks, you are right. But when she summed up at the end she said: As a Quebec author I fear that tax and I hope the Prime Minister decides to change it. On the other hand, because I belong to the Conservative Party I have to vote on the side of my Prime Minister. That is what I understood. I see a contradiction between what she thinks of the tax and her partisan approach which will dictate how she votes.

Senator Simard: Partisanship is something you would know.

Senator Hébert: When it coincides with my conscience it does not bother me. This is not a clear-cut case to me.

[*English*]

MOTION IN AMENDMENT—DECISION DEFERRED

The Hon. the Speaker: Honourable senators, it was moved by Senator MacEachen, and seconded by Senator Frith:

> That Bill C-62 be not now read the third time but that the Schedule of the Bill be amended, on page 342, to make provision for reading material by adding to Schedule VI, and numbering accordingly, a new heading and Part as follows:

"READING MATERIAL

1. A supply of a book, periodical literature or other reading material."

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

And two honourable senators having risen:

Hon. William J. Petten: Honourable senators, pursuant to provisional rule P-3(a), I request that the division be deferred until 5:45 o'clock p.m. on the next sitting day.

The Hon. the Speaker: Honourable senators, the division on the motion stands deferred until tomorrow at 5:45 p.m.

BUSINESS OF THE SENATE

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, I ask that all remaining orders, inquiries and motions stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.